



**Office of  
Personnel Management**  
*The Federal Government's Human Resources Agency*

***Retirement and Insurance Service  
Benefits Administration Letter***

Number: 02-907

Date: June 25, 2002

**Subject: Federal Long Term Care Insurance Program:  
Information for Employing Offices**

This letter provides information to employing offices on rules governing the Federal Long Term Care Insurance Program (FLTCIP) and other aspects of the Program's roll-out. We'll publish regulations on the Program at 5 CFR Part 85 as soon as we can, probably later this summer.

As you can see, this letter is a long one, and we strongly encourage you to read carefully so you don't miss anything. Please pay particular attention to the section on Program Educational Meetings. Scheduling these meetings is absolutely critical to the success of this Program and we need your support.

**OPEN SEASON**

**What are the Open Season dates?**

Open Season begins on July 1 and ends on December 31, 2002.

**How will employees be told about Open Season?**

Employees will receive an announcement of Open Season that will encourage them to call Long Term Care (LTC) Partners (the company formed by John Hancock and MetLife), visit the LTC Partners web site, or possibly to return a postage-paid card to request an Open Season Information Kit and application (Open Season Kit). The response method will depend on the form the announcement takes, as we discuss below.

The announcement may take the form of a printed brochure (copy attached), an email message, a paystub message, etc., depending upon the communication vehicles used within a particular agency/department/ uniformed service. Agency headquarters implementation coordinators are specifying their preferred distribution method(s) to LTC Partners, who will honor their preferences.

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*Civil Service  
Retirement  
System*

*Federal Employees'  
Group Life  
Insurance Program*

*Federal Employees  
Health Benefits  
Program*

*Federal Employees  
Retirement  
System*

*Federal Long  
Term Care  
Insurance  
Program*

LTC Partners will bulk ship Open Season announcement brochures to agencies/departments/uniformed services that wish to use this type of communication. LTC Partners will provide an email announcement for forwarding to employees to those agencies/departments/uniformed services that wish to use email communication for Open Season information. And, LTC Partners will provide messages for paystubs and other communications vehicles depending on each implementation coordinator's request.

Although as we noted, implementation coordinators can specify the form of the Open Season announcement (brochure, email, paystub message, etc.) for their employees, we strongly encourage the use of the brochures to give more prominence to this important opportunity. We do not endorse the use of paystub messaging only. Emails are great, but much more effective if used in conjunction with the brochures.

LTC Partners will be staggering the delivery of Open Season announcements. They've developed a schedule to spread the deliveries across agencies/departments/uniformed services and geographic areas to help control the volume of requests for the Open Season Kit. The account managers at LTC Partners are communicating the agency/geographic strategies to the implementation coordinators and are working with them to finalize the details on this roll-out.

Employing offices are responsible for distributing or forwarding the Open Season announcement (in whatever form) once they receive them, to individual employees on a timely basis. This is really critical, because this is how they will find out about the Program and the upcoming Open Season. We are not issuing any other Open Season notice/letter as we traditionally do for the Federal Employees Health Benefits (FEHB) Program.

A few agencies have provided LTC Partners with the home addresses of employees, and in those cases Open Season brochures will go directly to employees' homes. LTC Partners will NOT distribute materials this way without a request to do so from the agency.

The Open Season announcement asks interested recipients to request an Open Season Kit within 10 days of receiving the announcement, by:

- returning a postage-paid card (applicable to the brochure form of the announcement only), or
- calling the toll-free number (1-800-LTC-FEDS) (1-800-582-3337) (TDD for the hearing impaired: 1-800-843-3557), or
- visiting the website ([www.ltcfeds.com](http://www.ltcfeds.com))

The Open Season Kits, in turn, request that the individual return a completed application within 60 days of receiving the Kit. These dates are designed to help LTC Partners balance the tremendous workload that will result from this new Program. While it is true that eligible individuals can submit applications anytime during Open Season, we strongly encourage people to apply during their designated 60-day "window".

