



Benefits Administration Letter

Number: 07-404

Date: October 4, 2007

Subject: 2007 Federal Benefits Open Season: Conducting the Open Season

This is the fourth Benefits Administration Letter (BAL) in our series of 2007 Federal Benefits Open Season BALs. This BAL is about conducting the upcoming Federal Benefits Open Season which incorporates the Federal Flexible Spending Account Program (FSAFEDS), the Federal Employees Dental and Vision Insurance Program (FEDVIP) and the Federal Employees Health Benefits (FEHB) Program. You can find all Open Season related Benefits Administration Letters (400 Series BAL) at www.opm.gov/asd/htm/bal07.asp

This year's Federal Benefits Open Season will run from Monday, November 12 through Monday, December 10, 2007.

GENERAL INFORMATION

FEDERAL BENEFITS PROGRAMS WEBSITE

Our website is informative and easy to use. You can link to most of our topics directly from our home page at www.opm.gov/insure. We encourage you and your employees to use this website during the 2007 Open Season.

COUNSELING EMPLOYEES

Agencies are responsible for counseling employees who ask for help on benefit matters. Counseling should be limited to answering questions about the programs, such as questions on eligibility, premium conversion or the application of FEDVIP provisions or FEHB law and regulations to particular circumstances. The new *Guide to Federal Benefits* provides summary information that is designed to help employees narrow their choices of plans, not to make final decisions. The *Guide to Federal Benefits* is a useful resource and reference for current employees during Open Season and also for new or newly eligible employees throughout the year. You should refer employees to the actual FEHB or FEDVIP plan brochures for specific information on benefits. If the answers cannot be found in the brochure, instruct the employee to contact the plan directly. Do not refer employees to the plans if their questions concern subjects other than benefits. Agencies, not the plans, are responsible for answering questions about eligibility and enrollment rules. If you do not know the answer, contact your agency's

headquarters level Benefits Officer. You can find Benefits Officer contact information at <http://apps.opm.gov/abo>.

CARRIER OR PROGRAM REPRESENTATIVE ACCESS

Benefit Fairs – We strongly encourage agencies to hold Open Season benefit fairs and to permit representatives from FEHB, FEDVIP, FSAFEDS and the Federal Long Term Care Insurance Program (FLTCIP) carriers to address groups of employees on their plans' benefits, methods of obtaining services, and similar matters. When holding benefit fairs, remember:

- FEHB and FEDVIP carrier representatives are expected to confine their presentations to benefit provisions and claims procedures of the specific plan they represent. Questions that do not pertain to benefits or claims should be referred to agency insurance officials.
- This is the second year for FEDVIP. A listing of plan contacts for the dental and vision plans can be found in Attachment 1 of BAL ([07-403](#)).
- You should also include information about FSAFEDS. Please contact Bart Turney at SHPS, the administrator of FSAFEDS, at fsafeds-hr@shps.com to request FSAFEDS marketing materials and/or participation at your benefit fairs. Employees wanting information on FSAFEDS should visit the website at www.fsafeds.com or contact a benefits counselor at 1-877-FSAFEDS (372-3337), TTY 1-800-952-0450.
- While the FLTCIP does not have an annual open season, you may wish to include information on the Program at your benefit fairs. Eligible employees and annuitants may apply at any time by completing the full underwriting application. Please contact Maureen McNally at Long Term Care Partners, the administrator of FLTCIP, at mmcnally@lhcpartners.com or 1-603-433-4543 to request materials and/or participation at your benefits fair.

OTHER COMPANIES

You may be contacted by insurance companies that do not participate in any of the Federal benefits programs that wish to sell other types of “supplemental” policies to Federal employees. These companies sometimes send marketing material and ask that you distribute it. They may ask to be invited to the agency’s benefit fairs or even show up uninvited. We strongly discourage you from assisting in the marketing efforts of these companies, including companies FEHB or FEDVIP carriers may have contracted with for particular benefits. You should limit access to your premises to plans that actually participate in FEHB or FEDVIP (i.e., those plans listed in the *Guide to Federal Benefits*) and representatives of FSAFEDS and FLTCIP.

PLAN TERMINATIONS

No dental or vision plans are leaving FEDVIP at the end of 2007; however, there are plans that will be leaving the FEHB Program at the end of 2007.

In the upcoming BAL 07-405 we will inform you of plans leaving the FEHB Program or discontinuing a service area at the end of 2007. We strongly recommend that you distribute the list of terminating plans to all employees so they can check to see whether their plan will continue to participate in the FEHB Program in 2008.

An employee whose plan will not participate in the FEHB Program next year **must enroll in another plan to continue FEHB coverage in 2008**. You should monitor employees who are covered by these terminating plans and follow up with those who have not submitted a change of enrollment *before* the end of Open Season.

