



Benefits Administration Letter

Number: 06-602

Date: October XX, 2006

**Subject: The Federal Employees Dental and Vision Insurance Program (FEDVIP):
 Program Overview and Agency Responsibilities**

This letter provides information on rules governing the new Federal Employees Dental and Vision Insurance Program (FEDVIP) and other aspects of the Program's roll-out, including the roles and responsibilities of agency benefits officers in helping to administer the Program. As you can see, this letter is lengthy, so we've included a table of contents:

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BACKGROUND

On December 23, 2004, President George W. Bush signed the Federal Employee Dental and Vision Benefits Enhancement Act of 2004 (P.L. 108-496). The Act directed the U.S. Office of Personnel Management (OPM) to make supplemental dental and vision benefits available to Federal employees, annuitants, and their eligible family members. OPM recently signed contracts with 10 insurance carriers to provide coverage under the Program.

Seven carriers will offer dental plans:

- Aetna Life Insurance Company
- CompBenefits
- Government Employees Hospital Association, Inc. (GEHA)
- Group Health, Inc. (GHI)
- MetLife, Inc.
- Triple-S, Inc.
- United Concordia Companies, Inc.

Three carriers will offer vision plans:

- Blue Cross Blue Shield
- Spectera, Inc.
- Vision Service Plan (VSP)

The Program's first open season will be held **November 13 through December 11, 2006**, concurrent with the open seasons for the Federal Employees Health Benefits (FEHB) Program and the Federal Flexible Spending Account Program (FSAFEDS). Eligible employees and annuitants will be able to enroll in FEDVIP during open season.

SOURCES OF INFORMATION

The following sources of information may be helpful to you in learning more about FEDVIP.

- [BAL 06-203](#) where you can read background information on the role BENEFEDS will play in the FEDVIP program.
- [Public Law 108-496](#), the Federal Employee Dental and Vision Benefits Enhancement Act of 2004, the statutory authority for the Federal government's dental and vision program.
- [Part 894 of title 5, Code of Federal Regulations](#), the regulations implementing the Federal Employee Dental and Vision Benefits Enhancement Act of 2004. We expect the regulations to be published soon.
- [The enrollment website at www.BENEFEDS.com](#), where employees and annuitants enroll in FEDVIP. It will also contain links to plans' websites and to OPM's FEDVIP website.
- [The FEDVIP website at www.opm.gov/insure/dentalvision](#) where employees and annuitants can get information about the Program including plan rating areas and premiums, a plan comparison tool, and links to plans' websites, plan brochures, and BENEFEDS.com.
- The FEHB Guide, which will be available at [www.opm.gov/insure/health](#), where employees and annuitants can review a chart comparing FEDVIP plans.

AGENCY BENEFITS OFFICERS: ROLES AND RESPONSIBILITIES

FEDVIP is a voluntary benefits program, like the Federal Long Term Care Insurance Program (FLTCIP) and FSAFEDS. Therefore your role in FEDVIP is very similar to your roles in those programs. Specifically, your responsibilities are to:

- help make your employees aware of the new Program;
- facilitate the efforts of the FEDVIP plans and BENEFEDS (which handles FEDVIP enrollment and premium administration) to provide information to your employees;

- direct employees and, for some of you, annuitants, to the appropriate entities to get further information; and
- help your employees with FEDVIP eligibility questions and help them provide their FEDVIP plan with information on the eligibility of their dependent children in certain circumstances, as explained in more detail on page 6.

Although your responsibilities are limited, we’re providing extensive detail about FEDVIP in this BAL so that you will be well-informed on this new Program.

FEDVIP VERSUS FEHB: WHAT’S DIFFERENT?

It’s important to understand that FEDVIP and FEHB are entirely separate programs. Some FEHB plans will continue to offer coverage of some dental and vision services. Some also offer non-FEHB dental and vision services. FEDVIP provides supplemental dental and vision insurance coverage. Some carriers participate in both FEHB and FEDVIP.