No one will receive a Kit automatically – anyone who wishes to have a Kit must request one by one of the three methods discussed above. By only sending the Kit to persons who are truly

interested, we can help keep Program administrative costs and premiums down. And, personal requests allow the Kits to contain personalized rate quotes based on the requestor's age.

**How will annuitants be told about Open Season?**

Annuitants will receive the Open Season announcement at their correspondence address in the form of the printed brochure containing the postage-paid return card. As with employees, they will not all receive this announcement at the same time – mailings are being staggered across several months.

**Will there be other supporting educational materials during Open Season?**

Yes. LTC Partners will continue to provide periodic collateral materials, reminder posters, reminder emails, posters announcing meetings, etc., through the implementation coordinators, throughout Open Season. Employing offices are responsible for distributing those as well.

**Will employing offices receive (or can they request) bulk quantities of the Open Season Kits and applications?**

No. The Open Season Kit is quite comprehensive, and it is cost-prohibitive to make mass distributions to agencies. The Kit is also designed to provide a personalized rate quote based on the requestor's age. However, employing offices will receive bulk quantities of a Program Overview Brochure (which contains general information about the Program and is different from the Kit and the Open Season announcement). LTC Partners is working with the agency headquarters implementation coordinators on the details of distributing the Program Overview Brochure.

Open Season Kits with applications will be available at [www.ltcfeds.com](http://www.ltcfeds.com) starting on July 1. During Open Season, most individuals eligible to apply using the abbreviated underwriting application will be able to submit their application electronically through the website. Those who apply for the unlimited benefit period using the abbreviated underwriting application, and all who use the full underwriting application, can complete the application online and print it out, sign and mail it, or simply print it out, complete it manually and mail it. Please allow access to the Internet and official time for this purpose.

Employees and others in the Federal Family eligible to apply for the Program can put their name on the mailing list to receive a hard copy of the Open Season Kit by calling 1-800-LTC-FEDS (1-800-582-3337) (TDD for the hearing impaired: 1-800-843-3557). On July 1, LTC Partners will mail Open Season Kits to those on the mailing list and will continue mailing Kits to those who request them throughout Open Season.

**What's the advantage of applying during Open Season?**

During the Open Season, Federal civilian and Postal employees, members of the uniformed services, and their spouses, can apply for the Program using an abbreviated underwriting application that asks only a few health-related questions. After Open Season, they must use a full underwriting application that contains more health-related questions.

Another advantage is that all Open Season applicants will have premiums based on their age on July 1, 2002, no matter when during Open Season they apply. For example, someone who turns age 55 in August applying for coverage in October will get age 54-based premiums, since that was his/her age on July 1.

**What is underwriting?**

Underwriting is the process of reviewing medical and health-related information furnished in an insurance application process to determine if the applicant presents an acceptable level of risk and is insurable.

**What is abbreviated underwriting?**

In this type of underwriting, the application has several health-related questions designed to determine who may be immediately eligible for benefits, or likely to be eligible for benefits within a relatively short period of time. Employees and members of the uniformed services who apply for the insurance coverage will answer seven questions, and their spouses who apply will answer nine. Those applying for the unlimited benefit period will have to answer a few additional questions, sign a release giving access to medical records, and perhaps have an interview with a nurse.

**What is full underwriting?**

In this type of underwriting, there are quite a few more health-related questions. It may also include a review of medical records and perhaps an interview with a nurse. This is the same level of underwriting that those who purchase individual policies in the private market undergo.

**Some employees didn't apply during Early Enrollment because they knew they wouldn't pass underwriting and the application told them not to send in the application if they answered yes to any of the questions. Should they consider applying during Open Season?**

Absolutely, because there are more options available during Open Season for persons who won't pass the underwriting. There is an alternative insurance plan for some employees and spouses who are denied the coverage they applied for. It provides more limited insurance coverage (nursing home-only coverage, with a 180-day waiting period). There is also a service package for all who are declined insurance coverage (access to care coordination services and provider discounts for a small annual fee).

