OPM FEDERAL EMPLOYEES HEALTH BENEFITS
CENTRALIZED ENROLLMENT CLEARINGHOUSE

CLER

OPM NFC

**National Finance Center (NFC)**

Office of Personnel Management (OPM)
Federal Employee Health Benefits (FEHB)
Centralized Enrollment
Clearinghouse Project (CLER)

# OPM Federal Employees Health Benefits Centralized Enrollment Clearinghouse (CLER) Software Requirements Document

## Version 1.0

Approved by:

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May 2, 2001

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May 2, 2001

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# 1 Introduction

## 1.1 Background

As described by the Office of Personnel Management (OPM), the Federal Employees Health Benefits Program (FEHBP) was established as a result of The Federal Employees Health Benefits Act of 1959, which made basic hospital and major medical protection available to active Federal employees, annuitants, and their families. The FEHBP is administered by OPM. In administering the plan, OPM has delegated to Federal employing agencies much of the day-to-day responsibilities for the financial administration of the FEHBP. OPM pays premiums that have been received from the employing agencies' payroll offices to the carriers. Of the169 submitting carriers, most offer more than one type coverage. Thus, approximately 500 FEHB plan options must be tracked. The responsibility for the maintenance of the detailed enrollment and payroll records for the four million FEHB enrollees is delegated to the employing agencies, their payroll offices, and the carriers. As a result, OPM's financial control over the FEHBP is dependent upon accurate enrollment records at the agencies, their payroll offices, and the carriers. Quarterly, the OPM requires the submission of detailed FEHB enrollment data from every Federal payroll office to the corresponding FEHB carriers and settlement by the payroll offices and the carriers of any enrollment discrepancies discovered as a result of the submission. Currently, this reconciliation is being effected manually.

The proposed FEHB Centralized Enrollment Clearinghouse (CLER) automated system will manage quarterly enrollment reporting and reconciliation for carriers and Federal payroll offices.

## 1.2 Purpose

The purpose of this document is to provide the functional requirements for the design and development of the automated CLER system.