Individuals eligible to enroll in both programs can choose to enroll in FEHB only, FEDVIP only, both, or neither. They can also choose different enrollment types for each program—enrolling, for example, in Self and Family coverage under FEHB, but Self Only coverage under FEDVIP.

Here are some of the key differences between FEDVIP and FEHB, which are explained in more detail later in this letter:

	FEHB	FEDVIP
Types of Enrollment	Self Self and Family	Self Self Plus One Self and Family
Premium conversion (pre-tax payment of premiums)	Optional for employees Not available for annuitants	Required for employees Not available for annuitants
Qualifying Life Events	Includes all events allowed by Internal Revenue Code Section 125	Limited. See page 12 for more details
Premium contributions	Government contribution toward premiums	No Government contribution; enrollees pay 100% of premiums
Enrollment	Enroll through agency human resources office or retirement system, often via access to a self service system such as Employee Express, EBIS, MyPay, Annuitant Express, etc.	Enroll through BENEFEDS.com

	FEHB	FEDVIP
Carrying coverage into retirement and enrolling as an annuitant	Must meet “5-year rule” to carry into retirement and generally cannot enroll as an annuitant.	No 5-year rule. Can carry into retirement if retiring on an immediate annuity, including retiring on disability. Can enroll as an annuitant during any Open Season or because of a Qualifying Life Event.
Disputed claims process	Uniform claims review processes among plans. If claim still denied after reconsideration by plan, enrollee may request OPM review	Claim review processes differ among plans. If plan still denies claim after completing all its review procedures, enrollee may request review by independent third party mutually agreed to by the plan and OPM. No OPM review of disputed claims.
31-day extension of coverage	Yes	No
Temporary continuation of coverage (TCC)	Yes	No
Spouse equity coverage	Yes	No
Right to convert to an individual policy	Yes	No
Annuitant cancellation of coverage or suspension of enrollment	Annuitants can cancel coverage at any time but cannot re-enroll. Annuitants can suspend coverage under certain circumstances.	Annuitants can only cancel coverage during Open Season. Annuitants can re-enroll during future Open Seasons. There is no suspension of coverage.

ELIGIBILITY

Who’s eligible to enroll?

P.L. 108-496 and the forthcoming FEDVIP regulations specify who is eligible to enroll in FEDVIP.

Federal and USPS employees. Federal and U.S. Postal Service (USPS) employees are eligible to enroll in FEDVIP if they are eligible to enroll in the FEHB Program. It does not matter if they are enrolled in FEHB or not. Eligibility is the key.

Some Federal and USPS employees are not eligible for FEHB coverage, and thus are not eligible to elect FEDVIP coverage. The list of excluded positions is the same as for the FEHB Program.

As with FEHB, OPM makes the final determination about whether categories of excluded positions apply to a specific employee or group of employees.

Federal/USPS employees enrolled in FEDVIP who subsequently retire on an immediate annuity or for disability under CSRS, FERS, or another retirement system for employees of the Government may continue FEDVIP enrollment into retirement. **There is no 5-year rule for continuing coverage into retirement as there is with the FEHB Program.**

Federal annuitants. Federal annuitants are eligible to enroll in FEDVIP if they retired on an immediate annuity under the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS) or another retirement system for employees of the Government. Individuals who retire for disability under CSRS, FERS, or another retirement system for employees of the Government are also eligible.

- Federal/USPS employees retired on a deferred annuity (i.e., they are not eligible for an immediate annuity when they separate from Federal service) are **not** eligible to enroll in FEDVIP and cannot continue a FEDVIP enrollment into retirement.
- Federal/USPS employees enrolled in FEDVIP who retire on a Minimum Retirement Age +10 annuity and elect to postpone receipt of their annuity lose FEDVIP coverage upon separation from service. Such individuals can again enroll in FEDVIP within 60 days of when they start receiving their annuity. They do not have to enroll in the same plan, option or same enrollment type they had when they separated.

