BONNEVILLE POWER ADMINISTRATION
HUMAN CAPITAL MANAGEMENT
Portland, Oregon

PERSONNEL LETTER (PL): 890-2 (Revised) **DATE: November 2008**

SUBJECT: Procedures for Temporary Continuation of Coverage (TCC) Under the Federal Employees Health Benefits Program (FEHB) Coverage of Eligible Individuals

PURPOSE

- Transmits notification and enrollment procedures for (1) employees who lose their Federal Employees Health Benefits Program coverage because they leave their Federal positions/jobs, (2) children who lose their Federal Employees Health Benefits Program family member status because they reach age 22 or marry, and (3) former spouses who lose their Federal Employees Health Benefits Program family member status because of divorce or annulment.

- Supersedes Personnel Letter 890-2, dated May 2002.

POLICY SUMMARY

Temporary Continuation of Coverage (TCC) is a provision of the FEHB law that allows for temporarily continuation of FEHB coverage for Federal employees who separate from Federal service and for family members who lose eligibility. An employee is not eligible for TCC if a separation from Federal service is due to “gross misconduct”.

TCC allows former employees to continue their Federal Health Benefits Program coverage for up to 18 months, and former family members (children and former spouses) to continue Federal Employees Health Benefits Program coverage for up to 36 months.

TABLE OF CONENTS

I. DEFINITIONS

A. **Qualifying Event** under TCC means any of the following events that qualify an individual: (1) A separation from Government service; (2) A divorce or annulment; or (3) A change in circumstances that causes an individual to become ineligible to be considered an unmarried dependent child.

B. **Gross Misconduct** means a flagrant and extreme transgression of law or established rule of action for which an employee is separated and concerning which a judicial or administrative finding of gross misconduct had been made.

II. ELIGIBILITY

Federal employees and family members who lose their FEHB coverage because of a qualifying event may be eligible for TCC.

III. QUALIFYING EVENT

For **employees,** the qualifying events are:

1. Separation from Federal service, voluntarily or involuntarily, unless separation is due to gross misconduct; or

2. Separation for retirement and are not eligible to continue FEHB coverage as an annuitant.

For **children,** the qualifying events are:

1. Marriage
2. Reaching age 22
3. Loss of status as stepchild, foster child, or recognized natural child
4. In the case of children whose coverage has continued beyond age 22 because of their inability to support themselves due to a disability occurring before they reached age 22, recovering from the disability or becoming
5. self-supporting
6. Death of the employee or annuitant if the child does not qualify for a survivor annuity, or
7. Termination of a survivor annuity for any reason, including because he/she is no longer a full-time student.

For **former spouse** the qualifying events are:

1. Divorce; or
2. Annulment of the marriage.

IV. COVERAGE UNDER A TCC ENROLLMENT

For a **former employee**, a TCC family enrollment covers the same family members as were covered under the regular family enrollment. Family members must continue to meet the same eligibility requirements as under a regular family enrollment. A new family member, such as a new spouse or a newborn child, who is added during the TCC enrollment period, is also covered as a family member.

For a **child**, with a TCC family enrollment, his/her spouse and children are covered family members.

For **former spouses**, family members are limited to children of both the Federal employee and the former spouse. The new husband or wife of a remarried former spouse is not covered as a family member.

V. LENGTH OF TCC OF COVERAGE

Separating employees can continue TCC for up to 18 months after the date of separation.

Children and former spouses can continue TCC for up to 36 months after:

1. The date of the qualifying event, when the child or former spouse is covered as a family member of an employee or annuitant under a regular FEHB enrollment; or

2. The date of the employee's separation, if the qualifying event occurs when the child or former spouse is covered under the TCC enrollment of a former employee.

If your child's or former spouse's qualifying event occurs while you are enrolled for family coverage under TCC, the child or former spouse may elect TCC in his or her own right. However, the TCC coverage may not continue beyond 36 months after the date of your separation.

VI. COST OF COVERAGE

Enrollees pay the full enrollment premium (both the employee and government shares), plus a 2 percent administrative fee to the National Finance Center in New Orleans, Louisiana. Premiums begin on the day after the free 31-day temporary extension ends and will be collected monthly. However, individuals are billed the following months, with payment due upon receipt. The first bill may be prorated depending on effective date of paid coverage.