FSAFEDS

The Federal Flexible Spending Account Program, known as FSAFEDS, is available to most employees in the Executive branch and employees of other agencies that have adopted the Program. FSAFEDS can help employees save money by allowing them to set aside pre-tax funds to use for eligible out-of-pocket dependent care and health care expenses. The Dependent Care Flexible Spending Account (DCFSA) reimburses non-medical expenses associated with the care of children under age 13, or dependents who are unable to care for themselves. It does not reimburse dependent health care expenses. The Health Care Flexible Spending Account (HCFSA) reimburses eligible health care expenses for the employee and his/her spouse and eligible dependents. The Limited Expense Health Care Flexible Spending Account (LEX HCFSA) is designed to reimburse eligible dental and vision expenses (only) for employees enrolled in or covered by a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA).

OPEN SEASON ACTIONS

The effective date of FSAFEDS Open Season enrollments is January 1, 2008. Employees who enroll during Open Season will have from January 1, 2008, through March 15, 2009, to spend their annual allotment before forfeiting the funds.

Employees must go to www.FSAFEDS.com or call SHPS at 1-877-372-3337 during Open Season to enroll in FSAFEDS. They cannot enroll through an agency self-service system such as Employee Express, EBIS, MyPay or Employee Personal Page.

Please remind your employees: Enrollment in FSAFEDS **does not** carry over from year to year. If employees want to participate in 2008, they **must** make a new election. If you have any questions, please contact us at fsa@opm.gov.

FEDVIP

OPEN SEASON

The effective date of FEDVIP Open Season enrollments, changes, or cancellations is Tuesday, January 1, 2008. Please note this effective date is different from the effective date of FEHB Open Season enrollments for most employees.

FEDVIP enrollments automatically continue from year to year like FEHB enrollments. FEDVIP enrollments also continue when enrolled employees retire (there is no “five-year rule”).

Employees who wish to enroll, change, or cancel their enrollment in a FEDVIP plan must do so by visiting the BENEFEDS website at www.BENEFEDS.com or by calling BENEFEDS at 1-877-888-FEDS (1-877-888-3337), TTY 1-877-889-5680 during Open Season. An eligible employee who elects to enroll in FEDVIP **must** participate in premium conversion.

Last year we allowed FEDVIP paper enrollment forms to be submitted because of unexpectedly high demands on the website. The website has been redesigned for ease of use and speed. Therefore, paper enrollment forms will **not** be used for FEDVIP this year, with very rare exceptions. If you have employees with absolutely no phone and no Internet access during all of Open Season, please contact us at BENEFEDSPortal@opm.gov and we can make arrangements for enrollments.

Please Note: Employees **cannot** enroll, change, or cancel their enrollment in a FEDVIP plan using the Standard Form (SF) 2809 (Health Benefits Election Form) or through an agency self-service system such as Employee Express, PostalEase, EBIS, MyPay or Employee Personal Page. However, those sites may provide a link to www.BENEFEDS.com.

Enrolling is easy, and involves two steps. First, employees must create a BENEFEDS.com account by providing demographic and employment information. When this one-time step is complete, eligible employees/annuitants can compare plans and enroll. Employees who want to enroll in both a dental and vision plan must complete this second part for each plan. BENEFEDS estimates that it will take no more than 20 minutes to enroll.

Please Note: Once an enrollee successfully creates a BENEFEDS.com account, he/she can come back at any time during Open Season to complete enrolling in a dental plan and/or vision plan, or to change plans without having to re-enter demographic and employment information.

The following actions may be taken during Open Season:

- An eligible employee who is not enrolled may enroll in FEDVIP;
- An enrollee may change from one plan or option to another; change enrollment type (self only, self plus one, or self and family); or make any combination of these changes; and
- An enrollee may cancel his/her enrollment.

Timely Actions

The BENEFEDS.com website will “turn on” all enrollment functions by 5:00 a.m. Eastern Time on November 12 and “turn off” Open Season enrollment functions at 12:00 a.m. Eastern Time on December 11, 2007. Agencies cannot extend the Open Season.

The BENEFEDS phone representatives can be reached by phone during Open Season from:

- 8:00 a.m. to 8:00 p.m. Eastern Time, Monday through Friday; and
- 8:00 a.m. to 8:00 p.m. Eastern Time, during the last Saturday and Sunday of this year's Open Season (December 8 and 9).

Enrollees will receive confirmation of their Open Season enrollment from the plan(s) they enrolled in by January 15, 2008.

