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may defer withdrawing approval of a plan not meeting the requirement in § 890.201(a)(11) of this part when, in the judgment of OPM, the carrier shows good cause. The Director or representative may authorize a plan with fewer than 300 employees or annuitants to remain in the FEHB Program when he or she determines, in his or her discretion, that it is in the best interest of the Program (e.g., when the plan is the only plan available to enrollees in a rural area).

(b) During a current contract term, the Director, in his or her discretion, may reinstate approval of a plan or carrier under this section on a finding that the reasons for withdrawing approval no longer exist.

[55 FR 9109, Mar. 12, 1990, as amended at 57 FR 14324, Apr. 20, 1992]

§ 890.205 Nonrenewal of contracts of health benefits plans.

(a) Either OPM or the carrier may terminate a contract by giving a written notice of nonrenewal which includes an indication of the reason for the intended action.

(b) Where termination by notice of intent not to renew is made by OPM, the carrier contesting that notice may request that OPM review the proposed decision. Such review shall be conducted by the Director or a representative designated by the Director, who shall not otherwise have been a party to the initial decision to issue a notice of intent not to renew. A request for such review, which may include a request that a representative of the carrier appear personally before OPM, shall be in writing. That request must be received within 10 calendar days of the carrier's receipt of the notice of intent not to renew. Such request shall include a detailed statement as to why the carrier disagrees with OPM's notice of nonrenewal and shall be accompanied by appropriate supporting documentation. Where a carrier has requested review under this section, the final decision by OPM not to renew a health benefits contract shall be communicated to the carrier in writing not more than 30 days after OPM's receipt of the carrier's request for review, unless a later date is mutually agreed upon.

(c) In the absence of a timely request for review as set forth in paragraph (b) of this section, OPM's notice of intent not to renew will become final without further notification.

[57 FR 19374, May 6, 1992]

Subpart C—Registration and Enrollment

§ 890.301 Opportunities to register to enroll and change enrollment.

(a) *Initial registration.* Except as otherwise provided in this part, each employee who becomes eligible shall register within 31 days after becoming eligible.

(b) *Belated registration.* When an employing office determines that (1) an employee was unable, for cause beyond his or her control, to register to be enrolled or (2) an enrollee was unable, for cause beyond his or her control, to change enrollment within the time limits prescribed by this section, that office must accept his or her registration within 31 days after it advises him or her of that determination.

(c) *Reregistration.* An employee whose enrollment was terminated under § 890.304(a)(1)(v), or because he/she had a break in service of more than 3 days, shall register within 31 days after his/her return to pay status.

(d) *Open season.* (1) An open season will be held from the Monday of the second full workweek in November through the Monday of the second full workweek in December in any year—

(i) That precedes a year during which the rates or benefits of any health benefits plan in the Program will change; or

(ii) That precedes a year during which a newly-approved plan will begin participation in the Program; or

(iii) At the end of which an existing health benefits plan will cease to participate in the Program.

(2) The Director of the Office of Personnel Management may modify the dates specified in this paragraph or announce additional open seasons. Announcements of open seasons will be made by OPM in Federal Personnel Manual (FPM) Bulletins.

(3) During open season—

(i) An eligible unenrolled employee may register to be enrolled.

(ii) An enrollee may change to another plan, another option, or from self alone to self and family, or may make any combination of these changes.

(iii) An annuitant or a former spouse, as defined in 5 U.S.C. 8901(10), who canceled enrollment under this part for the purpose of enrolling in a prepaid health plan under sections 1833 or 1876 of the Social Security Act may register to reenroll.

(e) *Change in family status.* (1) Other than a former spouse who is continuing coverage under subpart H or subpart K of this part or a remarried survivor annuitant, an enrollee may register to change enrollment from self alone to self and family, or from one plan or option to another, or both; and an employee, if not registered to be enrolled, may register to be enrolled at any time during the period beginning 31 days before a change in marital status and ending 60 days after the change in marital status. Other than a former spouse who is continuing coverage under subpart H or subpart K of this part or a remarried survivor annuitant, an enrollee may change enrollment from self alone to self and family within 60 days after any other change in family status.

(2) A former spouse who is continuing coverage under subpart H or subpart K of this part may register to change enrollment from self alone to self and family, or from one plan or option to another, or both, within 60 days after the birth or acquisition of a child who meets the requirements to be a covered family member under §890.804(a) or §890.1106(a)(2) of this part.

(f) *Change to self alone.* (1) An enrollee may register at any time to change enrollment from self and family to self alone.

(2) Other than a former spouse, an employee or annuitant who is covered by the enrollment of another under this part may elect self alone coverage within 31 days after a change in the covering enrollment has been filed under authority of this paragraph.

(3) In order for an employee annuitant to be eligible to elect self only coverage under authority of this paragraph, he or she must meet the statutory requirements of having retired on an immediate annuity and having been covered by a plan under this part (including enrollment in his or her own right) since his or her first opportunity to enroll or for the 5 years immediately preceding his or her retirement, whichever is shorter.

(g) *Loss of coverage under Federal programs.* (1) An employee who is not enrolled, but is covered by another federally-sponsored health benefits program, and whose coverage or enrollment terminates under the other federally-sponsored program, may register to be enrolled:

(i) Within 31 days after termination of coverage for a reason other than death; or

(ii) Within 60 days after termination of coverage because of death of the enrollee.

(2) An employee, or former spouse who has established eligibility for health benefits under §890.803 of this part and who is not enrolled but is covered by the enrollment of another under this part, may register to be enrolled: (i) within 31 days after termination of coverage for a reason other than death of the enrollee or cancellation, and (ii) within 60 days after termination of coverage because of the enrollee's death.

(3) An employee annuitant who was covered by the enrollment of another under this part and had been covered (including enrollment in his own right) under this part since his first opportunity or for the 5 years immediately preceding his retirement, whichever is shorter, may register to enroll within 31 days after the termination of the covering enrollment, other than by cancellation.

(4) An employee, annuitant, or former spouse who has established eligibility for health benefits under §890.803 of this part, who is not enrolled but is covered by the enrollment of another enrollee under this part, may register to be enrolled in the same plan and option within 31 days after cancellation of the other's enrollment. If the individual is not eligible to enroll in the plan from which coverage is lost, he or she may enroll in the same option of any available plan. In order for an employee annuitant to be eligible to

enroll under authority of this paragraph, he or she must meet the statutory requirements of having retired on an immediate annuity and having been covered by a plan under this part (including enrollment in his or her own right) since his or her first opportunity to enroll or for the 5 years immediately preceding his or her retirement, whichever is shorter.