Survivor annuitants. Survivors of deceased Federal/USPS employees or annuitants may be eligible to enroll or continue the enrollment of the deceased.

- A member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee is eligible to enroll in FEDVIP. The survivor does not have to have been covered under the deceased person's FEDVIP enrollment.
- If an employee or annuitant enrolled in FEDVIP dies while enrolled in Self Plus One or Self and Family, the enrollment will continue for their eligible family members who become survivor annuitants.

Compensationers. Compensationers are eligible to enroll in FEDVIP or continue FEDVIP enrollment into compensation status.

- A family member receiving monthly compensation from the Office of Workers' Compensation Programs (OWCP) as the surviving beneficiary of an employee who dies as a result of illness or injury sustained while in performance of his/her duty can enroll in FEDVIP or continue the deceased's FEDVIP enrollment.

Family members. FEDVIP follows FEHB rules for family member eligibility. Additional information on this topic is available in the FEHB Handbook at www.opm.gov/insure/handbook/fehb28.asp#Family.

Self-certification and Documentation

During the enrollment process with BENEFEDS, eligible Federal/USPS employees and annuitants self-certify their eligibility for FEDVIP, and those who elect Self Plus One or Self and Family coverage in FEDVIP self-certify the eligibility of their dependent(s). Employees who do not know whether they or their family members are eligible for coverage should check with their employing agency for guidance.

FEDVIP plans may ask an enrollee to provide documentation that confirms a family member's eligibility (such as a marriage certificate or adoption papers), either when an individual initially enrolls or when an enrollee adds a family member to an existing enrollment. If the employing agency or retirement system has already made a determination regarding a child's eligibility under the FEHB Program or the Federal Employees' Group Life Insurance (FEGLI) Program as a foster child or a child age 22 or over who is incapable of self support because of a mental or physical disability that began before age 22, the enrollee can provide the FEDVIP plan with a copy of that determination. If such a determination has not already been made, the enrollee must request that determination from his/her agency/retirement system and then submit a copy to the plan that will make the final determination of eligibility, as required in the law. Please comply promptly with requests from enrollees for this documentation.

In addition, FEDVIP plans may accept a physician's statement that a child has a medical condition listed in OPM's FEHB Handbook at www.opm.gov/insure/handbook/fehb30.asp and he/she had the condition before reaching age 22 as acceptable documentation that the child is incapable of self support. Please note that the physician statement must specify the diagnosis or condition of the child.

Who is not eligible to enroll?

Same-sex spouses and domestic partners are not eligible family members under FEDVIP. For Federal benefit programs, the 1996 Defense of Marriage Act (DoMA) defines the word 'spouse' as a person of the opposite sex who is a husband or wife. DoMA supersedes any state or local laws.

Parents and other relatives not listed in the FEHB Handbook as eligible are not eligible family members, even if they live with and are dependent upon the enrollee. Exception: Siblings and parents may be covered under a child survivor annuitant's enrollment if they are eligible family members of the deceased employee or annuitant.

Grandchildren are not eligible family members unless they qualify as foster children.

ENROLLMENT

What Types of Enrollment are Available?

Three types of enrollment are available under FEDVIP:

Self Only. A Self Only enrollment covers only the enrolled employee or annuitant. An eligible individual may enroll in Self Only even though he/she has a family, but the family members are not covered.

Self Plus One. A Self Plus One enrollment covers the enrolled employee or annuitant plus one eligible family member. Eligible individuals may enroll in Self Plus One even though they have more than one eligible family member, but the additional family members are not covered. The enrollee must specify during the enrollment process which one eligible family member he/she wishes to cover under a Self Plus One enrollment. The enrollee may change the covered family member to another eligible family member during an Open Season or because of a Qualifying Life Event. Please note that a self plus one enrollment is NOT available under the FEHB Program. The FEHB law prohibits such a category.