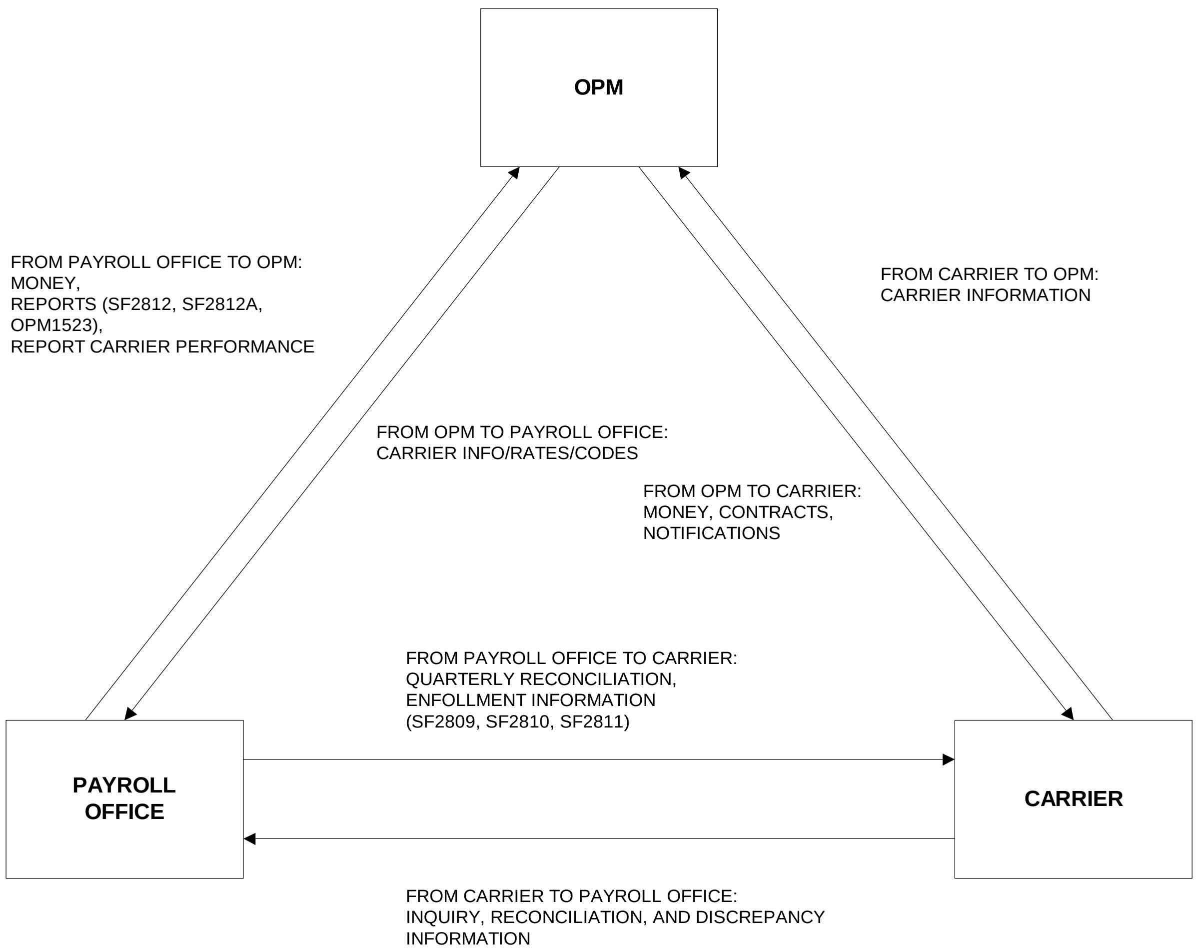
## 1.3 Scope

The U.S. Department of Agriculture (USDA), National Finance Center (NFC), will design, develop, implement, comprehensively operate, and maintain an automated CLER system for OPM. This system will accept electronic data from payroll offices and the carriers on a quarterly basis for approximately four million health benefits enrollees. The CLER database will store, maintain, process, edit, and combine the enrollment data from the payroll offices and compare it to the data from the carriers. NFC will take a proactive approach to resolve any discrepancies between the data provided by the payroll offices and the carriers.