**What happens after Open Season?**

After Open Season, eligible persons can still apply for FLTCIP coverage, but all who apply must complete a full underwriting application. Premiums will be based on the applicant's age at the time LTC Partners receives the application. New employees, employees in newly eligible positions, and their spouses can apply using the abbreviated application within 60 days of becoming eligible to apply. After that 60 days, they would have to use the full underwriting application.

**Will there be annual Open Seasons?**

No, we will not hold annual Open Seasons. We will hold future Open Seasons, but not on a regular or frequent basis. We don't know when the next one will be. We need to get through this Open Season first and evaluate the results.

**Why should we tell employees to contact LTC Partners with their questions? Why can't we help them? What information will we receive about our employees who apply?**

Long term care insurance is a complicated subject. It's not practical for employing office personnel to become well versed in long term care insurance without extensive training to counsel employees

properly. LTC Partners has certified long term care insurance specialists available to help eligible members of the Federal Family make informed decisions on FLTCIP coverage.

Employing offices will not get a listing of their employees who have applied and been approved for coverage (or been denied). LTC Partners will not release information on an employee's application with agencies. That information is private and protected. Employees with questions on coverage should go directly to LTC Partners.

## **PROGRAM EDUCATIONAL MEETINGS**

### **Will there be worksite meetings about FLTCIP?**

Yes. LTC Partners will be conducting around 2,000 Program Educational Meetings throughout the country beginning on July 15 and continuing through November. LTC Partners has been working with many of the agency implementation coordinators to develop a schedule of these meetings. It is absolutely critical that you give top priority to any requests you receive from LTC Partners' personnel to schedule meetings at your site.

The schedule of meetings will be available at [www.ltcfeds.com](http://www.ltcfeds.com) beginning July 1. It will be updated continuously, as more meetings are finalized.

As with other Federal employee benefit programs, we strongly encourage employing offices to grant administrative leave for employees to attend such meetings. LTC Partners is requesting that people register in advance of attending a meeting, which can be done on the web site or by calling 1-800-LTC-FEDS (1-800-582-3337) (TDD for the hearing impaired: 1-800-843-3557). Although registration is strongly recommended, it is not required in order to attend a meeting.

Employees may attend any meeting to which they have access. The access issue is important because there will be meeting locations with security restrictions. For example, some agencies may only allow employees of their agency to attend meetings at their agencies. That information will appear in the meeting registration site on the web, and will be available at the toll-free number, as long as agencies let LTC Partners know about the restrictions.

### **Why should we grant access to our building to those conducting these meetings? We don't allow private insurance companies to speak to our employees.**

Please keep in mind that the FLTCIP is the only long term care insurance program authorized to be offered as part of the Federal workforce benefit package. LTC Partners is the contractor that we have chosen to provide this insurance benefit to the Federal Family. Thus, it is entirely appropriate for LTC Partners and its contractors to conduct Program Educational Meetings on Federal property to educate the Federal workforce about this Federal Program. Please provide them the same access to your buildings and employees as you would any health plan that participates in the FEHB Program.

Meeting presenters who represent the FLTCIP will have OPM identification badges and are the only persons authorized by OPM to speak for the FLTCIP at such meetings. Employing offices should ask for this identification to ensure that the FLTCIP is being represented properly. These meeting presenters will only use materials that OPM has approved.

### **Should we allow other insurance agents such access to our employees?**

You may get calls and visits from private insurance agents attempting to reach your employees with information on long term care insurance policies that they sell. While it is the employing office's decision on whom to allow on agency grounds, we recommend limiting or declining access by such agents, at least when Program Educational Meetings are taking place. We do encourage employees to compare the FLTCIP to other policies available in the private market, but the Program Educational Meetings are not the appropriate place for this shopping. As with the FEHB and FEGLI Open Seasons, the focus should be on the benefit program sponsored by the Federal Government on employees' behalf.