Self and Family. A Self and Family enrollment covers the enrolled employee or annuitant and all eligible family members. Enrollees should list all eligible family members when they enroll through BENEFEDS in order to ensure timely claim payments. All of the enrollee’s eligible family members are automatically covered, even if the enrollee fails to list all of them when enrolling on BENEFEDS, but claim payments may be delayed for family members who were omitted.

An eligible individual may enroll in Self and Family coverage before he/she has any eligible family members. The family member (such as a newborn child or a new spouse) is automatically covered by the Self and Family enrollment from the date he/she becomes a family member. However, enrollees should still add new family members to existing Self and Family enrollments through BENEFEDS to ensure timely payment of claims.

Family Member Loses Eligibility

For both Self Plus One and Self and Family enrollments, when an eligible family member on an existing enrollment loses eligibility (e.g. reaches age 22 or remarries) and there is at least one other eligible family member remaining on the enrollment, the enrollee should remove the ineligible family member through BENEFEDS. Failure to remove ineligible family members does not make them eligible.

Both Husband and Wife Eligible to Enroll

If both spouses are eligible to enroll in their own right (e.g., they are both Federal employees), they may be able to choose between several different enrollment scenarios. To illustrate, let’s look at Mark and Melissa, married Federal employees with three children.

Who Wants Coverage	Possible Enrollment Scenarios
Mark	Self Only
Mark and Melissa	Each enrolls in Self Only. One spouse enrolls in Self Plus One and names the other as the covered dependent.

Who Wants Coverage	Possible Enrollment Scenarios
Mark, Melissa, and one child	<p>One spouse enrolls in Self Only; the other enrolls in Self Plus One and names the child as the covered dependent.</p> <p>One spouse enrolls in Self and Family to cover the other spouse and the child. <i>Note: in this scenario, <u>all</u> of the eligible children in the family would be covered.</i></p>
Mark, Melissa, and two children	<p>Each spouse enrolls in Self Plus One and chooses a different child to name as the covered dependent.</p> <p>One spouse enrolls in Self and Family to cover the other spouse and the children. Note that in this scenario, <u>all</u> of the eligible children in the family would be covered.</p>
Mark, Melissa, and three children	One spouse enrolls in Self and Family to cover the other spouse and the children.

Different Enrollment Types Allowed for Dental Plans and Vision Plans

Within FEDVIP, dental insurance plans and vision insurance plans operate completely independently of one another. That means that eligible employees and annuitants can enroll for dental insurance only, vision insurance only, neither, or both.

If they're enrolled in both, they can choose different enrollment types for each. So, for example, Mark could choose Self and Family for his dental plan and Self Plus One for his vision plan.

In addition, employees/annuitants who enroll in both a dental plan and vision plan and choose Self Plus One coverage for each plan can opt to cover a different dependent in each plan. For example, Melissa could choose to cover Mark under her Self Plus One dental plan but choose to cover her son under her Self Plus One vision plan.

Dual Enrollments

An eligible individual may be enrolled or covered under a FEDVIP dental plan and a separate FEDVIP vision plan at the same time; this is not a dual enrollment.

Dual enrollment is when an individual is covered under more than one FEDVIP dental enrollment or more than one FEDVIP vision enrollment. Generally, dual enrollment is prohibited except when elimination of the dual enrollment would cause a covered person to lose coverage. See the section below entitled "When Dual Enrollment is Allowed."

Please note that the point of permitting a dual enrollment is to avoid an eligible enrollee or family member's loss of coverage. It is not intended to allow double coverage for any one individual. No enrollee or family member may receive benefits under more than one FEDVIP dental enrollment or more than one FEDVIP vision enrollment.

