UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Healthcare and
Insurance

December 21, 2011

Dear Tribal Leader:

This is an update on the implementation of IHCIA § 409, which was enacted as part of the Affordable Care Act. This provision authorizes tribes and tribal organizations operating programs under the Indian Self-Determination and Education Assistance Act and urban Indian organizations operating a program under Title V of the Indian Health Care Improvement Act to purchase coverage for their employees under the Federal Employees Health Benefits (FEHB) Program. Entitled tribal employers may begin to enroll their employees on March 22, 2012, with an insurance coverage effective date of May 1, 2012. Tribal employers choosing not to purchase coverage during this initial enrollment period may do so later during the year (see enclosed timeline).

All tribes, tribal organizations, or urban Indian organizations that wish to participate in the FEHB Program with a May 1, 2012 enrollment effective date must notify the Office of Personnel Management (OPM) by February 1, 2012. To notify OPM, please email tribalprograms@opm.gov or call 202-606-2530. Please note that this email address and phone number are meant as a resource for tribal employers and should not be passed on to individual employees.

By electing to purchase FEHB coverage, tribal employers agree to use FEHB benefits as the sole source of employer-sponsored health insurance coverage for all eligible employees[1] of the tribe, tribal organization, or urban Indian organization. Employers may not elect to enroll some, but not all employees, with some receiving FEHB and others receiving alternative health insurance coverage. Further details, including regulations and a handbook for tribal employers' human resources officers, are forthcoming and will be available at www.opm.gov/tribalprograms. Electronic copies of the handbook will be provided upon request.

Like Federal agencies, tribal employers electing to purchase FEHB for their employees will be responsible for the administrative costs associated with processing enrollments and paying premiums. The 2012 administrative fee will be $15.15 per employee per month based on an estimated enrollment of 25,000 tribal employees. This fee will pay for the employee enrollment, premium collection and billing functions provided by the U.S. Department of Agriculture's National Finance Center (NFC), which is providing the paymaster function for tribes. We expect the amount of the

[1] All full- and part-time employees of tribal employers that have elected to participate in the FEHB Program may purchase coverage. The common-law definition of employee will apply. For details please refer to pages two through five of: http://www.irs.gov/pub/irs-utl/x-26-07.pdf. Contract employees, retirees, and volunteers are not eligible to enroll.

administrative fee to decrease as the number of participants increases. If enrollment reaches 50,000 employees, the administrative fee will be reduced to approximately $9.00. Monthly administrative fees are considered an employer cost separate from health plan premiums and cannot be passed on to employees.

Tribal employers will also be required to pay, at a minimum, the same employer contribution as Federal agencies, which is approximately 72 percent of premiums. The employer and employee premium contributions for FEHB plans in 2012 can be found in the attached rate tables or at the following website: http://www.opm.gov/insure/health/rates/index.asp. To identify the HMO plans available in your geographic location, please refer to the attached "FEHB Guide for Tribal Employees."

Tribal employers will be billed by NFC on a monthly basis for total premiums for their employees (both employer share and employee share) plus the employer's administrative fee. Tribal employers will be responsible for collecting the employee share of premiums.

If you have any questions, please contact us at the email address or phone number provided above. Thank you for your interest in the FEHB Program and for your continued partnership as we move forward with the implementation process.

Sincerely,

John O'Brien
Director
Healthcare and Insurance

Enclosures:

- 2012 Tribal Employee Premiums (Fee-for-Service and HMO)
- FEHB Guide for Tribal Employees
- Timeline for Purchasing FEHB
- FEHB FastFacts for Tribal Employees