### **We're not scheduled for a worksite meeting. What else is available?**

Although LTC Partners is scheduling about 2,000 Program Educational Meetings, it's not possible to visit every Federal worksite. And, meetings will not be held outside the United States. There are other options for those without access to a meeting, including our members of the Federal Family who are overseas. Employing offices can request videotapes of a Program Educational Meeting, and can make arrangements to have an LTC Partners representative answer questions live at the end of the showing. If you are interested in this option, please send an email with your request to [account.management@lhcpartners.com](mailto:account.management@lhcpartners.com).

Another option is the online version of the Program Educational Meeting (a "webinar"), which can be viewed on the LTC Partners web site at [www.lhcpfeds.com](http://www.lhcpfeds.com) starting in July. The webinar provides the same information about the Program as a worksite meeting. A written transcript of the webinar will be on the web as well. LTC Partners is also exploring posting a streaming video copy of a meeting.

## **ELIGIBILITY**

### **Who is eligible to apply for coverage in the FLTCIP?**

#### ***Federal Civilian and Postal employees***

Federal civilian and Postal employees are eligible to apply for FLTCIP coverage if they are in a position that conveys eligibility for FEHB coverage. An employee does not need to be enrolled in FEHB, just eligible to enroll. You can find a complete listing of the types of civilian positions that are and are **not** eligible for FEHB in the FEHB Handbook, at [www.opm.gov/insure/handbook/FEHB06.htm](http://www.opm.gov/insure/handbook/FEHB06.htm).

There are two exceptions: Tennessee Valley Authority employees and retirees **are** eligible to apply for insurance coverage under the FLTCIP, even though they may not be eligible for FEHB. District of Columbia employees and retirees are **not** eligible, even though some may be eligible for FEHB. Note that the information shown in the FEHB Handbook about TVA employees and DC Government employees is **not** applicable to the FLTCIP.

Employees must be in a position that conveys eligibility for FEHB at the time they apply for FLTCIP coverage. If an employee has FEHB coverage due to previous eligibility and continuity of coverage provisions, but the employee's current position does not convey FEHB eligibility, the employee is **not** eligible to apply for FLTCIP coverage.

Temporary employees are eligible to apply for FLTCIP coverage under the same rules as FEHB. Once a temporary employee has completed one year of continuous current employment, he/she has 60 days from the date of first eligibility to apply for coverage using an abbreviated underwriting application.

***Non-Federal employees with FEHB eligibility***

Some employees are no longer Federal employees, but are now working for a private entity, and yet they still have eligibility for FEHB. For example, this applies to some employees of the Metropolitan Washington Airports Authority, and certain of the financial institutions. Those employees are not eligible to apply for FLTCIP. In order to be eligible to apply for the FLTCIP as Federal civilian employees, they must be current Federal or Postal employees in a position that conveys eligibility for the FEHB Program.

***Non-appropriated fund (NAF) employees***

NAF employees are not eligible to apply for FLTCIP coverage.

***Members of the uniformed services***

Members of the uniformed services are eligible to apply for coverage when they are on active duty or full-time National Guard duty for more than a 30-day period. Members of the Selected Reserve are eligible to apply. This consists of:

- Drilling Reservists and Guardsmembers assigned to Reserve Component Units;
- Individual Mobilization Augmentees who are Reservists assigned to Reserve component billets in Active Component units (performing duty in a pay or nonpay status);
- Active Guard and Reserve members who are full-time Reserve members on full-time National Guard duty or active duty in support of the National Guard or Reserves.

Members of the Individual Ready Reserve are not eligible to apply for coverage. This includes Reservists who are assigned to a Voluntary Training Unit in the Naval Reserve and Category E in the Air Force Reserve.

