
FEHB Program Carrier Letter

All Carriers

U.S. Office of Personnel Management
Office of Insurance Programs

Letter No. 2002-31

Date: September 23, 2002

Fee-for-service [28] Experience-rated HMO [28] Community-rated [26]

SUBJECT: FEHB/DOD Demonstration Project

As required by the National Defense Authorization Act of 1999, Public Law 105-261, the FEHB/DOD Demonstration Project (demonstration) is scheduled to end on December 31, 2002. We are starting to get a few questions from plans and enrollees about how to disenroll from the demonstration and the coverage options available to beneficiaries at its conclusion.

Once the demonstration ends, most beneficiaries are automatically eligible to receive TRICARE or TRICARE-for-Life (those age 65 and over with Medicare Parts A and B) benefits under the military health system. DoD is sending out post cards and bulletins to beneficiaries in September and October explaining that the demonstration is ending and describing available coverage options. For your information, attached to this letter is a draft copy of the FAQs that DoD will send with its first bulletin. The first bulletin will also include a TRICARE and TRICARE-for-Life comparison chart which is still under development. The attached draft FAQ is for your internal informational purposes only and should not be distributed to beneficiaries. DoD will be sending the final version of the bulletin and attachments to beneficiaries shortly.

The following questions and answers are designed to provide guidance on questions you or your enrollees may have regarding the discontinuance of the demonstration:

Q. How long will the DoD Customer Care Center be available to help beneficiaries with enrollment changes and eligibility questions?

A. DoD's Customer Care Center is available until March 2003.

Q. What do beneficiaries need to do to disenroll from the demonstration when it ends on December 31, 2002? Do they need to submit any forms? What should FEHB plans do?

A. Beneficiaries do not need to submit any forms. **You should disenroll demonstration beneficiaries automatically on December 31, 2002.** Effective January 1, 2003, beneficiaries will revert back to their military health benefits.

Q. What do beneficiaries need to do if they want to disenroll from the demonstration before it ends?

A. If beneficiaries want to disenroll from the demonstration prior to December 31, 2002, they must submit a completed disenrollment form. This form can be obtained by calling the Customer Care Center at 1-877-363-3342 (English) or 1-866-363-3342 (Spanish). The completed form must be returned to:

Information Processing Center
C/O IFMC
P.O. Box 71547
Clive, IA 50325-0547

Beneficiaries can also fax the form or a letter requesting disenrollment to 1-515-440-8670. The form must include the beneficiary's social security number and must be signed.

Disenrollments are effective at the end of the month in which the request is received by the Customer Care Center.

Q. Can demonstration beneficiaries suspend their FEHB coverage to enroll in CHAMPVA, TRICARE or a Medicare-sponsored plan, and later reenroll in the FEHB Program?

A. No

Q. Can individuals who are currently enrolled in the demonstration under Temporary Continuation of Coverage continue their enrollment beyond December 31, 2002?

A. No. Coverage for all demonstration beneficiaries and family members ends on December 31, 2002.

Q. Will beneficiaries or family members be eligible for the FEHB Program's 31 day extension of coverage or the right to convert to individual coverage?

A. No, all coverage ends on December 31, 2002.

Q. Has OPM published any regulations regarding the discontinuance of the demonstration?

A. Yes. OPM published two regulations in June of 2000 that define the parameters of the demonstration and describe the process for a final reconciliation of revenue and costs. The regulations can be found at:

65 FR 35259 <http://www.opm.gov/fedregis/2000/65-35259-a.pdf>

65 FR 36382 <http://www.opm.gov/fedregis/2000/65-36382-a.pdf>

Thanks to all who participated in the demonstration over the past three years. Your cooperation has helped us conduct a successful study of the FEHB Program as an option for certain uniformed services beneficiaries. Please contact Mike Kaszynski, Policy Analyst, at 202-606-0004 if you have any questions about the demonstration.

Sincerely,



Abby L. Block
Assistant Director
for Insurance Programs

Attachment