

For: All FFAS Employees

Federal Employees Health Benefits (FEHB) Children's Equity Act

Approved by: Deputy Administrator, Management



1 Overview

A

Background

The FEHB law and regulations allow an employee to change enrollment after a change in family status. Issuance of a court or administrative order (order) requiring an employee to provide health benefits for a child qualifies as a change in family status, thus allowing an enrollment change. However, in the past, it was not mandatory for the employee to change FEHB enrollment to comply with the order; not complying with the order was not a violation of FEHB law.

B

Purpose

This notice informs employees of the changes in the FEHB law resulting from Pub. L. 106-394, the "FEHB Children's Equity Act", effective October 30, 2000.

Pub. L. 106-394 requires:

- that an employee subject to an order must enroll in self and family coverage in a plan that provides full benefits to his/her children in the area where they live
- mandatory self and family coverage for FEHB-eligible employees who do not comply with an order or provide documentation that he/she has other health coverage for the children
- involuntary enrollment in self and family coverage in the Standard Option of the Blue Cross and Blue Shield Benefit Plan (enrollment code 105) if the employee does not enroll in an appropriate health plan or provide documentation of other coverage for the children.

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Disposal Date January 1, 2002	Distribution All FFAS employees; State Offices rely to County Offices
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1 Overview (Continued)

C

**National Office
Contacts**

National Office employees shall contact Susan Brown at 202-418-9039 or Darla Hensley at 202-418-9021, TDD 202-418-9116 for additional information.

D

**Field Office
Contacts**

Field Office employees shall contact the appropriate person according to this table for additional information.

IF employee is located in...	THEN contact...
<ul style="list-style-type: none">• KCFO, KC-ITSDO, KC-ITSTO, KCAO, KCCO• Research and Development Division, RMA	KCAO, Personnel Division, Processing Section at 816-926-6225 or TDD 816-926-7440.
FAS Overseas Employees	HRD, Performance Management Benefits and Awards Branch: <ul style="list-style-type: none">• Susan Brown at 202-418-9039• Darla Hensley at 202-418-9021• TDD 202-418-9116.
RMA Regional Offices and Compliance Field Offices	
State and County Office	State Office, Administrative Division.
APFO	KCAO, Personnel Division.

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2 Court or Administrative Order (Order)

**A
When An
Employee Is
Subject To An
Order**

Servicing personnel offices (SPO) will know that an employee is subject to an order when an order is submitted for implementation.

**B
Submitting
Orders**

Orders may be submitted by any individual.

Orders must be received by SPO on or after October 30, 2000.

Note: Orders submitted before October 30, 2000, are not valid and must be resubmitted. The order can be issued before October 30, 2000, however, to be valid for FEHB purposes, SPO cannot execute an order received before October 30, 2000.

**C
Certification of
Orders**

Refer to the following table to determine if the order must be certified.

IF the order is...	THEN it...
a court order and deals only with FEHB	does not have to be certified.
a court order and deals with FEHB and life insurance and retirement	has to be certified.
an administrative order	does not have to be certified.

Note: Court orders that require child support should be forwarded to the following address for child support payment processing:

FSA, HRD, Domestic Operations Branch, Services Group
STOP 0594
1400 Independence Avenue, SW
Washington, DC 20250.

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3 Notification and Enrollment Options

A

Notification

SPO will notify employees subject to an order if the employee's current enrollment does not comply with the order. Notification will include:

- the type of order
 - the employee's current FEHB status
 - the deadline for enrollment changes or providing documentation
 - SPO contact.
-

B

Employee Action

Employees that receive notification that they are subject to an order, must do either of the following:

- enroll in an appropriate health plan
 - provide documentation that they have other health coverage for the children.
-

C

Involuntary Enrollments

Refer to the following table for consequences for an employee who fails to enroll in an appropriate plan or provide documentation.

IF the employee...	THEN SPO must...
is not enrolled for any FEHB coverage	enroll the employee for self and family coverage in the Standard Option of the Blue Cross and Blue Shield Service Benefit Plan (enrollment code 105).
has a self only enrollment in a fee-for-service plan	change the enrollment to self and family in the same option of the same plan.
has a self only enrollment in an HMO, and the HMO serves the area where the children live	change the enrollment to self and family in the same option of the same plan.
has a self only enrollment in an HMO, and the HMO does not serve the area where the children live	change the enrollment to self and family in the Blue Cross and Blue Shield Standard Option.
has a self and family enrollment in an HMO, and the HMO does not serve the area where the children live	change the enrollment to self and family in the Blue Cross and Blue Shield Standard Option.

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3 Notification and Enrollment Options (Continued)

D

FEHB Open Season

Employees subject to court orders are allowed to make FEHB open season changes providing the change is in compliance with the order.

Employees subject to court orders **cannot** make the following open season changes.

- cancel enrollment
- change to self only
- change to an HMO that does not provide coverage in the area where the children live.

Note: Employees subject to an order can only make these changes if the employee provides documentation that there is other coverage for the children or if the children are no longer eligible under the FEHB program.

E

Leave Without Pay Status (LWOP)

Employees on LWOP who are subject to an order must continue the coverage. In accordance with 5 CFR 890.502(b), employees may either make direct premium payments or incur a debt. The employee does not have the option of terminating coverage until after completing 365 calendar days of LWOP.