***Annuitants and retired members of the uniformed services***

Federal civilian annuitants, including surviving spouses, other survivor annuitants, FERS MRA+10 annuitants, deferred annuitants (when they are receiving annuities), and compensationers, are eligible to apply for the insurance coverage. There is no “five-year rule” for the FLTCIP, as there is for the FEHB Program.

Retired members of the uniformed services are eligible when they are entitled to retired or retainer pay (including disability retirement pay). Retired (“gray”) reservists are eligible when receiving retirement pay, which is generally at age 60.

**What qualified relatives are eligible to apply?**

The current spouse of an eligible person noted above may apply for coverage. This includes a surviving spouse of a member or retired member of the uniformed services who is receiving a survivor annuity. Receipt of Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs qualifies as a survivor annuity.

A former spouse is not eligible, even if he/she is eligible for FEHB coverage and/or is eligible for or receiving an apportionment of a survivor annuity.

The parents, parents-in-law, and stepparents of living employees or living members of the uniformed services are eligible to apply (but those of annuitants and retired members of the uniformed services are not). Parents-in-law include the parents of a deceased spouse, as long as the employee or member of the uniformed services has not remarried. A stepparent is the person who is currently married to the employee's parent, or if the parent is dead, the person who was married to the employee's parent at the time of his/her parent's death.

The adult children (age 18 or over) of living employees, living annuitants, or living members or living retired members of the uniformed services are eligible to apply. This includes natural children, adopted children and stepchildren. Foster children are not eligible to apply.

There are no self and family enrollments in the FLTCIP. Each person must submit his/her own application and pass underwriting on their own. However, payment of premiums can be consolidated (e.g., employees may choose to pay the premiums for their spouses by payroll deduction).

Qualified relatives may apply even if the employee, annuitant, member or retired member of the uniformed services to whom they are related does not apply or applies and is not approved for coverage.

### **How does someone show eligibility?**

The FLTCIP relies on self-certification of an applicant's eligibility. The application asks the applicant to designate his/her eligibility category. The applicant's signature in the Agreement and Authorization section of the application signifies that the answers the applicant has given on the form (including his/her status as an eligible individual) are true and complete. This signature also attests that the applicant understands that if he/she is approved for coverage, but shouldn't have been because one or more answers are not true, LTC Partners has the right to deny benefits or cancel the insurance.

An enrollee who misrepresents his/her inclusion in an eligible group on the application risks losing coverage, and there is no time limit on this. Incontestability doesn't apply in this case (see the section on Incontestability near the end of this letter, in the Miscellaneous section).

### **Should we check or verify employees' eligibility?**

No. Employing offices are not expected to check or verify an applicant's eligibility status, but should give guidance to employees who may ask if they are eligible to apply for the FLTCIP. Employing offices are not expected to inform LTC Partners about the eligibility or ineligibility of an applicant. However, if an employee submits a claim for benefits, LTC Partners may have a question about eligibility and may contact the agency for assistance. We expect that you would cooperate with LTC Partners on such a request.

### **Can an employee in nonpay status apply?**

An employee should not apply for FLTCIP coverage while in nonpay status. The coverage will not become effective as long as the employee is in a nonpay status. And the application may no longer



be valid by the time the employee returns to pay status, because health and eligibility may have changed. It is simpler to wait to apply until after returning to a pay status.

An employee returning to pay status during the Open Season will have 60 days from the date he/she returns to pay status, or until the end of the Open Season, whichever provides more time, to apply for coverage with abbreviated underwriting. For example, employees who return to pay status on October 15 still get until December 31 to apply with abbreviated underwriting. Their age for billing purposes would be their age on July 1, because they are applying during Open Season. Employees who return on November 15 will have until January 14 to apply. If they apply after Open Season ends, their age for billing purposes would be their age on the date that their application is approved.

An employee returning to pay status after the end of Open Season will have 60 days from his/her return to apply for coverage with abbreviated underwriting.