Belated Actions

For approved belated FEDVIP enrollments or belated changes in enrollments, the effective date will be retroactive to the date the enrollment or change of enrollment would have been effective if made timely. For example, a retroactive Open Season enrollment will be made effective back to January 1, 2008. BENEFEDS will begin withholding premiums prospectively from the enrollee's pay and will then bill the enrollee directly for the retroactive premiums on the next billing cycle. If an enrollee does not pay the retroactive premiums timely, his/her enrollment will be cancelled retroactively as if it never existed and he/she will be responsible for repaying any benefits received.

The time limit for enrolling or changing an enrollment may be extended for up to three (3) months after the end of Open Season, if the employee provides evidence to BENEFEDS that he/she was unable to enroll or change enrollment timely for circumstances beyond his/her control. Agencies do not make decisions on belated enrollments. BENEFEDS makes these decisions on behalf of the FEDVIP carriers and will only allow belated enrollments and changes in exceptional circumstances.

It is critical that agencies inform employees of the deadlines for enrolling in FEDVIP. Simply not knowing about Open Season is not an acceptable reason for a belated enrollment. If BENEFEDS allows a belated enrollment or change in enrollment, the employee must enroll or change enrollment within 30 days after BENEFEDS notifies him/her.

FEHB

STANDARD FORM (SF) 2809

This form is available as a screen-fillable Adobe Acrobat portable document format (PDF) file on the FEHB website at www.opm.gov/forms/pdf_fill/sf2809.pdf. Using the free downloadable Adobe Acrobat reader, employees may complete the form on the screen and then print it out already completed. However, please note that if you are using the free Acrobat reader software you cannot save the form with information typed on screen. You need the commercial Adobe Acrobat program in order to save the form with the data.

ANNUITANT INQUIRIES

Some annuitants who retire from your agency may contact you asking for an SF 2809.

CSRS and FERS – The Office of Personnel Management (OPM) does not use the SF 2809 for annuitant Open Season changes for Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS) annuitants. These annuitants should be directed to call our toll-free service, Open Season Express at 1-800-332-9798 or access Open Season Online, our interactive website, at www.opm.gov/retire/fehb. Instructions for using Open Season Express are included in the Open Season package sent to each enrolled CSRS and FERS annuitant before Open Season. If an annuitant loses or does not receive the package, they can get one by calling our Retirement Information Office in the Washington, DC metropolitan area at 202-606-0500 or outside the Washington, DC metropolitan area at 1-88-US-OPM-RET (1-888-767-6738).

Those who have access to a TTY machine may call our toll-free Retirement Information Office TTY number at 1-800-878-5707. TTY customers within the local Washington, DC calling area must call us at 202-606-0551.

Annuitants should always provide their CSA/CSF retirement claim number and/or their Social Security Number when communicating with OPM for any reason.

Other retirement systems – These annuitants should contact their retirement system for the proper enrollment form.

OWCP – Former employees receiving benefits from the Office of Workers' Compensation Program (OWCP) should contact the OWCP office that maintains their FEHB records.

OPEN SEASON ACTIONS

The following actions may be taken during Open Season:

- An eligible employee who is not enrolled may enroll in FEHB;
- An eligible employee who enrolls in FEHB may waive participation in premium conversion; **participation in premium conversion is automatic**;
- An enrollee who currently participates in premium conversion may waive participation or if they had previously waived premium conversion, may begin participation;
- An enrollee may change from one plan or option to another, from self only to self and family, or make any combination of these changes; and
- An enrollee may cancel his/her enrollment.

New enrollments and enrollment changes made in conjunction with a Qualifying Life Event (QLE) that occur during the Open Season period, can be made as usual between the dates of November 12 through December 10, 2007. However, these changes may have different effective dates than Open Season actions and should not be mistakenly identified as such.

Whether an employee is enrolling or changing enrollment based on Open Season or a QLE, it is important that the correct event code be noted on the SF 2809 so that the correct effective date will be assigned. Please visit our website at www.opm.gov/insure/03/qlc.asp for QLE information.

Timely Actions

You must receive an SF 2809 no later than close of business on December 10, 2007, for it to be considered timely filed as an Open Season enrollment or change.

If you have employees enrolling or changing through Employee Express they must do so no later than 12:00 a.m. Eastern Time on December 11, 2007.

Belated Actions

You have the authority to accept late elections if you determine that an employee was unable to submit the election on time due to circumstances beyond the employee's control. While we normally encourage you to make limited use of this authority, we recommend that you take a liberal view in cases where an employee's plan is terminating its FEHB participation.

If you decide to accept an employee's late election, write "Belated Open Season enrollment/change" in the "Remarks" section of an SF 2809. You must attach to Copy 1 (Official Personnel Folder) of the SF 2809 the employee's statement explaining why he/she could not enroll or change on time or add your own note if the reason was an agency problem. If you decide that the delay in filing is not due to a cause beyond the employee's control, do not accept the employee's late request. You must notify the employee in writing that you are not approving the late enrollment. You should give the reason for your denial and include a statement of the employee's right to request reconsideration within 30 days after the date of your notice.