(5) A former employee, former spouse, or a child whose continued coverage under subpart K of this part terminates because of the provisions of § 890.1110(a)(3) of this part (termination due to other coverage under this part) may reenroll in the same plan and option within 31 days after the other coverage under this part ends, but not later than the expiration of the period described in § 890.1107. If the individual is not eligible to enroll in the plan from which coverage was lost under § 890.1110(a)(3), he or she may enroll in the same option of any available plan. Coverage does not extend beyond the expiration of the period described in § 890.1107 of this part.

(6) An employee annuitant who had been covered under this part since his or her first opportunity to enroll or for the 5 years immediately preceding the commencing date of his or her annuity or monthly compensation, whichever is shorter, a survivor annuitant who had been enrolled or was otherwise eligible to enroll for coverage under this part, or a former spouse who had been enrolled for coverage under this part who cancels enrollment for the purpose of enrolling in a prepaid health plan under sections 1833 or 1876 of the Social Security Act and is subsequently disenrolled from the prepaid health plan, may register to reenroll in any available plan or option. Voluntary disenrollment from a prepaid health plan must be made in conjunction with reenrollment during the next available open season to assure continuing, uninterrupted health plan coverage. Involuntary disenrollment provides an opportunity to immediately reenroll under this part at any time beginning 31 days before and ending 31 days after the disenrollment.

(h) *Move from area served by comprehensive medical plan.* An enrollee in a comprehensive plan who moves outside the service area, or, if already living outside the service area, moves further from the service area, may register to change enrollment upon presenting written notification to the employing office of the change of address in connection with pay or annuity functions (including tax withholding forms W–4 and W–4P and the Thrift Saving Plan). Similarly, if an enrollee's family member(s) move(s) out of the service area, or moves further from the service area, the enrollee may register to change enrollment upon presenting satisfactory evidence of the move to the employing office.

(i) *Termination by employee organization plan.* An enrollee in a health benefits plan sponsored or underwritten by an employee organization whose membership in the employee organization is terminated may register to enroll in another plan under the following conditions:

(1) Health benefits enrollment is terminated by the plan; and,

(2) Registration to enroll in another plan is submitted within 31 days after termination of enrollment in the employee organization plan. The enrollee may not change enrollment from self alone to self and family under this paragraph.

(j) *Transfer to or from overseas post of duty.* An employee who is transferred from a post of duty within the several States or the District of Columbia to a post of duty outside the several States and the District of Columbia, or the reverse, may register to be enrolled or to change his enrollment with respect to whether his family is covered, or the health benefits plan or option in which he is enrolled, or both, within the period beginning 31 days before the date he leaves the old post of duty and ending 31 days after he arrives at the new post of duty. An annuitant who is eligible to continue health benefits may register to change enrollment with respect to whether his family is covered, or the health benefits plan or option in which enrolled, or both, within 60 days after retirement or the death of the employee on whose service title to annuity is based, if the employee is stationed at a post of duty outside the

several States and the District of Columbia at the time of his retirement or death, as the case may be.

(k) *Termination of plan in which enrolled.* (1) If a plan is discontinued in whole or in part, each enrollee whose enrollment is thereby terminated may enroll in another plan. If the discontinuance is at the end of a contract period that is immediately preceded by an open season, the time for enrollment is the open season, unless OPM establishes a different time for enrollment. If the discontinuance is at a time other than the end of the contract year, OPM must establish a time and an effective date for enrollment. Except as provided in paragraphs (k)(2) and (k)(3) of this section, enrollees who fail to change enrollment within the time set are considered to have cancelled the plan in which enrolled.

(2) If one option of a plan is discontinued, enrollees who do not change plans are considered to be enrolled in the remaining option of the plan.

(3) Annuitants enrolled in a discontinued plan with a single option who do not change plans are deemed to have elected to be enrolled in the Standard Option of the Service Benefit plan. Annuitants enrolled in a discontinued plan with two options are deemed to have elected the corresponding option of the Service Benefit Plan, unless they are enrolled in a high option and their annuity is insufficient to pay the withholding for the high option of the Service Benefit Plan. If their annuity is insufficient to pay the withholding for the high option, they are deemed to have elected enrollment in the Standard Option of the Service Benefit Plan. The exemptions from debt collection procedures that are provided under 5 CFR 831.1305(d)(2) and 5 CFR 845.205(d)(2) apply to elections under this paragraph.

(l) *Loss of coverage under parent's non-Federal plan.* An employee who is not registered to be enrolled may register to be enrolled within 31 days after he/she loses coverage under his/her parent's non-Federal health plan for a reason other than death and within 60 days after loss of coverage because of the parent's death.

(m) *On return from a uniformed service.* An employee who enters on duty in a uniformed service for a period of time not limited to 30 days or less may register to be enrolled or to change his enrollment within 31 days after he is restored to a civilian position pursuant to part 353 of this chapter or other similar authority; and an annuitant who enters on duty in a uniformed service for a period of time not limited to 30 days or less may register to change his enrollment within 31 days after he is separated from the uniformed service.

(n) *On becoming eligible for coverage under title XVIII of the Social Security Act.* An enrollee may register, at any time beginning on the 30th day before he or she is eligible for coverage under title XVIII of the Social Security Act (Medicare), to change enrollment to any option of any available plan under this part. A change of enrollment under this paragraph may be made only once.

(o) *Change in employment status.* If an employee or annuitant is entitled to provide coverage for another by a self-and-family enrollment, but both are enrolled for self alone, he may change his enrollment to self and family within 31 days after the other enrollment is terminated by a change in employment status which results in loss of eligibility.

(p) *Sole survivor.* When an employee or annuitant enrolled for self and family dies, leaving a survivor annuitant who is entitled to continue the enrollment in a health benefits plan, and it is apparent from available records that the survivor annuitant is the sole survivor entitled to continue enrollment in the health benefits plan, the office of the retirement system which is acting as employing office shall change the enrollment from self and family to self alone, effective on the commencing date of annuity for the survivor annuitant. On request of the survivor annuitant made within 31 days after the first installment of annuity is paid, the office of the retirement system which is acting as employing office shall rescind the action retroactive to the effective date of the action, with corresponding adjustment in withholdings and contributions.

(q) *Annuity insufficient to pay withholdings.* (1) If the annuity of an

annuitant is insufficient to pay the withholdings for the plan in which the annuitant is enrolled, the retirement system will provide information to the annuitant regarding the available plans and notify him or her in writing of the opportunity to either: register to be enrolled in any plan in which the enrollee's share of the premium is not in excess of the annuity; or make payment of the premium directly to the retirement system in accordance with § 890.502(f). If the annuitant is enrolled in the high option of a plan that has two options, and does not elect a plan at a cost to him or her not in excess of the annuity or does not elect to pay premiums directly, he or she is deemed to have selected enrollment in the standard option of the same plan unless the annuity is insufficient to pay the withholdings for the standard option.

