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report data on its plan's experience necessary to produce reports containing the following information and analysis:

(a) The number of eligible beneficiaries who elect to participate in the demonstration project.

(b) The number of eligible beneficiaries who elected to participate in the demonstration project and did not have Medicare Part B coverage before electing to participate.

(c) The costs of health benefits charges and the costs (direct and indirect) of administering the benefits and services provided to eligible beneficiaries who elect to participate in the demonstration project as compared to similarly situated enrollees in the FEHB Program.

(d) Prescription drug costs for demonstration project beneficiaries.

§ 890.1308 Carrier participation.

(a) All carriers who participate in the FEHB Program and provide benefits to enrollees in the geographic areas selected as demonstration project areas must participate in the demonstration project, except as provided for in paragraphs (b), (c), and (d) of this section.

(b) Carriers who have less than 300 FEHB enrollees may, but are not required to, participate in the demonstration project.

(c) Carriers may, but are not required to, participate in the demonstration project if their service area overlaps a small portion (as determined by OPM) of a demonstration project geographic area.

(d) Carriers offering fee-for-service plans with enrollment limited to specific groups will not participate in the demonstration project.

PART 891—RETIRED FEDERAL EMPLOYEES HEALTH BENEFITS

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AUTHORITY: 80 Stat. 607; 5 U.S.C. 8913.

SOURCE: 33 FR 12516, Sept. 4, 1968, unless otherwise noted.

Subpart A—Administration and General Provisions

§ 891.101 Relationship to part 890 of this chapter.

This part does not apply to the Federal Employees Health Benefits Program which is governed by part 890 of this chapter. Part 890 of this chapter does not apply to the Retired Federal Employees Health Benefits Program which is governed by this part.

§ 891.102 Definitions.

In this part:

(a) *Annuity* means the periodic payment due a former employee or his/her survivors by reason of past service, but does not include compensation paid under subchapter I of chapter 81 of title 5, United States Code.

(b) *Annuity period* means the period for which an installment of annuity is paid.

(c) *Bureau of Employees' Compensation* means the Bureau of Employees' Compensation, Department of Labor.

(d) *Carrier* means a voluntary association, corporation, partnership, or other nongovernmental organization which lawfully offers a health benefits plan.

(e) *Compensation* means monthly compensation paid under subchapter I of chapter 81 of title 5, United States

Code, and includes compensation payable every 4 weeks.

(f) *Elect* means to file with the retirement office under which retired or with the Bureau of Employees' Compensation, as the case may be, a properly completed form, prescribed by OPM for the purpose, giving notice of intention (1) to subscribe to the uniform plan, (2) to receive a Government contribution toward the cost of a private health benefits plan, or (3) not to participate in the program.

(g) *Employee* means an appointive or elective officer or employee in or under the executive, judicial, or legislative branch of the United States Government, including a Government-owned or controlled corporation (but not including any corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors is elected or appointed by private interests), or of the government of the District of Columbia, and includes an Official Reporter of Debates of the Senate and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, and an employee of Gallaudet College, but does not include (1) a member of a "uniformed service" as that term is defined in section 1072 of title 10, United States Code, (2) a noncitizen employee whose permanent-duty station is located outside a State of the United States or the District of Columbia, or (3) an employee of the Tennessee Valley Authority.

(h) *Government* means the Government of the United States of America and the government of the District of Columbia.

(i) *Health benefits plan* means an individual or group insurance policy or contract, medical or hospital service arrangement, membership or subscription contract, or similar agreement provided by a carrier for a stated periodic premium or subscription charge for the purpose of providing, paying for, or reimbursing expenses for hospital care, surgical or medical diagnosis, care, and treatment, drugs and medicines, remedial care, or other medical supplies and services, or any combination of these.

(j) *Immediate annuity* means (1) as applied to a retired employee, an annuity which begins to accrue not later than 1 month after the date of the separation from the service on which title to the annuity is based; and (2) as applied to a survivor, an annuity which begins to accrue not later than 1 month (i) after the date of death of the employee or annuitant whose service forms the basis for the annuity, or (ii) after the birth of a posthumous child of such an employee or annuitant.