F

Premium Conversion

Issuance of an order qualifies as a change in family status. Refer to Notice PM-2201 for guidance on premium conversion.

Note: An employee who is involuntarily enrolled in FEHB is automatically enrolled in premium conversion.

4 Duration of Ordered Coverage

**A
How Long Must
Employee Keep
Self and Family
Enrollment**

Refer to the following table to determine the length of time the employee must maintain self and family enrollment.

IF the order...	THEN...
does not specify a time limit on the coverage	the employee must keep the self and family enrollment until the last child marries or reaches age 22.
states that the coverage must continue until a specific age and that age is below 22	the employee may cancel the coverage or change to self only after the children reach the specified age. Note: If the employee participates in premium conversion, the employee will have to wait until the next Open Season to cancel coverage or change to self only.
states that the coverage must continue until a specific age and that age is over 22	the coverage must continue until the last child reaches age 22. FEHB coverage cannot continue beyond age 22 unless the child is “incapable of self support” regardless of what the order says.

**B
Retirement**

An employee subject to an order who is eligible to carry FEHB into retirement must continue the self and family enrollment after retirement as long as the order remains in effect.

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5 State Office Action

**A
After Receiving
An Order**

Follow these procedures upon receipt of an order.

Step	Procedure
1	Receive order and determine if Children's Equity Act applies.
2	If the order is subject to the Children Equity Act, review the employee's official personnel folder (OPF) to determine if: <ul style="list-style-type: none">• the employee is eligible for FEHB• current enrollment complies with the order.
3	Administrative Officer (AO) shall notify employees subject to the Children's Equity Act if the employee is not enrolled in a plan in compliance with the order. See Exhibit 1. SF-2809 and a Premium Conversion Waiver/Election form should be attached to the notice.
4	AO shall notify the person who submitted the order and provide that person with enrollment information.
5	AO shall notify the carrier. A copy of SF-2809 and a copy of the order should be submitted with the notification.
6	File the order in the employee's OPF and flag OPF to alert offices that it contains an FEHB order.

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5 State Office Action (Continued)

**B
Involuntary
Enrollments**

Follow these procedures to process an involuntary enrollment.

Step	Procedure
1	Refer to subparagraph 3 C for involuntary enrollment options.
2	Complete SF-2809 with employee's identifying information.
3	Use event code "1C" (change in family status).
4	In Part G, the signature block, write "See Remarks."
5	In Part H, the remarks block, write "Being enrolled for self and family coverage involuntarily under Pub. L. 106-394."
6	Process enrollment in NFC.
7	Send a copy of SF-2809 and the order to the carrier.
8	Send enrollee's copy of SF-2809 and a plan brochure to custodial parent.
9	Make a copy of enrollee's copy and send to employee.

**C
Effective Date of
Involuntary
Enrollments**

The effective date of involuntary enrollments will be the first day of the pay period following the pay period in which SF-2809 is completed.

**D
Retroactive
Enrollments**

Enrollments will be made retroactively only if the order specifies a date. In this case, enrollments may be retroactive to the beginning of the pay period that includes the effective date, but no further back than 2 years.

**E
Non-Allowed
Changes**

The National Finance Center is developing an edit system so that non-allowed changes cannot be made by SPO or the employee through employee express.

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5 State Office Action (Continued)

F

Multiple orders

A self and family enrollment automatically covers all family members. If SPO receives an order for a different child of an employee currently subject to an order, that child is automatically covered under the existing self and family enrollment. Send the carrier a copy of the subsequent order, with a copy of SF-2809 marked "Duplicate."

If the employee is enrolled in an HMO, and the children mentioned in the subsequent order live in an area that the HMO does not serve, notify the employee and give him/her a chance to choose a different health plan. If the employee does not choose another health plan, then change the employee's enrollment to Blue Cross and Blue Shield Standard Option. Attach copies of all orders to SF-2809.

Sample Notice to Employee Subject to Health Benefits Court or Administrative Order

Dear *[Employee's name]*

We have received a *[court/administrative]* order stating that you must provide health benefits for your child^{*[ren]*}. You are not currently enrolled in self and family coverage under the Federal Employees Health Benefits (FEHB) Program in a health plan that provides full benefits in the area where your child^{*[ren]*} live^{*[s]*}.

Pub. L. 106-394 requires Federal agencies to ensure that employees comply with the terms of such court and administrative orders. You must enroll in self and family coverage in a plan that provides full benefits where your child^{*[ren]*} live^{*[s]*} or provide documentation that you have other health benefits for your child^{*[ren]*} by *[insert date that is the last day of the pay period following the one in which this notice is issued]*.

If you do not enroll or provide documentation of other coverage for your child^{*[ren]*} by *[repeat date from paragraph above]*, we will enroll you for self and family coverage under the Blue Cross and Blue Shield Standard Option.

As long as the *[court/administrative]* order remains in effect and your child^{*[ren]*} *[is/are]* eligible under the FEHB Program, you must continue self and family coverage in a plan that provides full benefits where your child^{*[ren]*} live^{*[s]*}, unless you provide documentation that you have obtained other coverage.

Sincerely,

[Signature, name, and title of appropriate official]

[In addition to sending a copy to the employee, keep a copy in the employee's OPF or other record.]