(2) An annuitant whose enrollment was terminated on account of such annuitant's annuity being insufficient to cover the enrollee's share of the premium may apply to be reinstated in any available plan or option.

(3) An annuitant who can show evidence that he or she previously changed to a lower cost option, plan, or to a self-only enrollment prior to May 29, 1990, because the annuity was insufficient to cover the withholdings for the plan in which he or she was enrolled, may apply to change his or her enrollment to any available plan or option in which the enrollee's share of the total premium exceeds his or her monthly annuity.

(r) *Registration by proxy.* In the discretion of the employing office, a representative of an enrollee or individual eligible to enroll under this part, having written authorization to do so, may register for the individual.

(s) *Survivor annuity restored.* A surviving spouse who was covered by a health benefits enrollment under this part immediately before his or her survivor annuity was terminated because of remarriage, and whose survivor annuity is later restored, may register to enroll in a health benefits plan under this part within 60 days after the mailing by OPM of a notice of eligibility and registration forms.

(t) *Loss of medicaid coverage.* An employee who is not enrolled, but is covered by medicaid (State program of medical assistance for the needy), may register to be enrolled within 31 days after termination of medicaid; and an employee who is enrolled for self only may change to a self and family enrollment within 31 days after an eligible family member loses coverage under medicaid.

(u) *Child's coverage ends.* An enrollee may register to change enrollment from self alone to self and family within 31 days after an eligible child loses coverage under another enrollment under this part.

(v) *Change to part-time career employment.* An enrolled employee who moves, without a break in service or after a separation of 3 days or less, to ''part-time career employment'' as defined in section 3401(2) of title 5, United States Code, and 5 CFR part 340, subpart B, may change to any other plan or option. This change in enrollment may be made within 31 days after the change to ''part-time career employment.''

(w) *Election between survivor annuities.* A surviving spouse, irrespective of whether his or her survivor annuity continued or was terminated upon remarriage, who was covered by a health benefits enrollment under this part immediately before his or her remarriage, may elect to continue a health benefits enrollment under this part acquired by virtue of the remarriage or to enroll in his or her own right in the plan under which he or she was previously covered under this part within 60 days after the termination of the remarriage and entitlement to a survivor annuity.

(x) *Change to position out of commuting area.* (1) An employee who moves out of the commuting area to accept another position and who loses coverage under a spouse's non-Federal enrollment because the non-Federally employed spouse terminates his or her enrollment to accompany the Federal employee, may register to enroll within the period beginning 31 days before the date the Federal employee leaves employment in the old commuting area and ending 180 days after entry on duty at the place of employment in the new commuting area.

(2) An employee who moves out of the commuting area to accept another position and whose spouse loses non-Federal coverage when he or she terminates non-Federal employment to accompany the Federal employee, may change enrollment from self only to self and family within the period beginning 31 days before the date the Federal employee leaves employment in the old commuting area and ending 180 days after entry on duty at the place of employment in the new commuting area.

(y) *Loss of coverage under spouse's non-Federal plan*—(1) An employee whose spouse involuntarily loses his or her non-Federal health insurance coverage, or coverage for his or her dependents, may register to enroll within the period beginning 31 days before and ending 31 days after the spouse's or dependent's loss of coverage. An employee whose children lose coverage under the other parent's non-Federal health plan because the other parent involuntarily loses coverage for his or her dependents, may register to enroll within the period beginning 31 days before and ending 31 days after the children's loss of coverage.

(2) An employee or annuitant whose spouse involuntarily loses his or her non-Federal health insurance coverage, or coverage for his or her dependents, may change enrollment from self only to self and family within the period beginning 31 days before and ending 31 days after the spouse's or dependent's loss of coverage. An employee or annuitant whose children lose coverage under the other parent's non-Federal health plan because the other parent involuntarily loses coverage for his or her dependents, may change enrollment from self only to self and family within the period beginning 31 days before and ending 31 days after the children's loss of coverage.

(z) *Disability annuity restored.* A disability annuitant who was enrolled in a health benefits plan under this part immediately before his or her disability annuity was terminated because of restoration to earning capacity or recovery from disability, and whose disability annuity is restored under section 8337(e) of title 5, United States Code, after December 31, 1983, may register to enroll in a health benefits plan under this part within 60 days after OPM mails a notice of insurance eligibility and registration form.

(aa) *Termination of remarriage of ''lump sum'' survivors in receipt of basic employee death benefits.* A surviving spouse who received a basic employee death benefit under 5 U.S.C. 8442(b)(1)(A) and who was covered by a health benefits enrollment under this part immediately before remarriage prior to age 55 may register to enroll in a health benefits plan under this part upon termination of the remarriage. The survivor must provide OPM with a certified copy of the notice of death or the court order terminating the marriage. Registration must be made within 60 days after OPM mails the registration form to the surviving spouse.

(bb) *Change from a temporary appointment under 5 U.S.C. 8906a to another type of covered appointment.* A temporary employee who is eligible to enroll according to provisions of 5 U.S.C. 8906a, which require payment of the full premium with no Government contribution, and who subsequently changes to an appointment that entitles the employee to receive the Government contribution toward the premium, may enroll or change to any other plan or option within 31 days after changing to the appointment that allows the Government contribution.

(cc) *Reenrollment upon application for postponed MRA-plus-10 annuity.* A former employee who meets the requirements for an immediate annuity under 5 U.S.C. 8412(g) and for continuation of coverage under 5 U.S.C. 8905(b) at the time of the separation and whose enrollment is terminated under § 890.304(a)(2) may register to enroll in a health benefits plan under this part within 60 days after OPM mails the former employee a notice of eligibility and the appropriate registration form. If such former employee dies before the end of the 60-day election period in the preceding sentence, a survivor who is entitled to a survivor annuity may register to enroll in a health benefits plan under this part within 60 days after OPM mails the survivor a notice of eligibility and the appropriate registration form.

(dd) *Separating employees.* An employee may change enrollment from self only to self and family during the pay period in which the employee's coverage terminates due to separation if the employee or the employee's spouse is pregnant. The employee must supply medical documentation of the pregnancy.

(ee) *Salary of temporary employee insufficient to pay withholdings.* If the salary of a temporary employee eligible under 5 U.S.C. 8906a is not sufficient to pay the withholdings for the plan in which the employee is enrolled, the employing office shall notify the employee of the plans available at a cost not in excess of the employee's salary. The employee may register to be enrolled in another plan whose cost is no greater than his or her salary within 31 days after receiving such notification from the employing office.