Both of these 60-day periods only apply if the employee has been in nonpay status in aggregate for over one-half of the Open Season. An employee who has been actively at work for at least half of the Open Season has already had ample opportunity to get information about the Program and to apply for coverage without the need for these special provisions.

### **Can someone apply after Open Season?**

LTC Partners will accept full underwriting applications from eligible individuals at any time. After Open Season ends, employees, members of the uniformed services, and their spouses (other than new employees) will no longer be eligible for abbreviated underwriting. They must complete the full underwriting application.

### **Are new employees eligible to apply?**

A new employee or new member of the uniformed services and his/her spouse will have 60 days from becoming eligible to apply for coverage with abbreviated underwriting. This 60-day opportunity also applies when an employee is for the first time entering a position that conveys eligibility for FLTCIP, and when an employee returns to service after a break in service of 180 days or more.

The employing office is responsible for letting a new employee know about eligibility to apply for the FLTCIP when it counsels the employee on other benefits, such as FEHB and FEGLI. We will publish an informational pamphlet that employing offices can hand out to new employees that will describe the Program. This will be available after the Open Season ends.

### **What if a new employee misses this 60-day period?**

The employing office may authorize a belated new employee application when an employee can show that he/she was unable, for causes beyond his/her control, to submit an application within the initial 60-day eligibility period. The employing office must make this determination within 6 months from the first day the employee became eligible. The employing office must make this authorization in writing so that the employee can submit that documentation with his/her application.

We suggest the following wording for the authorization: “(Employee’s name) became eligible for FLTCIP on (date). We have determined that (employee’s name) was unable to submit an

abbreviated underwriting application during the 60-day eligibility period because (give specific reason why).” An employing office official should sign and date the authorization and give a copy to the employee. Retain a copy for your records in case LTC Partners has a question about the authorization.

The employing office should use this authority sparingly, only in instances where the cause for not submitting an application was truly outside the employee’s control. An example is when you can positively verify that an employee was not made aware of the Program until after the initial eligibility period was over.

**Do employees’ new spouses get a 60-day period to apply?**

Yes. When an employee or member of the uniformed services marries, the new spouse has 60 days from the date of the marriage to apply for coverage using an abbreviated underwriting application. However, if the employee or member of the uniformed services wants to apply as well, he/she must apply with the full underwriting application. That’s because the employee/member already had an opportunity to apply using an abbreviated underwriting application.

**What about other new qualified relatives?**

Other new qualified relatives of an employee or annuitant, or member or retired member of the uniformed services, may apply for coverage at any time using a full underwriting application.

**EFFECTIVE DATES**

**When will coverage become effective?**

Once LTC Partners approves an application for coverage, it will send notice of the approval to the applicant and provide an “original effective date” of coverage. An employee or member of the uniformed services must be actively at work for at least half of his/her regularly scheduled work hours on that date for coverage to take effect (or on the last workday before that date, if it falls on a weekend or holiday).

If employees work other than a full-time schedule, and the original effective date falls on a date that they are not scheduled to be at work, then they must meet the actively at work requirement on their closest workday before that original effective date.

Applicants are solely responsible for letting LTC Partners know if they do not meet the actively at work definition on the original effective date. Employing offices should not attempt to police or verify that an employee is actively at work on his/her original effective date.

Applicants are also solely responsible for letting LTC Partners know if their health changes from the time they completed their application until the effective date of their coverage. If it does, and if that change in health is such that they would now answer one or more questions differently on the application, they have a duty to inform LTC Partners. LTC Partners will then determine if they are still approved for coverage. If they do not inform LTC Partners of this change in health, then LTC Partners may have the right to deny a claim for benefits or rescind coverage.

The rules on coverage effective dates are explained in the Benefit Booklet that LTC Partners sends to applicants upon approval for coverage.

