
FEHB Program Carrier Letter

All Carriers

U.S. Office of Personnel Management
Insurance Services Program

Letter No. 2006 - 04

Date: February 1, 2006

Fee-for-service [3] Experience-rated HMO [4] Community-rated HMO [4]

SUBJECT: Extended Coverage for Employees Called to Active Military Duty

Public Law 108-375 extends FEHB coverage from 18 to 24 months for employees called or ordered to active duty on or after September 14, 2001, who meet certain requirements. Attached is a copy of Benefits Administration Letter 06-401 that advises Federal agencies how to implement this change.

We are requiring agencies to notify employees whose FEHB terminated after 18 months that they are eligible for up to 6 additional months of coverage, beginning the day after the 18-month termination date. Agencies must inform these employees that a retroactive enrollment action could have potential financial consequences when FEHB becomes the primary payer and TRICARE secondary during the additional coverage period. Payments made by TRICARE during the additional 6-month period could be reconciled with the FEHB plans, and any benefit adjustments could cause a difference in amounts owed by the enrollee. Because of these potential financial consequences, the agency must have the employee's request before processing any retroactive enrollment action.

As employees receive this information from their agencies and begin to request the additional coverage, you may see an increase in the number of retroactive reinstatements and corrections on Standard Form (SF) 2810, Notice of Change in Health Benefits Enrollment. These retroactive actions should state in the Remarks section, "P.L. 108-375 extends coverage for up to 6 months during active duty." If properly documented and recorded, you must accept these retroactive corrections to the enrollee's eligibility file since FEHB law makes these individuals eligible for the additional coverage.

Since OPM has determined that implementing the retroactive effective date of P.L. 108-375 is an administrative operation of government, any timely filing restrictions are waived. *Fee-for-service plans* must accept and process any claims for services received during the additional 6-month period. In addition, any claims incurred during the additional 6-months that were previously denied for non-coverage must be reconsidered. *Health Maintenance Organizations (HMOs)* are to provide benefits for services rendered during the additional 6 months if the provider was part of the HMO network at the time. They do not need to provide benefits if the services received during the additional 6 months were provided by non-network providers.

If you have any additional questions about this law, please contact your OPM contract specialist.

Sincerely,

Robert F. Danbeck
Associate Director
for Human Resources
Products and Services

Attachment