[33 FR 12510, Sept. 4, 1968]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 890.301, see the List of Sections Affected in the Finding Aids section of this volume.

§ 890.302 Coverage of family members.

(a)(1) An enrollment for self and family includes all family members who are eligible to be covered by the enrollment. Except as provided in paragraphs (a) (2), (3), and (4) of this section, no employee, former employee, annuitant, child, or former spouse may enroll or be covered as a family member if he or she is covered under another person's self and family enrollment in the FEHB Program.

(2) *Dual enrollment—spouse.* (i) To protect the interests of the children, an employee or annuitant may enroll in his or her own right in a self and family enrollment even though his or her spouse also has a self and family enrollment. Generally, such dual enrollments are permitted only where two employees or annuitants are married, each with children from prior marriages who do not live with them, or are legally separated, with each spouse retaining custody of his or her own children by a prior marriage. To ensure that no person receives benefits under more than one enrollment, each enrollee must tell the insurance carrier which family members are covered under his or her enrollment. These individuals are not covered under the other enrollment.

(ii) To protect the interests of legally separated Federal employees, annuitants and their children, a legally separated employee or annuitant may enroll in his or her own right in a self only or self and family enrollment even though his or her spouse also has a self and family enrollment. To ensure that no person receives benefits under more than one enrollment, each enrollee must tell the insurance carrier which family members are covered under his or her enrollment. These individuals are not covered under the other enrollment.

(3) *Dual enrollment—child.* (i) When natural parents are divorced or legally separated and children are included as family members under the enrollment of both natural parents or of a natural parent and a step-parent, the children are entitled to receive benefits under only one enrollment. Each enrollee must notify his or her insurance carrier of the name(s) of the child(ren) to be covered under his or her enrollment that are not named under the other enrollment.

(ii) When an employee who is under age 22 and covered under a parent's self and family enrollment becomes the parent of a child, the employee may elect to enroll for self and family coverage. Because the employee is entitled to receive benefits under only one enrollment, each enrollee must notify his or her insurance carrier of the names of the persons to be covered under his or her enrollment that are not named under the other enrollment.

(4) *Dual enrollment—spouse and child.* Where a situation such as that in paragraph (a)(2) of this section occurs (that is, two employees or annuitants are married, but each has children from prior marriages who do not live with them) and there are also children who are the issue of the marriage, an employee or annuitant may enroll in his or her own right in a self and family enrollment even though his or her spouse also has a self and family enrollment. Because no person is entitled to receive benefits under more than one enrollment, each enrollee must notify his or her insurance carrier of the

names of the family members to be covered under his or her enrollment that are not covered under the other enrollment.

(b) *Proof of dependency.* (1) A child is considered to be dependent on an enrolled employee or annuitant or a former employee or child enrolled under § 890.1103 of this part if he or she is:

(i) A legitimate child;

(ii) An adopted child;

(iii) A stepchild, foster child, or recognized natural child who lives with the enrollee in a regular parent-child relationship.

(iv) A recognized natural child for whom a judicial determination of support has been obtained; or

(v) A recognized natural child to whose support the enrollee makes regular and substantial contributions.

(2) The following are examples of proof of regular and substantial support. More than one of the following proofs may be required to show support of a recognized natural child who does not live with the enrollee in a regular parent-child relationship and for whom a judicial determination of support has not been obtained.

(i) Evidence of eligibility as a dependent child for benefits under other State or Federal programs;

(ii) Proof of inclusion of the child as a dependent on the enrollee's income tax returns;

(iii) Canceled checks, money orders, or receipts for periodic payments from the enrollee for or on behalf of the child.

(iv) Evidence of goods or services which show regular and substantial contributions of considerable value;

(v) Any other evidence which OPM shall find to be sufficient proof of support or of paternity or maternity.

(c) *Exceptions.* Coverage as a family member may be denied:

(1) If evidence shows that the enrollee did not recognize the child as his or her own, despite a willingness to support the child, or

(2) If evidence calls the child's paternity or maternity into doubt, despite the enrollee's recognition and support of the child.

(d) *Child incapable of self-support.* When an individual enrolls for a family that includes a child who has become 22 years of age and is incapable of self-support, the employing office must require such enrollee to submit a physician's certificate verifying the child's disability. The certificate must—

(1) State that the child is incapable of self-support because of a physical or mental disability that existed before the child became 22 years of age and that can be expected to continue for more than 1 year;

(2) Include a statement of the name of the child, the nature of the disability, the period of time it has existed, and its probable future course and duration; and,

(3) Be signed by the physician and show the physician's office address. The employing office must require the enrollee to submit the certificate on or before the date the child becomes 22 years of age. However, the employing office may accept otherwise satisfactory evidence of incapacity that is not timely filed.

(e) *Renewal of certificates of incapacity.* The employing office must require an enrollee who has submitted a certificate of incapacity to renew that certificate on the expiration of the minimum period of disability certified.

(f) *Determination of incapacity.* The employing office shall make determinations of incapacity.

(g) *Meaning of unmarried.* A child who has never married or whose marriage has been annulled, or a child who is divorced or widowed is considered to be unmarried.

[33 FR 12510, Sept. 4, 1968, as amended at 43 FR 52460, Nov. 13, 1978; 45 FR 76088, Nov. 18, 1980; 46 FR 35082, July 7, 1981; 49 FR 1047, Jan. 9, 1984; 51 FR 15748, Apr. 28, 1986; 53 FR 45070, Nov. 8, 1988; 54 FR 52338, Dec. 21, 1989; 55 FR 22891, June 5, 1990; 59 FR 60296, Nov. 23, 1994]

§ 890.303 Continuation of enrollment.

(a) *On transfer or retirement.* (1) Except as otherwise provided by this part, the registration of an employee or annuitant eligible to continue enrollment continues without change when he or she moves from one employing office to another, without a break in service of more than 3 days, whether the personnel action is designated as a transfer or not.

(2) In order for an employee to continue an enrollment as an annuitant, he or she must meet the participation requirements set forth at 8905(b) of title 5, United States Code, for continuing an enrollment as an annuitant as of the commencing date of his or her annuity or monthly compensation.

(3) For the purpose of this part, an employee is considered to have enrolled at his or her first opportunity if the employee registered to be enrolled during the first of the periods set forth in §890.301 in which he or she was eligible to register or was covered at that time by the enrollment of another employee or annuitant, or registered to be enrolled effective not later than December 31, 1964.