# 2 Overall Description

## 2.1 Functional Overview

### 2.1.1 Current Process



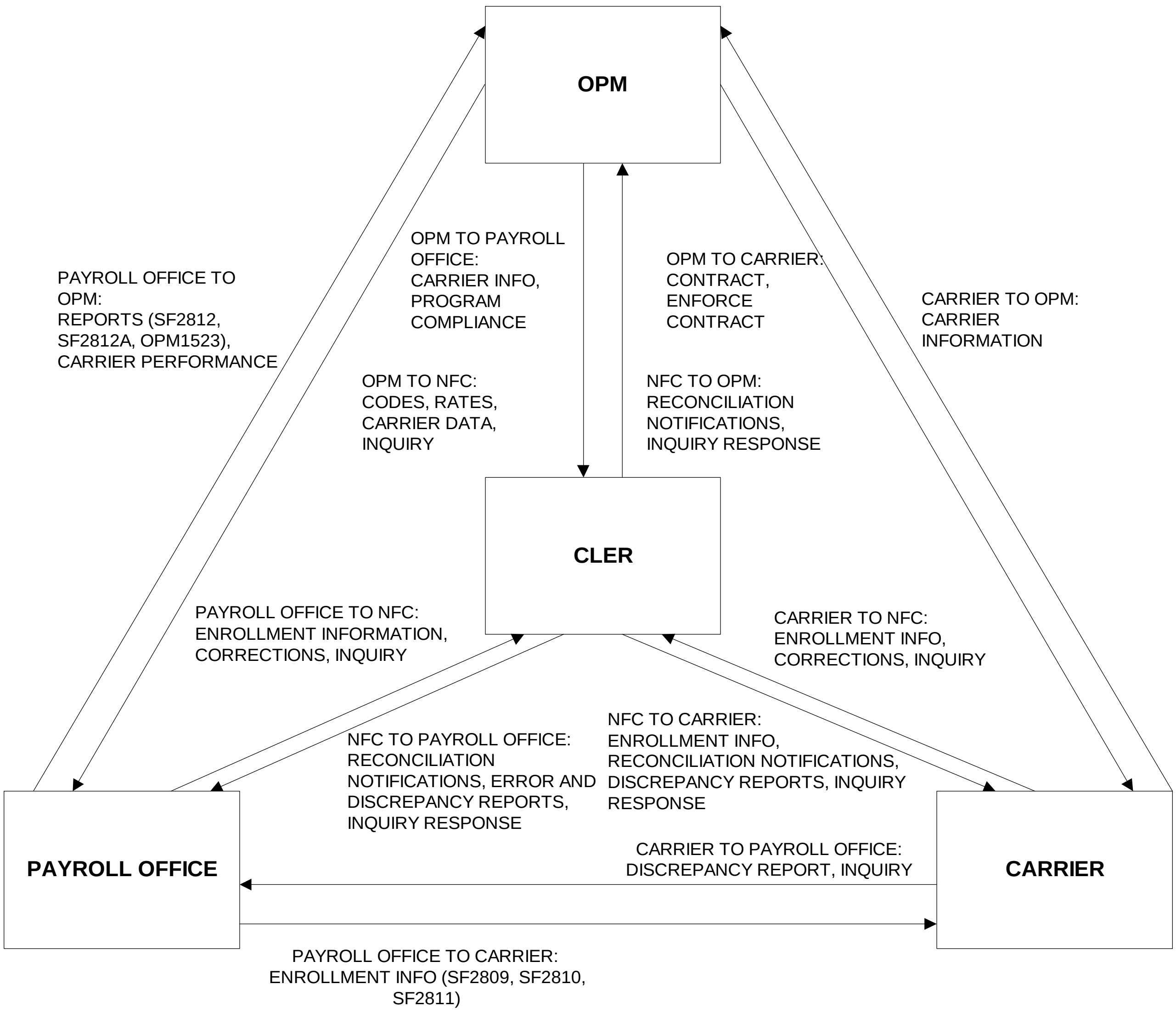

The description of the *current* process is based on NFC's Payroll Office procedures which are in compliance with OPM's FEHB reconciliation policies and procedures.

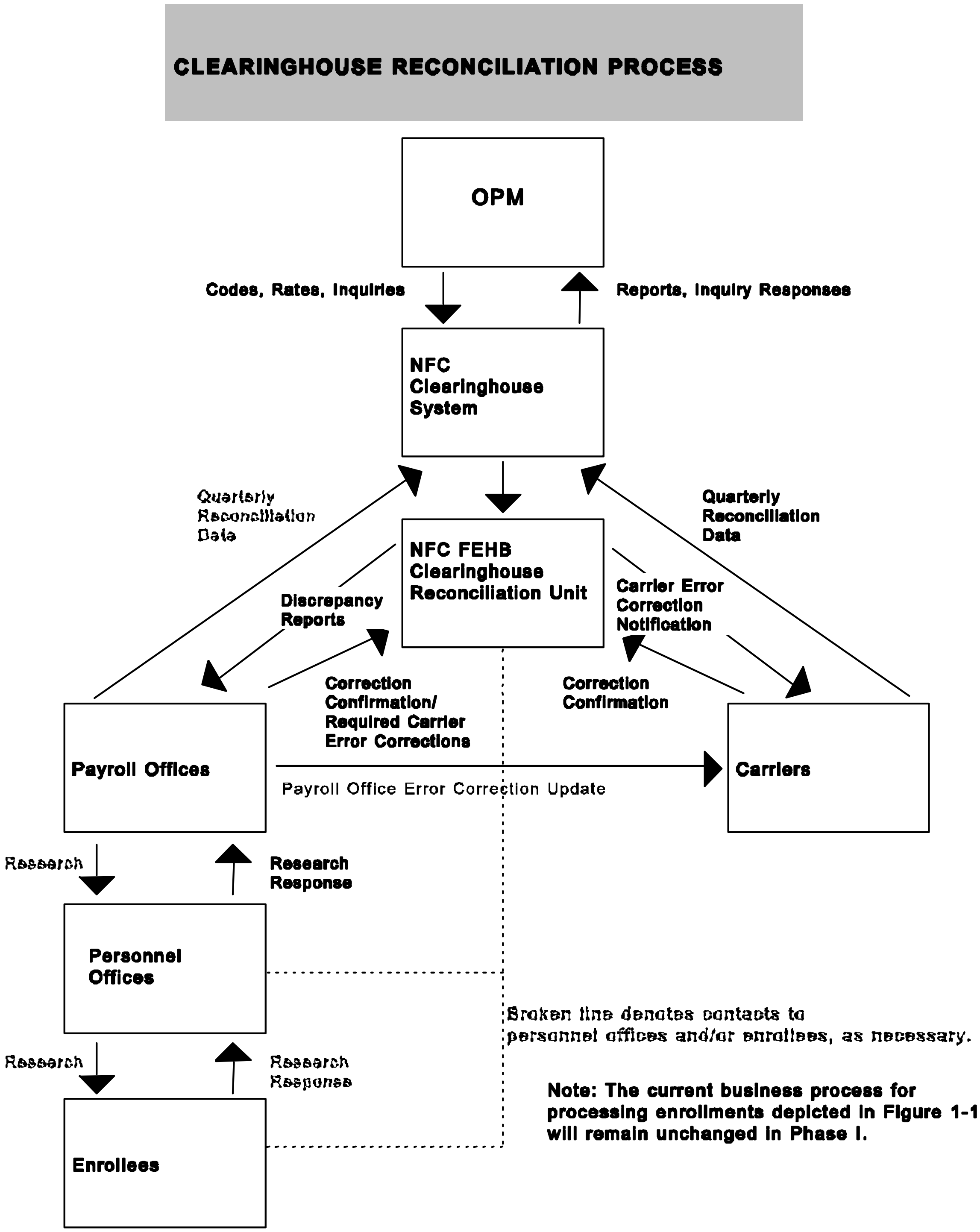
Quarterly, payroll offices submit a reconciliation report (drawn from payroll deductions by NFC's Payroll Office in the reporting time frame) to the carriers. The carriers have 60 days to report back to the payroll offices on the discrepancies. The payroll offices must resolve these discrepancies within 30 days.