### ***Actively at work definition***

Actively at work means that a Federal civilian or Postal employee meets all of the following conditions:

- the employee is reporting for work at the usual place of employment or other location to which Government business requires him/her to travel; and
- the employee is able to perform all the usual and customary duties of employment on his/her regular work-schedule; and
- the employee is not absent from work due to sickness, injury, annual leave, sick leave or any other leave. (An employee is not considered to be on leave on his/her alternate work schedule's scheduled day off.)

A member of the uniformed services is actively at work when he/she is on active duty and physically able to perform the duties of his/her position.

### **What happens if the employee is not actively at work on the original effective date?**

If the employee does not meet the actively at work definition on the original effective date, he/she is obligated to contact LTC Partners with that information. LTC Partners will then issue a revised effective date, which is the first day of the month after the date the employee returns to being actively at work. However, for coverage to become effective on the revised effective date, the employee must meet the actively at work requirement on that date as well. An employee's coverage will not become effective until he/she meets the actively at work requirement on the coverage effective date issued by LTC Partners. If LTC Partners discovers that an employee was not actively at work on the "effective" date of his/her coverage, benefits will never be paid because coverage never went into effect.

Employing offices are not expected to monitor or report to LTC Partners on employees' work status on their original effective dates. However, if an employee submits a claim for benefits, LTC Partners may have a question about eligibility and may contact the agency for assistance. We expect that you would cooperate with LTC Partners on such a request.

### **Are effective dates always on the first day of a month?**

Yes. Effective dates will always be on the first day of a month. If a coverage effective date falls on a weekend or a holiday, the employee must be actively at work on the last workday before that date.

Many employees will have original effective dates of October 1, 2002, since that is the first date that an Open Season enrollment can take effect. November 1, December 1, and January 1 will also be common original effective dates. Since coverage will not become effective when the employee is not actively at work on his/her original effective date, employees may wish to consider carefully before scheduling leave on that date. Since December 1 falls on a weekend, an employee must be actively at work on November 29 for coverage to take effect with a December 1 original effective date. For a January 1, 2003, effective date, an employee must be actively at work on December 31, 2002, for coverage to take effect, since January 1 is a holiday.

### ***Examples***

Joe is approved for coverage and LTC Partners gives him an original effective date of October 1, 2002. Joe is at work on that date for the entire day and is performing the usual duties of his position. Since he meets the actively at work requirement, his coverage goes into effect on that date.

Jacinda also has an original effective date of October 1. However, she takes sick leave on October 1. She is obligated to report to LTC Partners that she is not actively at work on her original effective date. Her coverage does not go into effect on October 1. LTC Partners issues her a revised effective date of November 1. She is at work on that date performing the usual duties of her position. Her coverage goes into effect on November 1.

Bob has an original effective date of December 1. He is at work for only two hours on November 29, so he does not meet the actively at work requirement because he is a full-time employee and a 2 hour period is less than one-half of his regularly schedule work hours for that day. He reports this to LTC Partners and gets a revised effective date of January 1. He is actively at work for the entire day of December 31, so his coverage goes into effect on January 1.

### **What happens if an employee's eligibility status changes before the coverage effective date?**

If an employee retires after applying for coverage but before the coverage becomes effective, the coverage will not go into effect. If the employee still wishes to have the coverage, he/she must reapply for coverage using the full underwriting application required of annuitants. An employee applying for FLTCIP coverage who is considering retirement may wish to consider delaying retirement until after his/her FLTCIP coverage has gone into effect.

Since October 1, 2002, is the first date that an Open Season enrollment can become effective, any employee who applies for coverage and then retires before that date will have to reapply with full underwriting, regardless of when he/she applied during the Open Season. Or, the employee may choose to wait until he/she has retired and then complete the full underwriting application.

An employee who otherwise separates from service (i.e., not through retirement) after he/she applies for coverage, but before the coverage becomes effective, loses eligibility to apply for insurance coverage under the FLTCIP. The coverage applied for will not go into effect (note that the employee has a positive obligation to notify LTC Partners in such an instance). An employee applying for FLTCIP coverage who is planning to separate from service may wish to consider delaying his/her separation date until after his/her FLTCIP coverage has gone into effect.