(4) Enrollment or eligibility for enrollment under subparts H or K of this part of an individual who is not an employee eligible for coverage under other provisions of this part is not considered in determining whether a retiring employee has met the participation requirements of §8905(b) of title 5, U.S. Code. Coverage under subparts H or K of this part of an individual who is an employee eligible for coverage under other provisions of this part may be considered in determining whether a retiring employee has met the participation requirements.

(b) *Change of enrolled employees to certain excluded positions.* Employees and annuitants enrolled under this part who move, without a break in service or after a separation of 3 days or less, to an employment in which they are excluded by §890.102(c), continue to be enrolled so long as they are employed, unless excluded by paragraphs (c) (4), (5), (6), (7), or (8) of §890.102.

(c) *On death.* The enrollment of a deceased employee or annuitant who is enrolled for self and family (as opposed to self only) is transferred automatically to his or her eligible survivor annuitants. The enrollment is considered to be that of (1) the survivor annuitant from whose annuity all or the greatest portion of the withholding for health benefits is made or (2) the surviving spouse entitled to a basic employee death benefit. The enrollment covers members of the family of the deceased employee or annuitant. In those instances in which the annuity is split among surviving family members, multiple enrollments are allowed. A remarried spouse is not a member of the family of the deceased employee or annuitant unless annuity under section 8341 or 8442 of title 5, United States Code, continues after remarriage.

(d)(1) *Survivor annuitants.* If an employee who is entitled to health benefits coverage as a survivor annuitant elects to enroll or to continue to be enrolled under his eligibility as an employee, and is thereafter separated without entitlement to continued enrollment based on his own service, he is entitled to reinstatement of his employee-acquired enrollment on application to his retirement office. Reinstatement is effective immediately after termination of his employee-acquired enrollment if the application is received by the retirement office within 60 days of separation; otherwise reinstatement is effective on the first day of the first pay period after receipt of the application. The retirement office shall withhold from the annuity that the former employee receives as a survivor annuitant, the amounts necessary to pay his share of the cost of the enrollment.

(2) *Employee becomes a survivor annuitant.* (i) If an employee who is entitled to health benefits coverage as a survivor annuitant elects to enroll or to continue to be enrolled under his or her eligibility as an employee, and is thereafter separated without entitlement to continued enrollment based on his or her own service, the employee is entitled to reinstatement of the enrollment as a survivor anuitant on application to the retirement office. Reinstatement as a survivor annuitant is effective on the day after the termination date of the employee-acquired enrollment if the application is received by the retirement office within 60 days of separation; otherwise, reinstatement is effective on the first day of the first pay period after receipt of the application. The retirement office shall withhold from the annuity that the former employee receives as a survivor annuitant the amounts necessary to pay the health benefits premium.

(ii) If the surviving spouse of a deceased employee or annuitant is enrolled as an employee with a self and

family enrollment (or, if both the decedent and the surviving spouse were enrolled in a self only enrollment) at the time the surviving spouse becomes a survivor annuitant and the surviving spouse is thereafter separated without entitlement to continued enrollment as a retiree, the surviving spouse is entitled to enroll as a survivor annuitant. The change from coverage as an employee to coverage as a survivor annuitant must be made with 30 days of separation from service.

(iii) Except for an employee who meets the definition of former spouse under 5 U.S.C. 8901(10) based on an individual's deferred annunity under 5 U.S.C. 8341(h) or 8445(f), the employee survivor of an annuitant receiving deferred retirement benefits is not eligible for FEHB Program enrollment as a survivor annuitant and therefore may not enroll as a survivor annuitant based on coverage obtained as an employee.

(3) *Insurance interest survivor annuity.* A current spouse who is an insurable interest beneficiary under § 831.606(b) or § 842.605(b) of this title is eligible to continue health benefits enrollment as an insurable interest survivor annuitant so long as he or she was covered as a family member at the time of the annuitant's death. This entitlement applies even if the spouse is eligible for continued enrollment as a survivor annuitant under another section of 5 CFR parts 831 or 843. To prevent dual coverage, the spouse must be covered under only one health benefits enrollment under this part.

(e) *In nonpay status.* (1) Except as otherwise provided by law, the enrollment of an employee continues while he/she is in nonpay status for up to 365 days. The 365 days' nonpay status may be continuous or broken by periods of less than 4 consecutive months in pay status. If an employee has at least 4 consecutive months in pay status after a period of nonpay status he/she is entitled to begin the 365 days' continuation of enrollment anew. For the purposes of this paragraph, 4 consecutive months in pay status means any 4-month period during which the employee is in pay status for at least part of each pay period.

(2) However, in the case of an employee who is employed under an OPM approved career-related work-study program under Schedule B of at least one year's duration and who is expected to be in a pay status during not less than one-third of the total period of time from the date of the first appointment to the completion of the work-study program, his/her enrollment continues while he/she is in nonpay status so long as he/she is participating in the work-study program.

(f) [Reserved]

(g) *Former spouse entitled to coverage as employee or member of family.* An individual entitled to health benefits as a former spouse who also has or becomes entitled to health benefits coverage as a Federal employee or as a family member under another enrollment under this part may defer or suspend coverage as a former spouse and continue his or her coverage as an employee or family member. The former spouse must have established entitlement to the health benefits coverage under § 890.803 of this part and filed all required documents with the employing office responsible for maintaining the former spouse enrollment within the time limits specified in § 890.805 of this part. The employing office shall note in the former spouse's file that the former spouse health benefits enrollment is being deferred or suspended until coverage as a Federal employee or as a family member ends. Upon loss of coverage as a Federal employee or as a family member, the individual is entitled to enroll or resume the enrollment as a former spouse, provided he or she remains eligible as such. A former spouse who enrolls because he or she lost coverage under another enrollment under this part for a reason other than cancellation must meet the requirements of § 890.301(g)(2). A former spouse who enrolls because he or she lost coverage under another enrollment under this part as a result of cancellation of the covering enrollment must meet the requirements of § 890.301(g)(4).

(h) *Temporary continuation of coverage.* Certain former employees who lose coverage because of a separation from Federal service, certain children who lose coverage because they cease to meet the requirements for coverage

as children, and certain former spouses who lose coverage because their marriage to the enrollee ends and who are not eligible for coverage under subpart H of this part may elect temporary continuation of coverage under the provisions of subpart K of this part.