When Dual Enrollment is Allowed

Dual enrollment must be authorized by BENEFEDS and will only be allowed when the enrollee or an eligible family member would otherwise lose coverage. Some examples of allowable dual enrollment include when:

- the enrollee and spouse legally separate and both of them retain custody of their children by prior marriages;
- the enrollee and spouse have children from prior marriages who don't live with them;
- the enrollee and spouse legally separate and the enrollee or his/her children would lose full dental/vision coverage (e.g., the enrollee moves outside the service area when enrolled in a plan with a geographically restricted service area and the spouse refuses to change health plans; or the spouse refuses to pass along reimbursements for dental/vision claims filed); or
- the enrollee is under age 22, covered by his/her parent's enrollment as a dependent, and becomes a parent.

If BENEFEDS authorizes a dual enrollment, the enrollee may be covered and receive benefits only under his/her own enrollment. If the enrollee or a family member receives benefits under more than one plan, it is considered fraud and the enrollee is subject to disciplinary action.

Eliminating a Dual Enrollment

If BENEFEDS and/or a FEDVIP plan discover an unauthorized dual enrollment, one of the enrollments must be canceled prospectively from the date the dual enrollment was discovered. The premiums paid for the cancelled enrollment will **not** be refunded to the enrollee. The enrollee is not required to refund any benefits paid under the cancelled enrollment.

If the enrollee and spouse are unable to agree on which enrollment to continue, the enrollment of the spouse with a court order to provide coverage for the children will be continued. Otherwise, the second (later) enrollment must be canceled.

Example: A Federal employee and his/her Federal spouse have children from that marriage and also stepchildren from previous marriages who live with the employee in a regular parent-child relationship. When all of either the employee's children or the enrollee's spouse's children live with the employee, only one Self and Family enrollment is needed. If both the employee and his/her spouse are enrolled in Self and Family, the dual enrollment must be eliminated.

How do eligible employees and annuitants enroll or change an enrollment?

There are three ways for eligible employees/annuitants to enroll or change an enrollment in a dental and/or vision plan in FEDVIP.

1. The primary enrollment method utilizes the secure, Section 508-compliant BENEFEDS website (www.BENEFEDS.com). BENEFEDS.com will contain an online tutorial and an extensive online help and Frequently Asked Questions section (easily navigated by keyword search, index, and table of contents) to assist enrollees through the enrollment process.
2. Alternatively, eligible employees/annuitants can call toll-free 1-877-888-FEDS (1-877-888-3337), TTY 1-877-889-5680, to have a BENEFEDS customer service representative (CSR) enroll them over the telephone.
3. In the very rare situation an eligible employee/annuitant doesn't have access to a computer **AND** doesn't have access to a telephone during the BENEFEDS hours of operation (see the next section for hours of operation), he/she can mail a paper enrollment form to BENEFEDS for processing. Use of the paper enrollment form will be extremely limited and its distribution will be managed by OPM. If you have any employees you believe fit these limited requirements, please let us know as soon as possible by emailing BENEFEDSportal@opm.gov.

Please note that employees/annuitants cannot enroll in a FEDVIP plan using the Health Benefits Election Form (SF 2809) or through a self-service system, such as Employee Express, PostalEase, EBIS, MyPay, or Employee Personal Page or Annuitant Express. However, we have encouraged those sites to provide a link to BENEFEDS.

Prior to enrolling via BENEFEDS, eligible employees/annuitants will be encouraged to explore available plan options by visiting a "research" section on the BENEFEDS.com website. This research section will contain links to information and tools located on OPM's FEDVIP website, including the FEDVIP portion of the FEHB Guide and a Plan Comparison Tool, as well as links to each FEDVIP plan's website.

How does the enrollment process work?

Enrolling is easy, and involves two parts. First, an enrollee 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/annuitants 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. *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 telephone enrollment process is very similar. Enrollees will be issued a username which they will use in subsequent calls or online transactions with BENEFEDS.

When can eligible employees and annuitants enroll?