There is an exception to the above rule when an employee is involuntarily separated, such as through a reduction in force. Coverage **will** go into effect as if the employee hadn't separated. However, if the separation is due to the employee's misconduct, he/she loses eligibility and coverage will **not** go into effect.

## **MISCELLANEOUS**

### **Who makes insurability decisions?**

LTC Partners makes all insurability decisions, and those decisions cannot be appealed to OPM. However, an applicant may ask LTC Partners to reconsider its decision. This is similar to FEGLI Program requirements, where decisions to deny life insurance coverage cannot be appealed to OPM.

### **What is incontestability?**

Incontestability is an insurance term and is part of the Program. LTC Partners cannot use any statement made by an enrollee which relates to insurability to contest the validity of the enrollee's coverage or to deny an otherwise valid claim, unless the statement was contained in writing and signed by the enrollee, and LTC Partners provided the enrollee with a copy of the form containing the statement in question (e.g., the application).

If coverage has been in force for less than 6 months, LTC Partners may contest the validity of coverage (cancel coverage and return premiums) or deny an otherwise valid claim if they can show that the enrollee misrepresented information in the application process.

If coverage has been in force for at least 6 months but less than 2 years, LTC Partners may contest the validity of coverage or deny an otherwise valid claim if they can show that the enrollee misrepresented information relevant to the condition that is the basis for the enrollee's claim.

If coverage has been in force for 2 years or more, LTC Partners may contest the validity of coverage or deny an otherwise valid claim only upon a showing that the individual knowingly and intentionally, by statement or omission, provided inaccurate information that was material to the decision to issue the insurance.

Incontestability does not apply to statements made about eligibility --- being included in a group eligible to apply for the coverage (such as misrepresentation that you are an employee or that you are the adult child of an annuitant). Such misrepresentations can cause coverage to be invalidated with no time limit.

### **Is coverage portable?**

Yes, once it is effective, FLTCIP coverage is fully portable. An enrollee can continue coverage as long as he/she pays premiums. This includes when an employee separates or retires from Federal service, or when a qualified relative loses eligibility status (such as through divorce). There are no requirements to carry it for any length of time before retirement or separation. For example, an employee whose coverage became effective on October 1 can retire on October 2 and carry coverage into retirement with no additional underwriting. The employing office does not need to take any action to ensure portability. Premiums do not change just because an employee retires or leaves an eligible group.

## **THANKS FOR YOUR HELP!**

Thank you for your support as this exciting new benefit program gets underway. If you or your employees have any questions about the Program, please contact Long Term Care Partners at

[info@lhcpartners.com](mailto:info@lhcpartners.com), or call 1-800-LTC-FEDS (1-800-582-3337) (TDD for the hearing impaired: 1-800-843-3557).

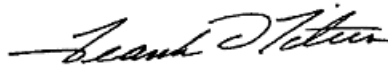
Beginning July 1, the hours to reach the certified long term care insurance consultants at the toll-free number increase to 8:00 am to midnight, 7 days a week, Eastern time. The voice response system is available 24 hours, 7 days a week.

Please refer to BAL 02-313 for details on payroll issues for the Program.

You can also find a wealth of information about the Program at [www.ltcfeds.com](http://www.ltcfeds.com) and on our website at [www.opm.gov/insure/ltc](http://www.opm.gov/insure/ltc). The ltcfeds.com website will be updated extensively on July 1.

### **AND FINALLY DON'T FORGET ...**

Our third and final satellite broadcast will take place on Wednesday, July 17<sup>th</sup>, from 12:30 – 1:30 pm, Eastern Time. We'll send you more details and the satellite coordinates as soon as we have that information.



Frank D. Titus  
Assistant Director  
for Long Term Care Insurance

### Attachments

Brochure announcing Open Season, including letter from Director Kay Coles James