(i) Service in the uniformed services. The enrollment of an individual who separates to enter the uniformed services under conditions that entitle him or her to benefits under part 353 of this chapter may continue for the 18-month period beginning on the date that the absence to serve in the uniformed services begins, provided that the individual continues to be entitled to benefits under part 353 of this chapter. The enrollment of an employee who enters on military furlough or is placed in nonpay status to serve in the uniformed services may continue for the 18-month period beginning on the date that the absence to serve in the uniformed services begins, provided that the employee continues to be entitled to benefits under part 353 of this chapter. An employee in nonpay status is entitled to continued coverage under paragraph (e) of this section if the employee's entitlement to benefits under part 353 of this chapter ends before the expiration of 365 days in nonpay status. The enrollment of an employee who is on military furlough or in nonpay status in order to serve in the uniformed services on October 13, 1994, may continue for the 18-month period beginning on the date that the absence to serve in the uniformed services began, provided that the employee continues to be entitled to continued coverage under part 353 of this chapter. If the enrollment of such an employee had terminated due to the expiration of 365 days in nonpay status, it may be reinstated for the remainder of the 18-month period beginning on the date that the absence to serve in the uniformed services began, provided that the employee continues to be entitled to continued coverage under part 353 of this chapter.

[33 FR 12510, Sept. 4, 1968, as amended at 47 FR 30962, July 16, 1982; 52 FR 17388, May 8, 1987; 52 FR 39496, Oct. 22, 1987, and 53 FR 32368, Aug. 25, 1988; 53 FR 40716, Oct. 18, 1988; 53 FR 45070, Nov. 8, 1988; 54 FR 52338, Dec. 21, 1989; 55 FR 1782, Jan. 19, 1990; 55 FR 13502, Apr. 11, 1990; 55 FR 22891, June 5, 1990; 57 FR 21191, May 19, 1992; 60 FR 45657, Sept. 1, 1995]

§ 890.304 Termination of enrollment.

(a) *Employees.* (1) An employee's enrollment terminates, subject to the temporary extension of coverage for conversion, at midnight of the earliest of the following dates:

(i) The last day of the pay period in which he/she is separated from the service other than by retirement under conditions entitling him/her to continue his/her enrollment.

(ii) The last day of the pay period in which he or she separates after meeting the requirements for an immediate annuity under §842.204(a)(1) of this chapter, but postpones receipt of annuity as provided by §842.204(c).

(iii) The last day of the pay period in which his employment status changes so that he is excluded from enrollment.

(iv) The last day of the pay period in which he dies, unless he leaves a member of the family entitled to continue enrollment as a survivor annuitant.

(v) The last day of the pay period which includes the day on which the continuation of enrollment under §890.303(e) expires, or, if he/she is not entitled to any further continuation because he/she has not had 4 consecutive months of pay status since exhausting his/her 365 days' continuation of coverage in nonpay status, the last day of his/her last pay period in pay status.

(vi) The day he or she is separated, furloughed, or placed on leave of absence to serve in the uniformed services under conditions entitling him or her to benefits under part 353 of this chapter for the purpose of performing duty not limited to 30 days or less, provided the employee elects, in writing to have the enrollment so terminated.

(vii) For an employee who separates to serve in the uniformed services under conditions entitling him or her to benefits under part 353 of this chapter for the purpose of performing duty not limited to 30 days or less, the date that is 18 months after the date that the absence to serve in the uniformed services began or the date entitlement to benefits under part 353 of this chapter ends, whichever is earlier, unless the enrollment is terminated under paragraph (a)(1)(vi) of this section.

(viii) For an employee who is furloughed or placed on leave of absence

under conditions entitling him or her to benefits under part 353 of this chapter, the date that is 18 months after the date that the absence to serve in the uniformed services began or the date entitlement to benefits under part 353 of this chapter ends, whichever is earlier, but not earlier than the date the enrollment would otherwise terminate under paragraph (a)(1)(v) of this section.

(2) If the pay of a temporary employee eligible under 5 U.S.C. 8906a is insufficient to pay the withholdings for the plan in which the employee is enrolled, and the employee does not, or cannot, elect a plan under §890.301(ee) at a cost to him or her not in excess of the pay, the employing office must terminate the employee's enrollment effective as of the end of the last period for which withholding was made. Each temporary employee whose enrollment is so terminated is entitled to a 31-day extension of coverage for conversion.

(b) *Annuitants.* (1) If the annuity of an annuitant is insufficient to pay the withholdings for the plan in which the annuitant is enrolled, the annuitant may elect one of the two opportunities offered under §890.301(q) of this part (electing a plan with a withholding not in excess of the annuity; or, paying premiums directly to the retirement system in accordance with §890.502(f) of this part). The retirement system will send two notices to the annuitant, including one by certified mail return receipt requested. Continuation of coverage rests upon electing direct payment or new coverage within 15 days (45 days for annuitants residing overseas) after receipt of the final notice. Except as provided in paragraph (b)(3) of this section, the enrollment of an individual who fails to make an election within the specified time frame will be terminated. An annuitant whose enrollment is terminated because of failure to make an election may not reenroll or reinstate coverage, except as provided in paragraph (b)(2) of this section. Each annuitant whose enrollment is so terminated is entitled to a 31-day extension of coverage for conversion.

(2) If the individual was prevented by circumstances beyond his or her control from making an election within the time limit after receipt of the final notice, he or she may request reinstatement of coverage by writing to the retirement system. The retirement system will determine if the individual is eligible for reinstatement of coverage; and, when the determination is affirmative, the individual's coverage may be reinstated retroactively to the date of termination or prospectively. If the determination is negative, the individual may request reconsideration of the decision from OPM.

(3) If the annuitant does not make an election under paragraph (b)(1) of this section and is enrolled in the high option of a plan that has two options, the annuitant is deemed to have elected enrollment in the standard option of the same plan unless the annuity is insufficient to pay the withholdings for the standard option.

(4) An annuitant's enrollment terminates, subject to the temporary extension of coverage for conversion, at midnight of the last day of the pay period in which he dies, unless he leaves a member of the family entitled to continue enrollment as a survivor annuitant, or, if his enrollment is not terminated by death, at midnight of the earliest of the following dates:

(i) The last day of the last pay period for which he is entitled to annuity, unless he is eligible for continued enrollment as an employee in which case his enrollment continues without change.

(ii) The last day of the pay period in which his title to compensation under subchapter I of chapter 81 of title 5, United States Code, terminates, or in which he is held by the Secretary of Labor to be able to return to duty, unless he is eligible for continued enrollment as an employee or as an annuitant under a retirement system for civilian employees in which case his enrollment continues without change.

(iii) The day he enters on active duty in a uniformed service for the purpose of performing duty not limited to 30 days or less, provided the annuitant elects, in writing, to terminate the enrollment.

(iv) The last day of the month preceding the month in which a survivor annuitant in receipt of basic employee death benefits under 5 U.S.C. 8442(b)(1)(A) remarries before attaining age 55.