In resolving the discrepancies, the payroll offices research their systems to determine the causes of the errors and may contact the agency personnel office to review documentation, if necessary.  If the payroll offices or personnel offices are in error, the agency personnel offices are responsible for making corrections through the payroll/personnel system.  Currently, this action results either in (1) the electronic generation of the appropriate documentation or (2) a hard copy document can be submitted to the carrier.  Upon receipt of the corrections, the carriers update their systems.

### 2.1.2 Proposed Process

The current business process for processing enrollments depicted under Current Process will remain unchanged in Phase 1. The only change is that NFC will facilitate the reconciliation process.




CLEARINGHOUSE RECONCILIATION PROCESS
OPM
Codes, Rates, Inquiries
Reports, Inquiry Responses
NFC Clearinghouse System
Quarterly Reconciliation Data
Quarterly Reconciliation Data
NFC FEHB Clearinghouse Reconciliation Unit
Discrepancy Reports
Carrier Error Correction Notification
Correction Confirmation/ Required Carrier Error Corrections
Correction Confirmation
Payroll Offices
Carriers
Payroll Office Error Correction Update
Research
Research Response
Personnel Offices
Broken line denotes contacts to personnel offices and/or enrollees, as necessary.
Research
Research Response
Enrollees
Note: The current business process for processing enrollments depicted in Figure 1-1 will remain unchanged in Phase I.

A. The proposed reconciliation process will follow the time line described below. For the purposes of illustration, we assume the first quarterly reconciliation includes FEHB enrollees whose premiums are paid between 12/1/xx and 12/15/xx. (The time line is in accordance with current OPM requirements.)