VII. ELECTION OPTIONS

An individual who elects continued coverage is not limited to the plan, option or type of enrollment under which he/she is covered on the date of loss of coverage. The individual may choose self-only or self and family coverage, and may enroll in any plan or option for which he/she is eligible.

A. After the initial enrollment, the individual may change enrollment during open season or upon the occurrence of one of the following events:

1. Change in family status;
2. Change to self only;
3. Move from area served by comprehensive plan;
4. Termination by an employee organization plan;
5. Termination of plan in which enrolled;
6. On becoming eligible for Medicare coverage; or
7. Child's coverage under another enrollment ends.

An individual may change from a self and family enrollment to self only at any time.

B. When a child enrolls for self and family, family members are his or her own spouse and children.

C. When a former spouse enrolls for self and family, family members are limited to those individuals who are children of both the employee and the former spouse.

D. Individuals who elect TCC have another 31-day extension of coverage at no cost to them and another opportunity to convert to nongroup coverage when the TCC ends, unless it ends because of cancellation by the individual or discontinuance of the plan.

VIII. EFFECTIVE DATE

For separating employees, children and former spouses, the effective date of TCC is the day after the 31-day temporary extension of coverage for conversion purposes.

NOTE: Coverage and premiums are retroactive to this date if the individual submits the SF-2809, Health Benefits Registration Form, after the 31-day temporary extension ends.

IX. PROCEDURES

To ensure that those individuals eligible for temporary continuation of health benefits coverage are properly notified of entitlement and enrollment election process, the following separate steps for the three groups of eligible individuals shall be followed.

A. Employee gives notice of separation (other than retirement) or BPA separates employee:

1. If separating employee is enrolled for health benefits, the Human Capital Management (HCM) staff in Employment and Benefits is notified. A TCC letter (Notice to a Separating Employee, Attachment 1) is mailed to the separated employee along with the Standard Form (SF) 2809, Health Benefits Election Form (Election Form) and R1-70-5, Guide to Federal Employees Health Benefits Plans for TCC and Former Spouse Enrollees, with a Business Reply envelope. The Employment and Benefits Representative will monitor for receipt or nonreceipt of the signed acknowledgement and election form.

2. Upon receipt of the completed FEHB Election Form, eligibility is determined; the Agency portion is completed; copy 2 is sent to the National Finance Center for processing, and a copy is filed in the Benefit Officers files.

3. Enrollee is then mailed a letter (Notification of Receipt of Health Benefits Election Form, Attachment 4) notifying him/her of receipt of the SF-2809, Election Form, along with a copy of the processed election form.

B. Employee's child loses coverage because of marriage and/or reaching age 22:

1. Employee and/or child advises the Employment and Benefits Representative in HCM (either personally or by telephone) of the change in the child's status.

2. If advised in person by the child, the Benefits Representative provides a letter (Notice of a Marriage or Reaching Age 22, Attachment 2) for the child's signature and date, and completion of any other requested information. The Agency retains the original signed letter and provides a copy to the child.

3. If advised by either the employee or child by telephone or e-mail, the Employment and Benefits Representative issues a letter (Notice of a Marriage or Reaching Age 22, Attachment 2) along with SF-2809, Health Benefits Election Form and R1, Guide to Federal Employees Health Benefits Plans for TCC and Former Spouse Enrollees, with a Business Reply envelope. The Employment and Benefits Representative will monitor for receipt or nonrecipt of the signed acknowledgement and election form.

4. Upon receipt of the completed election form, eligibility is determined, the Agency portion is completed, a copy is filed in the Benefit Officer's files, and a copy is sent to the National Finance Center for processing.

5. The child is then mailed a letter (Notification of Receipt of Health Benefits Election Form, Attachment 4) notifying him/her of receipt of the SF-2809 Election along with a copy of the processed election form.

C. Former spouse loses coverage or marriage is annulled:

1. When the Employment and Benefits Representative is advised by the former spouse of divorce or annulment, a TCC coverage letter (Notice to a Former Spouse or Marriage Annulled, Attachment 3) is sent to the former spouse or annulled person along with the Standard Form (SF) 2809, Health Benefits Election Form and R1-70-5, Guide to Federal Employees Health Benefits Plans for TCC and Former Spouse Enrollees, with a Business Reply envelope. The Employment and Benefits Representative will monitor for receipt or nonreceipt of the signed acknowledgement and election form.