EFFECTIVE DATES

From not enrolled to enrolled – Effective the first day of the first pay period that begins on or after January 1, 2008, and which follows a pay period during any part of which the employee was in pay status. The enrollment of a new employee who happens to elect coverage between November 12 through December 10, 2007 is effective the same as for all new employees, i.e., the first day of the first pay period after the employing office receives the SF 2809.

Enrollment change – Effective the first day of the first pay period which begins on or after January 1, 2008, regardless of whether the employee was in pay status during the preceding pay period.

Premium Conversion Change in Election – Effective the first day of the first pay period that begins on or after January 1, 2008.

Belated Open Season enrollment action – Effective retroactive to the first day of the first pay period which begins on or after January 1, 2008. This effective date is the same as that of an Open Season change filed on time. If the belated change is from not enrolled to enrolled, the requirement of having been in pay status during the preceding pay period must also be met. Belated Open Season enrollment actions are automatically subject to premium conversion.

Since Internal Revenue Service (IRS) rules allow for no retroactive adjustments to taxable

income, the effective date of premium conversion cannot be retroactive. This means that any additional withholding for retroactive premiums that are due must be made with after-tax dollars. For an example of the impact of a belated change on taxable income, please visit www.opm.gov/insure/health/pretaxfehb/qanda/03.asp.

Cancellation – An Open Season cancellation is effective at the end of the day before the first day of the first pay period that begins in the next year.

Outside of Open Season, employees who participate in premium conversion may only cancel their FEHB enrollment due to a QLE. Employees who waived participation in premium conversion may cancel their FEHB enrollment at any time without waiting for a QLE or an Open Season.

Please remind your employees: Cancellation can have serious consequences. In order to continue FEHB coverage after retirement, an employee must have been covered under the FEHB Program continuously for the five years of service immediately before retirement or, if less than five years, for all periods of service during which he/she was eligible for FEHB coverage.

If an employee is canceling his/her FEHB enrollment in order to be covered as a family member by a spouse's FEHB Open Season enrollment, be sure to coordinate the effective date of the cancellation with the effective date of the spouse's enrollment to prevent a break in coverage. Coverage under a family member's FEHB enrollment counts towards the "five-year rule" for continuing coverage into retirement.

AGENCY ACTIONS

Prompt Processing – It is important that you process Open Season enrollments and enrollment changes promptly. Payroll offices should process enrollee and carrier copies of SF 2809 **daily**.

You must notify gaining carriers of new enrollments so they can complete the paperwork necessary to provide coverage for the employee and covered family members and issue identification cards.

You must notify losing carriers as soon as possible of enrollment changes or cancellations so they do not guarantee or provide benefits to ineligible employees or family members.

Verification of Employee Coverage – Employees become concerned when they do not receive their identification cards from a new plan within a short time after the end of Open Season. If an employee asks you about this, you should contact the payroll office to determine when the carrier was notified of the change. If more than three weeks have passed since the payroll office sent the SF 2809 to the carrier, contact the carrier to determine the reason for the delay and relay the employee's request for identification cards.

An employee may need verification of coverage under his/her plan before the carrier processes the enrollment or enrollment change. You should verify that the employee is covered under the plan and inform the requesting party (e.g., carrier, doctor, hospital) of the effective date of the coverage. You should also remind employees that their copy of the SF 2809 is acceptable as

proof of enrollment until they receive their identification cards from the plan.

Employees who make Open Season changes electronically via Employee Express and who do not receive new identification cards by the effective date of the change may obtain a letter confirming their coverage by calling the Employee Express Help Desk at 1-478-757-3030 or at 1-888-353-9450 or by requesting your help.

Enrollment Reconciliations

The large number of enrollment actions taken during Open Season increases the chance of errors by agencies or by carriers in updating records. Any errors will be identified as discrepancies through the Centralized Enrollment Reconciliation Clearinghouse System (CLER) during the March 2008 reconciliation cycle. It is very important that agencies work with the carriers to correct these discrepancies.

Please be sure that copies of the SF 2809 are sent to both the gaining and losing carriers. In many cases, the SF 2809 is only sent to the gaining carrier. This results in the losing carrier not terminating the enrollment and continuing to expect premiums to be paid for the person(s) in that enrollment that the losing carrier is no longer covering.

The reconciliation process is critical to ensure that carriers receive the proper premium payments and that enrollees are properly reflected on the carriers' records.

CONCLUSION

We look forward to working with you in the upcoming Federal Benefits Open Season for enrollment for the 2008 plan year. We encourage you and your employees to visit our website at www.opm.gov/insure.

Sincerely,

Howard Weizmann
Deputy Director