| **Date** | **Description** |
|---|---|
| 12/1 | A. Reminders are e-mailed to the carriers and the payroll offices of the current quarterly due date for the submission of the enrollment data to be reconciled. |
| 12/19 | B. The quarterly enrollment data is due to CLER from the carriers and the payroll offices via the electronic input files. |
| 12/20 | C. Reminders are e-mailed to the carriers and the payroll offices that have not submitted their quarterly enrollment data as of this date. |
| 12/24 | D. The CLER cut-off date for the receipt of enrollment data from the carriers and the payroll offices reflects the last day on which the transmission of enrollment data will be accepted for inclusion into the reconciliation process. The transmissions of enrollment data that are received after this date will not be included in the reconciliation process for this quarterly cycle.<br><br>An e-mail informing the submitter that the transmission is accepted or rejected will be generated normally within one workday after receipt. |
| 12/26 | E. CLER will make available to OPM a report of the carriers and the payroll offices that have not submitted their quarterly reports. |

| Date | Description |
|---|---|
| 12/26 | F. The discrepancy reports will be available to the payroll offices and carriers. The payroll offices and carriers will be able to retrieve the reports from CLER. The payroll and/or personnel offices have approximately 30 days to research the discrepancies and to respond with resolutions to CLER. |
| 1/23 | G. Reminders will be e-mailed to the payroll offices for which no responses to the discrepancy reports have been received as of this date. |
| 1/28 | H. Responses are due to CLER from the payroll offices.<br><br>1. If the research shows the payroll or personnel offices' records are incorrect, the payroll or personnel offices will correct the errors in their payroll/personnel systems and post the reconciliation reason code.<br><br>2. If the research shows the carriers' records are incorrect, the payroll offices will enter the results of their research in CLER for carrier correction. The payroll office will submit supporting data through CLER or hard copy to the carrier. |
| 1/29-2/1 | I. CLER transfers the corrective action request file to the OPM Data Hub at Macon, Georgia, for the retrieval of the file by the carriers. |
| 2/23 | J. Reminders will be e-mailed to the carriers who have not confirmed the corrective actions taken as of this date. |
| 2/1-2/28 | K. In CLER, the carriers confirm the corrective actions taken to clear the discrepancies. |

B. Based on past experience with the manual reconciliation process, we have identified examples of expected discrepancies. Discrepancy report error or warning conditions may include, but are not limited to the following:

- Enrollee is not on carrier file.
- Enrollee is not on payroll office file.
- Carrier and payroll office have different plan or option for enrollee.
- Payroll office does not exist.
- Carrier and payroll office are the same but are using an invalid Plan or Plan/Option combination (enrollment code).
- Carrier and payroll office have different names.

## 2.3 Project Parameters

There are no requirement constraints that impact this project.

## 2.4 Assumptions and Dependencies

**2.4.1** The payroll offices and the carriers will have completed the program coding and testing to extract and transmit the quarterly enrollment data to CLER. The data must be in the format prescribed in the record layout for the input file.

**2.4.2** The payroll offices and the carriers will have ensured TCP/IP connectivity to CLER for web access. The payroll offices with the enrollment data volume that makes it necessary to transmit enrollment data will have established secure communications via TCP/IP connectivity with NFC. The carriers will transmit enrollment data to NFC via the existing OPM Data Hub (Employee Express FTP Server) in Macon, GA. Electronic files containing any payroll office Standard Forms (SF) 2809 or 2810 will be retrieved from the Data Hub. Otherwise, correction data can be obtained from the CLER Web reports.

# 3 Requirements

## 3.1 Functional Requirements

### 3.1.1 Enrollment File Input

**A.** Accept electronic quarterly input data transmitted as a text file from each carrier and each payroll office. A sample record layout for the data enrollment file follows. Include a header and footer record with each transmission file. The header/footer record must show transmitter, as of date, reconciliation quarter, transmission code, total number of records, and total contributions/withholding. The contributions/withholding total is mandatory for the payroll offices. The header/footer record and the enrollment record will be detailed and finalized in the Carrier Enrollment File Layout and Payroll Office Enrollment File Layout documents. The proposed enrollment record is included in this document for illustrative purposes in order to address the data elements expected and their status as mandatory or optional.