(c) *Coverage of family members.* The coverage of a family member of an enrollee terminates, subject to the temporary extension of coverage for conversion, at midnight of the earlier of the following dates:

(1) The day on which he or she ceases to be a family member;

(2) The day the enrollee ceases to be enrolled, unless the family member is entitled, as a survivor annuitant, to continued enrollment, or is entitled to continued coverage under the enrollment of another.

(d) *Cancellation.* Except as provided in § 890.807(d) of this part, an enrollee may register to cancel his or her enrollment at any time by filing with the employing office a properly completed health benefits registration form. The cancellation becomes effective on the last day of the pay period in which the health benefits registration form canceling the enrollment is received by the employing office, except that the cancellation of an enrollee having a monthly or 4-weekly pay period becomes effective at the end of the pay period in which the health benefits registration form is received if the form is received not less than 15 days before the end of the pay period. If an annuitant submits documentation that the cancellation is for the purpose of enrolling in a prepaid health plan under sections 1833 or 1876 of the Social Security Act, the cancellation becomes effective on the day before the enrollment under the prepaid health plan takes effect. Such documentation must be submitted to the employing office within the period beginning 31 days before and ending 31 days after the prepaid health plan enrollment takes effect. The enrollee and covered family members are not entitled to the temporary extension of coverage for conversion or to convert to an individual contract for health benefits.

(e) *Temporary continuation of coverage.* Employees and family members are entitled to temporary continuation of coverage only as provided under subpart K of this part.

[33 FR 12510, Sept. 4, 1968, as amended at 47 FR 30962, July 16, 1982; 52 FR 39496, Oct. 22, 1987, and 53 FR 32368, Aug. 25, 1988; 53 FR 32369, Aug. 25, 1988; 54 FR 52338, Dec. 21, 1989; 55 FR 996, Jan. 11, 1990; 55 FR 3564, Feb. 2, 1990; 55 FR 22891, June 5, 1990; 56 FR 25996, June 6, 1991; 57 FR 48162, Oct. 22, 1992; 58 FR 47825, Sept. 13, 1993; 60 FR 45658, Sept. 1, 1995]

§ 890.305 Reinstatement of enrollment after military service.

(a) The enrollment of an employee or annuitant whose enrollment was terminated under § 890.304(a)(1)(vi), (vii) or (viii) or § 890.304(b)(4)(iii) is automatically reinstated on the day the employee is restored to a civilian position under the provisions of part 353 of this chapter or on the day the annuitant is separated from the uniformed services, as the case may be.

(b) An employee whose employing office terminates his or her enrollment because his or her order to enter on duty in a uniformed service is for a period longer than 30 days, and who retires on an immediate annuity from his or her Federal civilian position while on such duty, may reinstate his or her enrollment by asking to do so within 60 days after retirement. In the absence of such a request, the retirement system automatically reinstates the enrollment on the day the person separates from the uniformed service. For the retirement system to reinstate the enrollment, the individual must have been covered under this part since his or her first opportunity or for the 5 years of civilian service (excluding the period of uniformed service) immediately preceding the civilian retirement, whichever is shorter.

[43 FR 52460, Nov. 13, 1978, as amended at 59 FR 60296, Nov. 23, 1994; 60 FR 45658, Sept. 1, 1995]

§ 890.306 Effective dates.

(a) *Generally.* Except as set forth in the following paragraphs, the effective date of an enrollment or change of enrollment is the 1st day of the 1st pay

period that begins after the health benefits registration form is received by the employing office and that follows a pay period during any part of which the employee or annuitant is in pay or annuity status.

(b) *Survivor annuity restored.* The effective date of an enrollment under § 890.301(s) of this part is either (1) the 1st day of the month after the date the retirement system receives the health benefits registration form; or (2) the date of restoration of the survivor annuity or October 1, 1976, whichever is later.

(c) *Change to self alone.* The effective date of a change of enrollment under § 890.301(f) is the first day of the first pay period after the health benefits registration form is received by the employing office, except that at the request of the employee or annuitant and upon a showing satisfactory to the employing office that there was no family member eligible for coverage by the family enrollment, the change may be made effective as of the first day of the pay period following the one in which there were no family members.

(d) *Annuitant required to change enrollment.* The effective date of an annuitant's change to a lower cost enrollment under § 890.301(q) is immediately upon termination of his or her prior enrollment.

(e)(1) The effective date of a change in enrollment under § 890.301(d)(1) is the first day of the first pay period which begins in January of the next following year, except that a change in enrollment for the open season ending May 28, 1982, is effective on the first day of the first pay period which begins on or after July 1, 1982.

(2) The effective date of a new enrollment under § 890.301(d)(1) is the first day of the first pay period which begins in the next following year and which follows a pay period during any part of which the employee is in a pay status, except that the effective date of a new enrollment for the open season ending May 28, 1982, is the first day of the first pay period which begins on or after July 1, 1982, and which follows a pay period during any part of which the employee is in pay status.

(f) *Birth or addition of a child.* The effective date of a change in enrollment under § 890.301(e) made in conjunction with the birth of a child, or the addition of a child as a new family member in some other manner, is the first day of the pay period in which the child is born or becomes an eligible family member.

(g) *Belated open season registrations.* When a belatedly filed open season enrollment registration or enrollment change is accepted by the employing office under § 890.301(b), it takes effect on the date required by § 890.306(e).

(h) *Restoration of disability annuity.* The effective date of an enrollment under § 890.301(z) is the first day of the month after the date OPM receives the registration form.

(i) *Restoration of health benefits for survivors in receipt of basic employee death benefits following termination of remarriage.* The effective date of an enrollment under § 890.301(aa) is the first day of the month after the date of receipt by OPM of the registration form and the notice of death or court order terminating the remarriage.

(j) *Reenrollment upon application for postponed MRA-plus-10 annuity.* The effective date of a reenrollment under § 890.301(bb) is the first day of the month following the month in which OPM receives the registration form or on the commencing date of annuity, whichever is later. The effective date of a survivor's enrollment under § 890.301(bb) is the first day of the month following the month in which OPM receives the registration form.

(k) *Annuitant's enrollment reinstated or changed under § 890.301(q).* (1) The effective date of the reinstatement of enrollment of an annuitant whose enrollment was terminated, or the change of enrollment of an annuitant who changed to a lower cost option, plan, or to a self-only enrollment because his or her annuity was insufficient to cover the enrollee's share of the total premium of his or her plan of choice, and who elects to pay premiums directly to the retirement system in accordance with § 890.502(f) of this part is either: (i) The 1st day of the 1st pay period that begins after the health benefits registration form is received by the retirement system; or, (ii) the later of the date the enrollment was terminated or changed, or May 29, 1990.

