



## ***Benefits Administration Letter***

**Number:** 05-410

**Date:** December 27, 2005

**Subject: Federal Employees Health Benefits (FEHB) Program: Temporary Extension of Coverage, Conversion to an Individual Contract, and the Right to Temporary Continuation of Coverage**

The purpose of this letter is to remind you of the responsibility to offer temporary extensions of coverage, conversion to individual contracts, and Temporary Continuation of Coverage (TCC) when enrollees, family members, and former spouses terminate coverage. We have also listed a number of resources to help you properly administer these programs.

### **Temporary Extension of Coverage and Conversion to an Individual Contract**

An enrollee and a covered family member whose enrollment is terminated other than by cancellation of the enrollment or discontinuance of the plan, in whole or part, is entitled to a 31-day extension of coverage for self only or self and family without contributions by the enrollee or the Government. During this period he or she is entitled to exercise the right of conversion to an individual health insurance contract. The 31-day extension of coverage and the right of conversion for any person ends on the effective date of the new enrollment.

The individual whose enrollment terminates must request conversion information from the losing health plan within 31 days of the date of the agency notice of the termination of the enrollment and of the right to convert. This means that you must provide timely notice to the employee that he or she has the right to this individual insurance coverage so that the health plan can be notified by the employee of the termination.

An individual who fails to exercise his or her rights to convert to an individual policy within 31 days after receiving notice of the right to convert from their health plan is deemed to have declined the right to convert unless the health plan, or, upon review, OPM determines the failure was for cause beyond his or her control.

### **Temporary Continuation of Coverage (TCC)**

In the case of a former employee who is eligible to elect TCC, you must notify the former employee concerning his or her rights no later than 30 days after the end of the 31-day temporary extension of coverage.

In the case of a child or former spouse who is eligible to elect TCC, the enrollee may, within 60 days after the qualifying event, provide written notice to you of the child's or former spouse's change in status and request information about temporary continuation of coverage. The written notice must include the child's or former spouse's name and address and the date of the terminating event.

If you receive the notice within 60 days after the date on which the child or former spouse ceased meeting the requirements for eligibility, you must notify the child or former spouse of his or her rights within 14 days after receiving the notice. This does not preclude you from notifying the child or former spouse of his or her rights based on oral or written notification by the child or former spouse, another family member, or any other source that the child or former spouse no longer meets the eligibility requirements for coverage.

If you cannot give the required notice to the employee, child, or former spouse directly you must send the notice by first class mail. A notice that is mailed is deemed to be received 5 days after the date of the notice.

The following are employing office responsibilities for TCC under Title 5 CFR 890.1111:

- **Providing information to employees.** Employing offices are responsible for providing eligible employees with the information that sets forth their rights. This information must be distributed to eligible employees prior to each open season.
- **Administration of the enrollment process.** The employing office must establish procedures for notifying the former employee, child, or former spouse about his or her eligibility to enroll, including what documents are needed to determine eligibility, and for accepting enrollment registrations.
- **Collecting premiums.** (1) Collection of the contributions is the responsibility of the employing office of the employee or annuitant at the time of the qualifying event. (2) The employing office must submit all premium payments collected from enrollees along with its regular health benefits payments to OPM.
- **Health benefits file.** The employing office must maintain a health benefits file for the enrollee as a file separate from the personnel records of the employee or former employee. This file may be destroyed 2 years after the end of the calendar year during which the 18 or 36 month TCC period expires.

## Resources

The FEHB handbook and TCC pamphlet (RI 79-27) have extensive procedural guidance on temporary extensions of coverage, conversion to an individual contract, and TCC including example notices, timeframes, eligibility, and how to obtain information on coverage options and enrollment forms.

For further information on temporary extension of coverage, conversion, and TCC, please consult the following resources:

- Title 5 CFR 890.401 Temporary extension of coverage and conversion
- Title 5 CFR 890.1101 Temporary Continuation of Coverage
- FEHB Handbook: <http://www.opm.gov/insure/handbook/fehb15.asp>
- RI 79-27 TCC Pamphlet: <http://www.opm.gov/insure/health/tcc/>

Please remember that under TCC, enrollees, family members, and former spouses may select any FEHB health plan that they are eligible for and can participate in the annual Open Season. (They do not need to enroll in the same health plan that they had prior to becoming eligible for TCC). It is your responsibility to timely notify enrollees of their eligibility for extensions of coverage, conversion, and TCC upon their enrollment termination. You are also responsible for timely notification of family members and former spouses of these rights once they have notified you of their enrollment termination.

Sincerely,

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