| Data Fields | Length | Payroll Office Record | Carrier Record |
|---|---|---|---|
| Payroll Office | 08 | Required | Required |
| Enrollee SSN [1] | 09 | Optional | Optional |
| Annuitant or Survivor SSN [1] | 09 | Optional | Optional |
| Pseudo SSN [1] | 09 | Optional | Optional |
| Other Payroll Office Enrollee I.D. Number [2] | 15 | Optional | Optional |
| Other Carrier Enrollee I.D. Number | 15 | Optional | Optional |
| First Name | 12 | Optional | Required |
| Middle Name | 12 | Optional | Required |
| Last Name [3] | 50 | Required | N/A |
| Last Name | 25 | N/A | Required |
| | | | |

| Data Fields | Length | Payroll Office Record | Carrier Record |
|---|---|---|---|
| Enrollment Code [4] | 03 | Required | Required |
| Enrollment Effective Date | 08 | Optional | Optional |
| Agency Contribution & Employee Withholding Amount for the Current Pay Period | 07 | Required | N/A |
| Agency [5] | 04 | Required | N/A |
| Personnel Office Identifier (POI) [5] | 04 | Required | N/A |
| Submitter's Use [6] | 20 | Optional | Optional |

[1] For both the payroll office records and the carrier records, the population of one of the SSN fields should be populated if any SSN is available. In some cases (such as enrollees who are not citizens), these fields will be blank and the payroll office enrollee i.d. number will be used to attempt the match.

[2] The identification number may represent CSA, CSF, OWCP, or other payroll office assigned numbers. This field is required if no SSN is available and the enrollee is being identified by this number.

[3] Fifty characters are available for use by those submitting payroll offices who put the full name (last, first, and middle) in only one field.

[4] The enrollment code is made up of the 2-position plan field and the 1-position option code field.

[5] These fields are required for all enrollees who are currently employees. Retirees and former employees who maintain coverage are not required to have Agency and POI.

[6] There are three 'Submitter's Use' fields of 20 positions each.

B. Ensure edits are in place to reject the *transmission file* if the record counts do not match, i.e., records transmitted do not equal records read or header/footer records contain invalid data, such as an invalid carrier number or an invalid date.

- Create an automatic response to the submitter with notification an out-of-balance transmission.

C. Ensure edits are in place to reject the *transmission file* if the records appear incorrect, e.g., the payroll office is missing, the SSN's and the other numeric identifiers and the last names are missing, or the plan and option are missing.

1. Create an automatic response to the submitter (payroll office or carrier) with the notification of a transmission with discrepancies that exceed a to-be-determined percentage of the total.

2. Create a method to dynamically change and set the discrepancy error threshold for the payroll offices and for the carriers.

D. Ensure edits are in place to reject individual *enrollment records* that do not include data in key element fields of the enrollment record input such as a missing SSN or other numeric identifier, the numeric identifier does not exist, or the last name is missing.

1. Write the enrollment records rejected to a mainframe report.

2. Create a notification to the submitter reporting that the enrollment record is rejected and the record will not be included in the reconciliation process for that period.

### 3.1.2 Processing

A. Create program(s) to compare the carrier and payroll office input files to identify discrepancies.

1. Match data and identify discrepancies in the following fields:
    a. Payroll Office
    b. Enrollee Social Security Number
    c. Annuitant or Survivor Social Security Number
    d. Pseudo Social Security Number
    e. Name

f. Enrollment Code
g. Payroll Office Enrollee I.D. Number when no SSN is provided.

2. Compare the enrollment record data elements listed in A.1 above in a three-tier matching scheme.

   a. Perform the following edits:

      1) Verify that the enrollment code (plans and options) is valid.
      2) Verify that the payroll office is valid
      3) Validate that the data fields are populated.
      4) Validate the agency contribution/employee withholding amount against the enrollment code plan/ options, and corresponding rates.

   b. Match the payroll office records to their corresponding carrier records by matching the SSN's, other payroll office enrollee i.d., and/or last name.

   c. If the corresponding payroll office and carrier records are found, then compare the remaining fields of the two records.

B. Based on the three-tier comparison methods described in 3.1.2, A above, update the database with the error code and/or warning conditions that describe the discrepancies. The list of error and warning conditions is not all-inclusive. The conditions will be detailed in the design document. Conditions giving rise to errors or warnings may include the following:

1. Enrollment code mismatch
2. Name mismatch
3. Invalid payroll office
4. Invalid SSN
5. Enrollment code invalid
6. Enrollee not on carrier file
7. Enrollee not on payroll office file
8. Premium contribution and withholding missing or not zeroes (payroll offices only)
9. All SSN's and payroll office enrollee i.d. number are missing

10. Name missing
11. Enrollment code missing

### 3.1.3 General

A. Retention of Historical Records

1. Retain enrollment data, online, for the current and previous 5 years. Enrollment data older than 6 years will be archived to permanent retrievable media.