(2) Retroactive reinstatement or change of enrollment is contingent upon payment of appropriate contributions retroactive to the effective date of the reinstatement or the change of enrollment. For the purpose of this paragraph, a previous cancellation of enrollment because of insufficient annuity to cover the full amount of the withholdings is deemed to be a termination of enrollment.

(l) *Move from area served by comprehensive medical plan.* The effective date of an enrollment under § 890.301(h) is the first day of the pay period that begins after the health benefits registration form is received by the employing office.

(m) *Separating employees.* The effective date of a change in enrollment under § 890.301(dd) is the first day of the pay period in which the health benefits registration form is received by the employing office.

(n) *Reenrollment of annuitant.* The effective date of an annuitant's reenrollment under § 890.301(g)(6) is, for an involuntary disenrollment from a prepaid health plan under sections 1833 or 1876 of the Social Security Act, the date shown on the documentation from the plan. For a voluntary disenrollment, the effective date of reenrollment is the first day of the first pay period which begins in January of the next following year.

(o) *Temporary employee required to change enrollment.* The effective date of a temporary employee's change to a lower cost enrollment under § 890.301(ee) is immediately upon termination of his or her prior enrollment.

[33 FR 12510, Sept. 4, 1968]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 890.306, see the List of Sections Affected in the Finding Aids section of this volume.

§ 890.307 Waiver or suspension of annuity or compensation.

(a) Except as provided in paragraphs (b) and (f) of this section, when annuity or compensation is entirely waived or suspended, the annuitant's enrollment continues for not more than 3 months (not more than 12 weeks for annuitants whose compensation under subchapter I of chapter 81 of title 5, United States Code, is paid each 4 weeks). If the waiver or suspension continues beyond this period, the employing office will notify the annuitant in writing that the employing office will terminate the enrollment effective at the end of the period, subject to the temporary extension of coverage for conversion, unless the annuitant elects to make payment of the premium directly to the employing office during the period of waiver. If the annuitant elects to have the enrollment terminated, the employing office automatically reinstates the enrollment on a prospective basis when the annuitant again receives payment of annuity or compensation. The employing office will make the withholding for the period of waiver or suspension during which enrollment was continued (i.e., 3 months or less).

(b) If the annuitant elects to pay premiums directly, he or she must send to the employing office his or her share of the subscription charge for the enrollment for every pay period during which the enrollment continues, exclusive of the 31-day temporary extension of coverage for conversion provided in § 890.401. The annuitant must pay after each pay period he or she is covered in accordance with a schedule established by the employing office. If the employing office does not receive payment by the date due, the employing office must notify the annuitant in writing that continuation of coverage depends upon payment being made within 15 days (45 days for annuitants residing overseas) after receipt of the notice. If no further payments are made, the employing office terminates the enrollment 60 days after the date of the notice (90 days for annuitants residing overseas). The employing office automatically reinstates enrollment on a prospective basis when payment of annuity or compensation resumes.

(c) If the annuitant is prevented by circumstances beyond his or her control from paying within 15 days after receipt of the notice, he or she may request reinstatement of coverage by writing to the employing office. The annuitant must file the request within 30 calendar days from the date of termination, and must include supporting documentation. The employing office will determine if the annuitant is eligible for reinstatement of coverage; and,

when the determination is affirmative, reinstate the coverage of the annuitant retroactive to the date of termination. If the determination is negative, the annuitant may request a review of the decision as provided in § 890.104.

(d) Termination of enrollment for failure to pay premiums within the time frame established in accordance with paragraph (b) of this section is retroactive to the end of the last pay period for which the employing office timely received payment.

(e) The employing office will submit all direct premium payments along with its regular health benefits premiums to OPM in accordance with procedures established by OPM.

(f) If suspension of annuity or compensation is because of reemployment, the reemploying office must make the withholding currently and enrollment continues during reemployment.

[59 FR 60296, Nov. 23, 1994, as amended at 59 FR 67607, Dec. 30, 1994]

Subpart D—Temporary Extension of Coverage and Conversion

§ 890.401 Temporary extension of coverage and conversion.

(a) *Thirty-one day extension and conversion.* (1) An enrollee whose enrollment is terminated other than by cancellation of the enrollment or discontinuance of the plan, in whole or part, and a covered family member whose coverage is terminated other than by cancellation of the enrollment or discontinuance of the plan, in whole or in part, is entitled to a 31-day extension of coverage for self alone or self and family, as the case may be, without contributions by the enrollee or the Government, during which period he or she is entitled to exercise the right of conversion provided for by this part. The 31-day extension of coverage and the right of conversion for any person ends on the effective date of a new enrollment under this part covering the person.

(2) Termination of an enrollment under this subpart for failure to pay premiums is considered a cancellation of the enrollment for the purposes of this section.

(b) *Continuation of benefits.* (1) Any person who has been granted a 31-day extension of coverage in accordance with paragraph (a) of this section and who is confined in a hospital or other institution for care or treatment on the 31st day of the temporary extension is entitled to continuation of the benefits of the plan during the continuance of the confinement but not beyond the 60th day after the end of the temporary extension.

(2) Except when a plan is discontinued in whole or in part or the Associate Director for Retirement and Insurance orders an enrollment change, a person whose enrollment has been changed from one plan to another, or from one option of a plan to the other option of that plan, and who is confined to a hospital or other institution for care or treatment on the last day of enrollment under the prior plan or option, is entitled to continuation of the benefits of the prior plan or option during the continuance of the confinement. Continuation of benefits shall not extend beyond the 91st day after the last day of enrollment in the prior plan or option. The plan or option to which enrollment has been changed shall not pay benefits with respect to that person while he or she is entitled to any inpatient benefits under the prior plan or option. The gaining plan or option shall begin coverage according to the limits of its FEHB Program contract on the day after the day all inpatient benefits have been exhausted under the prior plan or option or the 92nd day after the last day of enrollment in the prior plan or option, whichever is earlier. For the purposes of this paragraph, ''exhausted'' means paid or provided to the maximum benefit available under the contract.

(3) *Exception.* The limit on the number of confinement days allowed to be covered under the continuation of benefits specified by paragraph (b)(2) of this subpart does not apply to confinements in a hospital or other institution when the charges and benefit payments for the services provided are covered by the limit specified in subpart I of this part. In these cases, the benefits continue until the end of the confinement.

(c)(1) The employing agency must notify the enrollee of the termination of the enrollment and of the right to convert to an individual policy within 60