Eligible individuals can enroll:

- during the annual open season;
- within 60 days after first becoming eligible as:
 - a new employee,
 - a previously ineligible employee who transferred to a covered position, or
 - a survivor annuitant, if not already covered under FEDVIP;
- within 60 days after returning to service following a break in service of at least 31 days;
or
- within 60 days after a Qualifying Life Event (QLE) that allows enrollment. (See the section on QLEs, below, for more details on which QLEs allow enrollment.)

Open Season 2006

FEDVIP open seasons will run concurrently with the open seasons for FEHB and FSAFEDS — for this year, that is **November 13 through December 11, 2006**. The BENEFEDS.com website will “turn on” all enrollment functions by 5:00 a.m. Eastern Time on November 13 and “turn off” open season enrollment functions at midnight Eastern Time on December 11.

Agencies cannot extend the open season.

The BENEFEDS phone representatives can be reached by phone during the following hours:

Open Season

9:00 a.m. to 9:00 p.m. Eastern Time, Monday through Friday

9:00 a.m. to 9:00 p.m. Eastern Time, Saturday and Sunday during the last weekend of Open Season (this year, December 9 and 10).

Non-Open Season

9:00 a.m. to 7:00 p.m. Eastern Time, Monday through Friday.

Belated enrollments and changes in enrollments

The time limit for enrolling or changing an enrollment may be extended for up to six (6) months after the individual first becomes eligible, or has a QLE (see section on QLEs below), or after the end of open season, if the individual provides evidence to BENEFEDS that he/she was unable to enroll or change enrollment timely for reasons beyond his/her control. Agencies do not make decisions on belated enrollments. BENEFEDS has this responsibility for FEDVIP. If BENEFEDS allows a belated enrollment or change in enrollment, the individual must enroll or change enrollment within 30 days after BENEFEDS notifies him/her. BENEFEDS will allow belated enrollments and changes only in exceptional circumstances, and its decisions cannot be appealed.

When do enrollments become effective?

This open season

The effective date of FEDVIP Open Season enrollments for this very first open season is Sunday, December 31, 2006. (We know that date is in the middle of a pay period for many employees—see the Premiums section below for more on how premium deductions will work.) Enrollees and covered dependents are considered eligible for services on and after the effective date of coverage.

Future open seasons

The effective date for enrollments during future open seasons will be set by OPM.

New hires and QLE enrollments/changes

Generally, enrollments which occur outside of open season (e.g., new hires) and changes to enrollments outside of open season become effective the first day of the pay period or annuity cycle following the one in which BENEFEDS receives the enrollment or change.

Belated enrollments and belated changes

For belated enrollments or belated changes in enrollments, the effective date will be retroactive to the date the enrollment or change in enrollment would have been effective if made timely. For example, a retroactive 2006 Open Season enrollment will be made effective back to December 31, 2006. BENEFEDS will begin withholding premium prospectively from the enrollee's pay/annuity and will then bill the enrollee directly for the retroactive premiums due, which will not be pre-tax. If the enrollee does not pay the retroactive premiums within 90 days, BENEFEDS will notify the enrollee's dental and/or vision plan, as applicable. Plans may use their standard collection procedures or may offset the uncollected amount against future claims payments.

Enrollees will receive confirmation of their open season enrollment from the plan(s) they enrolled in within 15 calendar days after the end of open season. Those who enroll outside of open season will receive confirmation from their plan within 15 days after the date they enrolled using BENEFEDS.

Opportunities to Change Enrollment: Qualifying Life Events (QLEs)

A qualifying life event (QLE) is an event that may allow eligible individuals to enroll, or allow those already enrolled to change their enrollment, outside of an open season. Since employees pay FEDVIP premiums on a pre-tax basis, OPM must follow Internal Revenue Service rules in determining what events are QLEs. The number and type of permitted QLEs are more limited than in the FEHB Program. In addition, the rules for QLEs in FEDVIP apply to annuitants as well as employees.