2. Retain discrepancy data, online, by enrollee, for the current and previous 5 years. Discrepancy data older than 6 years will be archived to permanent retrievable media.

B. Restrict payroll office access to its own enrollment carrier/plan data or as OPM directs.

C. Restrict carrier access to enrollment data to participants in that carrier's plan(s) or as OPM directs.

D. Allow OPM and NFC unrestricted access to CLER data as appropriate (i.e., for those individuals with a need to know.)

### 3.1.4 Reporting

The sample layouts for the reports described below will be detailed and finalized and included in the Report Specifications document.
The sample reports, notifications, and e-mails listed here make up the core reporting as proposed in the Joint Application Design sessions.

A. Create discrepancy reports for the payroll offices from the discrepancies identified and stored on the database in the processing routine. The discrepancies are listed by enrollee but can be retrieved in a variety of ways.

B. Create a discrepancy summary report to compare the discrepancies identified in one quarter with those discrepancies identified in a prior quarter. The report also compares total discrepancies reconciled between a single quarter and a selected prior quarter.

C. Create a payroll office reconciliation report that shows each enrollee with a discrepancy and how that discrepancy was reconciled.

D. Create a carrier reconciliation report that shows each of their plan(s) enrollees with a discrepancy and the determination by the payroll office of the carrier's corrective action.

E. Create a payroll office enrollment transmission report to track the submission of the quarterly enrollment data from the payroll offices.

F. Create a carrier enrollment transmission report to track the submission of the quarterly enrollment data from the carrier offices.

G. Create an enrollment change summary report that shows the changes in plan and/or options between one quarter and any prior quarter.

H. Create a reconciliation reason summary report that describes the causes of the discrepancies identified during the reconciliation process.

I. Create a reconciliation action summary report which shows corrections to be made during the reconciliation process for a single quarter.

J. Create a carrier corrective action response summary report which summarizes carrier responses posted during the reconciliation process.

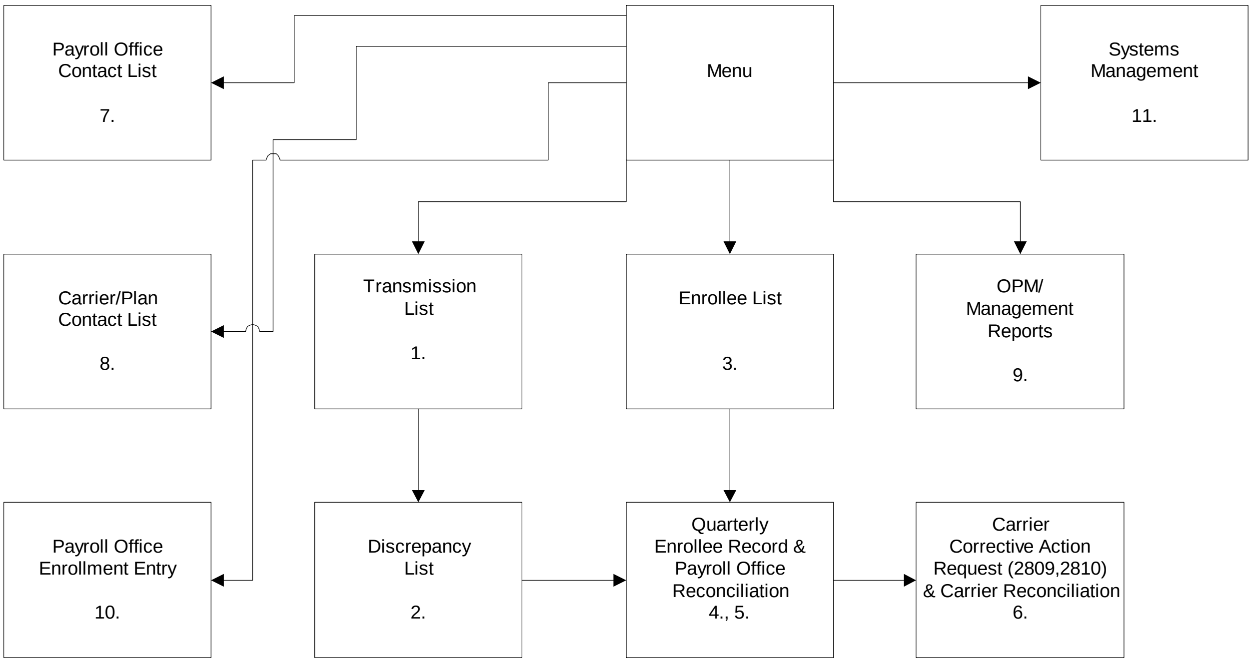
K. Create e-mail reminders to the carriers and the payroll offices noting the current quarterly due dates for the submission of the enrollment data.

