



Benefits Administration Letter

Number: 06-401

Date: January 4, 2006

Subject: Federal Employees Health Benefits (FEHB) Program: Extended Coverage for Employees Called to Active Military Duty

PURPOSE

The National Defense Authorization Act for 2005 (Public Law 108-375), signed by President Bush on October 28, 2004, provides extended FEHB coverage to Federal employees called to active duty and who meet certain requirements, including serving in support of a contingency operation.

The Veterans Benefits Improvement Act of 2004 (Public Law 108-454), signed by President Bush on December 10, 2004, provides extended FEHB coverage for Federal employees absent from their employment to serve in the uniformed services.

This Benefits Administration Letter explains how to provide the continued FEHB coverage authorized by these Acts.

PUBLIC LAW 108-375

P.L. 108-375 amended FEHB law to provide up to 24 months of continued FEHB coverage for Federal employees who are called to active duty in support of a contingency operation (5 U.S.C. 8905a), and to authorize agencies to pay the employee's share and the Government's share of premiums for up to 24 months (5 U.S.C. 8906 (e)(3)). The Act provides that this enhanced benefit is available for any employee who:

- (1) is enrolled in the FEHB Program;
- (2) is a member of a reserve component of the armed forces;
- (3) is called or ordered to active duty in support of a contingency operation (as defined in section 101(a)(13) of title 10 U.S.C.);
- (4) is placed on leave without pay or separated from service to perform active duty; *and*
- (5) serves on active duty for more than 30 consecutive days.

The expanded authority for agency premium payments authorized by P.L. 108-375 is a valuable benefit that helps reservists and their families shoulder the cost of health care during a time when

additional benefits are needed most. Therefore, OPM continues to encourage you to assist employee reservists by paying the employee and the Government shares of FEHB premiums for up to 24 months based on guidelines specified in this law.

P.L. 108-375 Effective Date

These changes apply to employees called or ordered to active duty in support of a contingency operation on or after September 14, 2001, who meet the above requirements.

General Processing and Counseling Information

Since the amendments to FEHB law authorized by P.L. 108-375 are retroactive, we expect that you may be extending coverage for: (1) reservists who are on active duty who are currently enrolled in FEHB, (2) reservists on active duty whose enrollments terminated after 18 months and request the additional coverage, and (3) reservists who have been discharged from active duty and request the additional coverage. Although the processing guidelines for these categories are in separate sections below, the general information in this section applies to all.

- If the employee's FEHB terminated after 18 months, you must contact the employee and ask him/her if they want the additional 6 months coverage. When giving the employee this option, you should inform them that if their FEHB is extended, FEHB becomes the primary payer and TRICARE secondary. Any payments made by TRICARE during that 6-month period could be reconciled with the FEHB carrier and any benefit adjustments could cause a difference in amounts owed by the enrollee. Factors such as covered vs. non-covered services, network vs. out-of-network providers, deductibles, co-pays, coinsurance, HMO geographic considerations, and catastrophic coverage applications may alter total enrollee out-of-pocket expenses. Because of these potential financial consequences, do not make any retroactive reinstatements or corrections until you have the employee's consent.
- When you prepare Standard Form (SF) 2810 (Notice of Change in Health Benefits Enrollment) to **reinstate** a terminated enrollment or to **correct** a termination or reinstatement date, note in the "Remarks" section, "P.L. 108-375 extends coverage for up to 6 months during active duty."
- Please work with your payroll offices to ensure that the proper premium payments are generated after you process all actions shown below. If your agency does *not* pay premiums for these reservists, you must advise them that they are responsible for the premiums for the extended coverage.
- If you receive questions from annuitants, direct them to OPM or to the appropriate retirement system.
- Attached is a table that summarizes the processing guidelines for employees on active duty and for employees discharged from active duty.

- For more information on Reinstatement of Enrollment and Correction of Information on Forms, please refer to the FEHB Handbook at [Eligibility for Health Benefits, Page 4 of 4](#).

Employees on Active Duty

- If the employee is on active duty and enrolled in FEHB, and you have not yet advised these employees (or their dependents) that their coverage extends for 24 months, you must do so. Then use SF 2810 to terminate the enrollment at the end of 24 months.
- If the employee is on active duty and you terminated the enrollment after 18 months, contact the employee and ask him/her if they want the additional 6 months coverage. If they do, use SF 2810 to **reinstate** the enrollment the day after the 18-month termination effective date. If the employee is still on active duty at the end of the additional 6 months, use SF 2810 to terminate the coverage again. If the employee does not want the additional 6 months coverage, do nothing. If you are unable to reach the employee, do nothing until you get his/her consent to reinstate the enrollment.
- If the employee is on active duty and the additional 6 months has expired, contact the employee and ask him/her if they want the additional 6 months coverage. If they do, prepare SF 2810 to **correct** the 18-month termination effective date to a date that is 6 months later. If the employee does not want the additional 6 months coverage, do nothing. If you are unable to reach the employee, do nothing until you get his/her consent to correct the termination date.

Employees Discharged from Active Duty

Notify employees who have been discharged from active duty and whose FEHB terminated after 18 months that they are eligible for extended FEHB coverage *if requested*. If the employee provides documentation (DD form 214) showing the dates of active duty, you may process the employee's request for up to 6 additional months of coverage during active duty.

- If the employee was discharged *after* the additional 6 months ended, prepare SF 2810 to **correct** the 18-month termination effective date to a date that is 6 months later.
- If the employee was discharged *before* the end of the additional 6 months, **reinstate** the enrollment the day after the 18-month termination effective date. If the employee returned to civilian employment during the additional 6 months, no further enrollment action should be required.
- If you previously reinstated the FEHB that terminated after 18 months, (e.g., employee returned to civilian employment) prepare SF 2810 to **correct** the reinstatement date to the day after the 18-month termination effective date. If the employee returned to civilian employment during the additional 6 months, no further enrollment action should be required.

PUBLIC LAW 108-454

Public Law 108-454, the Veterans' Benefits Improvement Act of 2004, was enacted December 10, 2004. It amended 38 U.S.C. 4317(a)(1)(A) to extend from 18 to 24 months the length of an employee's health insurance coverage when the employee is absent because of service in the uniformed services. For FEHB purposes, this law applies to employees who are called to active duty but do not meet all the requirements of P.L. 108-375. Generally, these employees have orders that do **not** show that they are called to active duty in support of a contingency operation. As before, they do not meet the requirements of FEHB law for agency premium payment during active duty.

P.L. 108-454 Effective Date

This amendment applies to elections made **on or after** December 10, 2004. "Elections" generally refers to an expressed intention to continue FEHB during active duty, and may consist of a statement showing an employee's intent to continue FEHB (for example, a counseling check list or memo).

Employees who were called to active duty and elected to continue their health insurance coverage **before** December 10, 2004, can continue their FEHB enrollment for only 18 months. Some of these employees may still be on active duty.

ADDITIONAL INFORMATION

If you have further questions about the continued FEHB coverage authorized by P.L. 108-375 and P.L. 108-454, please contact Ronald Brown at 202-606-0004, or by e-mail at Ronald.Brown@opm.gov. As we develop questions and answers about this topic, we will add them to "FEHB for Federal Civilian Employees who Perform Active Military Duty" in the Frequently Asked Questions section of our FEHB webpage. You may access our webpage at www.opm.gov/insure/health.

Sincerely,

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

Attachment: P.L. 108-375 Processing Table