2. Upon receipt of the completed election form, eligibility is determined; the Agency portion is completed, a copy is filed in the Benefit Officers files, and the original form is sent to the National Finance Center for processing.

3. The former spouse or annulled person is then mailed a letter (Notification of Receipt of Health Benefits Election Form, Attachment 4) notifying him/her of receipt of SF-2809, along with a copy of the processed election form.

X. NATIONAL FINANCE CENTER RESPONSIBILITIES

The National Finance Center (NFC) provides billing and collection services after initial eligibility determinations and processing by Employee and Benefits Representatives. Specifically, NFC provides the following services:

- Payment instructions and coupons to enrollees;
- Collection of premiums, including cancellation of enrollments for failure to pay premiums, making determinations on reinstatement requests, and advising enrollees of review rights;
- Cancellation of enrollments at the expiration of the eligibility period;
- Conducts open seasons and distributes open season materials;
- Processes open season enrollment changes, address, and name changes;
- Makes subsequent eligibility determinations;
- Processes all changes in enrollments occurring during continuation period; and

- Maintains a health benefits file for each enrollee.

XI. REFERENCES

- Title II of Public Law 100-654
- 5 CFR, Part 890, Subpart K, Temporary Continuation of Coverage

Roy B. Fox
Chief Human Capital Officer

Attachments (4)
Attachment A: Notice to a Separating Employee
Attachment B: Notice of a Marriage or Reaching Age 22
Attachment C: Notice to a Former Spouse or Marriage Annulled
Attachment D: Notification of Receipt of Health Benefits Election Form

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

February 10, 2009

In reply refer to: NHR-1

Employee, address

Dear Mx :

Your coverage in the Federal Employees Health Benefits (FEHB) Program ends on the last day of the pay period in which you separate from Federal Service, subject to a 31-day extension of coverage (at no cost to you) with opportunity for conversion to an individual contract with your insurance carrier.

You also have the right to temporarily continue your FEHB coverage for up to 18 months after your separation instead of converting to an individual contract at this time. You may select any plan in the FEHB Program in which to continue your coverage if you are eligible to enroll in the plan. To continue your coverage, you must pay the full amount of the premium (both the employee and Government shares) plus a 2 percent administrative charge. If you choose to continue your coverage, you have the free coverage described above for the first 31 days. Your Temporary Continuation of Coverage (TCC) enrollment and premium charges begin on the day after the 31-day period of free coverage ends. If you continue TCC to the end of the 18-month period, you will have another 31-day extension of coverage with opportunity for conversion to an individual contract.

If you are interested in continuing your FEHB coverage, fill out the enclosed SF 2809 and return to Bonneville Power Administration NHR-1, P.O. Box 3621, Portland, OR, 97208. If you want to continue your coverage, your election form must be received in NHR within 60 days after the date of separation or 65 days after the date of this notice whichever is later. Call Becky Finneran at (503) 230-4076 if you have any questions.

Sincerely,

Becky Finneran
Benefit Programs

I acknowledge receipt of this notice:

Signature____Date______________

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

February 10, 2009

In reply refer to: NHR-1

Child

Dear Mx. :

Your coverage in the Federal Employees Health Benefits (FEHB) Program as a family member of **"employee name",** ends when you marry or reach age 22, subject to a 31-day extension of coverage (at no cost) with opportunity for conversion to an individual contract with your insurance carrier.

You also have the right to temporarily continue your FEHB coverage for up to 36 months after you lose eligibility instead of converting to an individual contract at the time. You may select any plan in the FEHB Program in which to continue your coverage if you are eligible to enroll in the plan. If you choose family coverage, your spouse and your children will also be covered. To continue your coverage under the temporary continuation of coverage (TCC) provision, you must pay the full amount of the premium (both the employee and Government shares) plus a 2 percent administrative charge. If you choose to continue your coverage, during the first 31 days you have the free coverage described above. Your TCC enrollment and premium changes begin on the day after the 31-day period of free coverage ends. If you continue the coverage to the end of the 36-month period, you will have another 31-day extension of coverage with an opportunity to conversion to an individual contract.

If you are interested in continuing your FEHB coverage, fill out the enclosed SF 2809 and return to Bonneville Power Administration NHR-1, P.O. Box 3621, Portland, OR, 97208. You may also call Becky Finneran at (503) 230-4076 if you have any questions.