L. Create e-mail reminders to the carriers and the payroll offices noting non-submission of their quarterly enrollment data as of five days before the cut-off date for the current quarter.

M. Create e-mail notices to the payroll offices for which no responses to the discrepancy reports have been received as of five days before discrepancy responses are due to CLER.

N. Create e-mail notices to the carriers who have not responded with confirmations of corrective action taken as of five days before the confirmations are due to CLER.

### 3.1.5 Web-Based Reconciliation




Create web-based access to CLER in order to access reconciliation data online for input, viewing, and output. The final and detailed web page layouts and functionality for the sample web pages described below will be included in the Web Page Detail Specifications document.

1. Web page(s) to access current and prior transmissions, by date, from each carrier and payroll office.
2. Web page(s) to access discrepancies. This page shows discrepancies for enrollee records by selected transmission files. For discrepancies affecting multiple payroll offices, allow the user to view all the discrepancy information related to that enrollee.
3. Web page(s) to access enrollees which lists all enrollees on the database. The database can be searched by SSN, payroll office enrollee i.d. number, name, or partial name.
4. Web page(s) to access quarterly enrollee record and payroll office reconciliation which shows input records from the carriers and payroll offices with a method to record the resolution of a discrepancy. The method includes recording the reason code for the discrepancy.

**5.** Web page(s) to access carrier reconciliation with methods to show details of corrective action to be taken by carrier and confirmation, by carrier, of actions taken.

6. Web page(s) to input 2809 and 2810 data in support of carrier corrective action to be taken. From this input, a file is created for the carrier. Carrier corrective actions may be supported by the file created from the web input, a print-out from the web page, a faxed or mailed copies of the documents generated by the payroll/personnel system, or other process used by the payroll office.

7. Web page(s) to access payroll office contact list with address, phone number, e-mail, etc.

8. Web page(s) to access carrier/plan contact list with address, phone number, e-mail, etc.

9. Web page(s) to request and access OPM and management reports.

10. Web page(s) to input enrollment data by payroll offices in accordance with the input file record layout. Support online adds of enrollment data for international employees and supplements to the transmitted file.

11. Web page(s) for system administrators to use to manage the system. Included will be windows listing the reconciliation action and reason codes, the carrier corrective action codes and discrepancy/error code conditions as well as other tables required to support the reconciliation process and the reports. Existing tables (e.g., rates and regions) will be accessed in the edit and validation routines.

## 3.2 Input, Process, and Output

See Section 3

## 3.3 Deferred Requirements

None

## 3.4 Declined Requirements

None

## 3.5 Acceptance Criteria

OPM accepts the successful delivery of the CLER system when OPM has approved the following items:

- Requirements Document
- Design Document
- Web Page Detail Specifications Document
- Report Specifications Document
- Quality Assurance Test Plan
- Test Case Document
- Quality Assurance Testing Results

## Document Version History

| No. | Description | Issue Date | By |
|---|---|---|---|
| 1 | Software Requirements Document, Preliminary | 2/13/01 | smm |
| 2 | Software Requirements Document, Draft #1 | 3/06/01 | smm |
| 3 | Software Requirements Document, Draft #2 | 3/23/01 | smm |
| 4 | Software Requirements Document, Version 1.0 | 5/02/01 | smm |
| 5 | | | |
| 6 | | | |