The enrollment action taken must be consistent with the QLE. For example, an enrollee can change from Self Only to Self Plus One when the QLE is "acquiring an eligible family member". However, the enrollee cannot decrease from Self Plus One to Self Only since that action is not consistent with adding a family member. Some QLEs allow enrollment and some allow changes in enrollment, but no QLE allows every type of enrollment action. An individual taking an enrollment action based on experiencing a QLE may later cancel that action if he/she does so

within the time limit allowed for the QLE.

The following chart summarizes the QLEs that permit enrollment changes outside of open season along with the changes that can be made.

Possible FEDVIP Enrollment Changes Outside of Open Season

QLE that may permit a change in enrollment	From Not Enrolled to Enrolled	INCREASE from Self Only to Self Plus One or to Self and Family or from Self Plus One to Self and Family	DECREASE from Self and Family to Self Plus One or to Self Only or From Self Plus One to Self Only	Cancel	CHANGE from one plan to another
Acquiring an eligible family member	No	Yes	No	No	No
Losing a covered family member	No	No	Yes	No	No
Losing other dental/vision coverage (eligible or covered person)	Yes	Yes	No	No	No
Moving out of regional plan's service area	No	No	No	No	Yes
Return to pay status from active military duty	Yes	No	No	No	No
Annuity or Compensation restored	Yes	No	No	No	No

The time frame for requesting a QLE change is from 31 days before to 60 days after the event. There are a few exceptions:

- There is no time limit for a change based on moving from a regional plan’s service area: and
- An individual cannot request a new enrollment based on a QLE before the QLE occurs. He/she must make the change no later than 60 days after the event.

As noted above, an enrolled employee can request a change in his/her enrollment up to 31 days prior to an event, such as marriage. If an employee changes his/her enrollment in anticipation of a permitted QLE, and that event does not occur, the QLE can be cancelled.

Canceling an enrollment

Enrollees can cancel their enrollment only during the annual open season (except as noted above). An eligible family member's coverage also ends upon the effective date of the cancellation.

Re-enrollment

Like FEHB (but unlike FSAFEDS), re-enrollment is automatic each year unless an enrollee chooses to make a change during open season or a plan terminates its participation in FEDVIP.

PREMIUMS

Premiums will be deducted from enrollees' pay or annuity when possible. Deductions from pay will be on a pre-tax basis (premium conversion) for employees. Deductions from annuity payments will not be on a pre-tax basis for annuitants. For open season enrollments, FEDVIP coverage will be effective December 31, 2006, even though premium deductions will not begin until the pay period that starts on or after January 1, 2007. This gap between the start of coverage and premium payments has already been factored into the FEDVIP premiums.

BENEFEDS is responsible for premium collection for all FEDVIP plans, and has been working closely with agency payroll providers to effect payroll and annuity deductions of FEDVIP premiums. In some cases, however, an enrollee's premium deduction may not occur. This can happen because the enrollee made an error while enrolling--for example, mistyping his social security number. In this case, BENEFEDS will work with agency payroll offices and/or contact the enrollee in order to resolve the error. Sometimes an enrollee's pay or annuity may be insufficient to pay premiums; or an enrollee may go on leave without pay, transfer to another agency, or retire. In cases of insufficient pay or leave without pay, after two consecutive attempts to obtain premium deductions, BENEFEDS will bill the enrollee directly for premiums. Please note that direct payments made to BENEFEDS will be post-tax, so employees will lose the benefit of premium conversion. If an employee has transferred to another agency or retired, BENEFEDS will work with the agency payroll office and the enrollee to establish deductions from the enrollee's new pay/annuity location.

Rating areas

For dental plans, premiums are determined based on where the enrollee lives. This is called a rating area. Each dental plan may have up to six rating areas, including an international rate. However, the zip codes included in each rating area differ from plan to plan. Consequently, an enrollee could be in rating area 4 under one plan but in rating area 2 under another plan. A chart with the rating areas for each plan is available on the FEDVIP website. You'll be glad to know that when employees and annuitants call or visit BENEFEDS.com to enroll in a dental plan, they won't have to sort this out. BENEFEDS will provide them only the plans and premiums available based on their zip code. It's important to remember that enrollees who move after enrollment must update their address through BENEFEDS. Their rates might change because of the move.