If you want to continue your coverage, your election form must be received within 60 days after your birthday or 60 days after the date of this notice whichever is later.

Becky Finneran
Benefit Programs
Bonneville Power Administration

I acknowledge receipt of this notice:

Signature______________________________________Date_____________

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

February 10, 2009
In reply refer to: NHR-1

Ex spouse and address

Dear Mx. :

Your coverage as a family member in the Federal Employees Health Benefits (FEHB) Program ended when you were divorced or your marriage was annulled, subject to a 31-day extension of coverage (at no cost) with opportunity for conversion to an individual contract with your insurance carrier.

You also have the right to temporarily continue your FEHB coverage for up to 36 months after your divorce instead of converting to an individual contract at this time. If you or your former spouse do not notify your employing office within a 60-day period after your divorce or annulment becomes final, your opportunity to elect TCC ends 60 days after the divorce or annulment. You may select any plan in the FEHB Program in which to continue your coverage if your are eligible to enroll in the plan. If you choose a family enrollment, it will cover yourself and the children of both you and the Federal employee under whose enrollment you have been covered. If your former spouse still carries a family enrollment, you can enroll for self only. To continue your coverage under the Temporary Continuation of Coverage provision (TCC), you must pay the full amount of the premium (both the employee and Government shares) plus a 2 percent administrative charge. If you choose to continue your coverage, during the first 31 days you have the free coverage described above. The TCC enrollment and premium charges begin on the day after the 31-day period of free coverage ends. If you continue the coverage to the end of the 36-month period, you will have another 31-day extension of coverage with opportunity for conversion to an individual contract.

You may be eligible for Spouse Equity if you were covered under FEHB as a family member at some time during the 18 months before the marriage ended; you have not remarried before reaching age 55, and you have a qualifying court order (a court order that awards you a portion of the employee's or retiree's annuity benefit or a survivor benefit based on the employee's or retiree's Federal service). You can find out how to apply under the “Former Spouse” section of this website http://www.opm.gov/insure/handbook or contact Becky Finneran (503) 230-4076 to find out how to apply to the Office of Personnel Management, who will determine eligibility for Spouse Equity. Spouse Equity allows you to continue insurance forever, if you meet he eligibility requirements. The cost is the same as TCC, but you don’t have to pay the 2 percent administrative charge.

Enclosed is an election form and detailed information about your opportunity to continue your coverage. If you are interested in continuing your FEHB coverage with TCC, fill out the enclosed SF 2809 and send a certified copy of the divorce decree to: Bonneville Power Administration, Becky Finneran, NHR-1, P.O. Box 3621, Portland, OR, 97208. You may also call Becky Finneran at (503) 230-4076 if you have any questions. If you want to continue your coverage, your election form must be received at the address shown above within 60 days after the date of divorce or annulment or 65 days after the date of this notice whichever is later, providing you have met the notification requirements.

Sincerely,

Becky Finneran
Benefit Programs

I acknowledge receipt of this notice: Signature__________________________ Date_____________

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

February 10, 2009

Address

Dear Mx:

Subject: Temporary Continuation of Coverage (TCC) of Health Benefits

Regarding your request for Temporary Continuation of Coverage (TCC) of Health Benefits, please find enclosed your copy of the Health Benefits Registration Form. We have completed part I and forwarded the remaining copies to the National Finance Center (NFC) for processing.

The NFC will send you a notice of enrollment letter and set of payment coupons approximately one to two months after your registration form is received by the NFC. The effective date of your new enrollment will be retroactive to the 31st day after your qualifying event (see Part H, item 3 on your Health Benefits Registration Form). You will pay the full cost of this insurance plus a 2% administrative fee on a monthly basis as described in the plan comparison brochure, which you previously received.

The NFC sends the enrollment information to the health insurance carrier the first and the fifteenth of each month. Therefore, it could take up to three months or more before you receive an identification card from the carrier. In the meantime the enclosed registration form will serve as proof of your insurance coverage should you require medical treatment. Tell the medical facility to make a copy of this form to submit with any claim. (Do not let them keep your copy of the form.)

If you have any problems obtaining service, please contact the NFC at 1-800-242-9630.

Sincerely,

Becky Finneran
Benefit Programs

Enclosure