(k) *Member of family* means a former employee's spouse and any unmarried child (1) under 19 years of age (including (i) an adopted child, and (ii) a stepchild or recognized natural child who lives with the former employee in a regular parent-child relationship or did so at the time of the former employee's death); or (2) regardless of age who is incapable of self-support because of mental or physical disability that existed before the child became 19 years of age. As used in this paragraph, *Former employee* means the former employee on whose service title to annuity is based.

(l) *Private health benefits plan* means a health benefits plan other than the uniform plan.

(m) *Retired employee* includes (1) a former employee retired under subchapter III of chapter 83 of title 5, United States Code, or other retirement system for civilian employees of the Government (not including the social security system), (2) an employee or former employee receiving compensation under subchapter I of chapter 81 of title 5, United States Code, and (3) persons who are entitled to annuity or compensation as members of the family of a deceased employee or of a deceased retired employee qualifying under paragraphs (m) (1) and (2) of this section.

(n) *Retirement office* means (1) any office responsible for the administration of a retirement system for civilian employees of the Government; and (2) the Bureau of Employees' Compensation.

(o) *Service* means service which is creditable for the purposes of subchapter III of chapter 83 of title 5, United States Code.

(p) *Survivor* means a person who is entitled to annuity or compensation as a

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member of the family of a deceased employee or deceased retired employee.

(q) *Uniform plan* means the health benefits plan for which OPM contracts pursuant to section 3, 74 Stat. 849.

§ 891.103 Eligibility.

(a) *General conditions of eligibility.* (1) A retired employee who is enrolled or covered by the enrollment of another under part 890 of this chapter, or who is covered by the election of another retired employee under this part, is ineligible to subscribe to the uniform plan or to receive a Government contribution toward the cost of a private health benefits plan.

(2) A retired employee is ineligible to subscribe to the uniform plan if his/her annuity or compensation is not sufficient to cover the necessary withholding.

(3) An annuitant who enrolled under § 890.601, and who later cancels such enrollment, is ineligible to subscribe to the uniform plan or to receive a Government contribution toward the cost of a private health benefits plan.

(b) *Retired employees (other than survivors) entitled to annuity.* A retired employee (other than a survivor) who is entitled to an annuity is eligible for the benefits provided by this part if—

(1) He/She retired before his/her first pay period beginning after June 30, 1960;

(2) He/She retired on immediate annuity;

(3) He/She had at least 12 years of creditable service, or retired under a disability provision of his/her retirement system;

(4) He/She retired from employment which was not in the Tennessee Valley Authority or in a corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors was elected or appointed by private interests; and

(5) At the time of retirement, he/she was a citizen, or a noncitizen having a permanent-duty station within the several States or the District of Columbia on the day before retirement.

For the purpose of this paragraph, an employee is considered to have retired before his/her first pay period beginning after June 30, 1960, if his/her annu-

ity began to accrue before his/her first pay period after June 30, 1960, or if he/she was eligible under paragraph (d) of this section until the date his/her annuity began to accrue.

(c) *Survivors entitled to annuity.* A survivor who is entitled to annuity is eligible for the benefits provided by this part if he/she is:

(1) In receipt of immediate annuity as the survivor of (i) an employee who died before his/her first pay period beginning after June 30, 1960; or (ii) a retired employee whose annuity began to accrue before his/her first pay period beginning after June 30, 1960;

(2) The survivor of (i) an employee who had at least 5 years' creditable service, (ii) a former employee who retired having at least 12 years' creditable service and received an immediate annuity, or (iii) a former employee who retired under a disability provision of his/her retirement system; and

(3) Not receiving annuity as the survivor of a person who at the time of the retirement or death, as the case may be, on which annuity is based, was an employee of the Tennessee Valley Authority or of any corporation under the jurisdiction of the Farm Credit Administration of which corporation any member of the board of directors was elected or appointed by private interests, or was a noncitizen having a permanent-duty station outside the several States and the District of Columbia.

(d) *Retired employees (other than survivors) entitled to compensation.* A retired employee (other than a survivor) who is entitled to compensation is eligible for the benefits provided by this part if—

(1) He/She is receiving monthly compensation for an injury sustained or illness contracted before his/her first pay period beginning after June 30, 1960;

(2) He/She is held by the Secretary of Labor to be unable to return to duty;

(3) He/She is receiving compensation based on employment which was not in the Tennessee Valley Authority or in a corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors was elected or appointed by private interests; and