Vision plans do not have separate rating areas as they each charge a nationwide rate.

ABOUT FEDVIP PLANS

As noted on pages 1 and 2, OPM has contracted with seven plans to provide dental insurance and three plans to provide vision insurance under FEDVIP.

Four dental plans offer nationwide coverage:

- Aetna
- GEHA
- MetLife
- United Concordia.

Three dental plans are regional:

- GHI (in New York and parts of New Jersey, Pennsylvania and Connecticut)
- CompBenefits (in 21 states)
- Triple-S, Inc. (in Puerto Rico).

Some dental plans will offer two plan options: Standard and High, while others will offer only the High option.

All three vision plans offer nationwide coverage:

- BlueCross BlueShield
- Spectera, Inc.
- Vision Service Plan (VSP).

You'll note that some of the carriers offering FEDVIP plans also offer FEHB plans—namely, Aetna, Blue Cross Blue Shield, GEHA, GHI, and Triple S. Keep in mind that their FEDVIP and FEHB plans are completely separate. Individuals who are enrolled in one of these carriers' FEHB plans do not have to choose the same carrier's FEDVIP plan, and vice versa.

Each plan will have a brochure stating its premiums and benefits. We'll issue another BAL on available FEDVIP materials, and have already provided you a list of contacts at each FEDVIP plan with whom you can arrange appearances at health fairs.

Key Program-wide Features

No pre-existing condition exclusions and waiting periods for orthodontia only

There is no exclusion for pre-existing conditions for FEDVIP plans. Waiting periods are allowed only for orthodontic services. If a plan has a waiting period, the person receiving the services must be enrolled in the **same plan** for the entire duration of the waiting period, as specified by the plan. Waiting periods satisfied under FEHB plans or other supplemental dental plans cannot be applied toward FEDVIP plans.

Network Access: Regional versus National

All of the plans have provider networks. Plans vary according to whether or to what extent they will pay benefits for services provided by a non-network provider. Eligible individuals should study a plan's brochure and provider directory carefully before enrolling.

Regional plans have limited service areas and may require that enrollees receive care from providers who contract with them in order to receive benefits, except for emergencies. If an enrollee or a covered family member moves outside of a regional plan's service area, the enrollee can change to another plan, as explained in the section on Qualifying Life Events.

Coordination of Benefits

Some FEHB plans already cover some dental and vision services. If a FEDVIP enrollee's FEHB plan does provide any benefits for dental and vision services, the FEHB plan will be the first payor of any benefits. FEDVIP plans are responsible for coordinating benefits with the primary payor.

FEDVIP plans will also coordinate benefit payments with the payment of benefits under other group health benefits coverage enrollees may have and the payment of dental or vision costs under no-fault insurance that pays benefits without regard to fault. They will also coordinate benefits with other group dental or vision insurance, if that information is provided by enrollees.

FEDVIP plans may request that enrollees verify/identify their health insurance plan(s) annually or at the time of service. Please note that enrollees who change FEHB plans during open season after enrolling on BENEFEDS should communicate that change to BENEFEDS. Providing FEHB information may reduce enrollees' out-of-pocket costs.

Claims Dispute and Resolution

Each plan has its own process and timeframe for reviewing disputed claims, which are explained in its FEDVIP brochure. Enrollees should study this section of the brochure carefully before enrolling. If an enrollee has completed the plan's claims dispute process and still disagrees with the plan's decision, he or she may request that an independent third party, mutually agreed to by the plan and OPM, review the decision. The decision of the independent third party is final and binding. OPM does not review disputed FEDVIP claims.

CONCLUSION

We look forward to working with you over the coming weeks to roll out this much-anticipated new benefit. We appreciate your leadership in educating and informing employees about FEDVIP.

Sincerely,

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