



Privacy Impact Assessment for
FEHB Disputed Claims System

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Abstract

The Federal Employees Health Benefits Disputed Claims (FDC) System enables the Office of Personnel Management (OPM) Healthcare and Insurance office to collect and process requests made by covered individuals (or their authorized representatives) to review denials of healthcare claims, known as disputed claims, by Federal Employees Health Benefits (FEHB) Program plans. The FDC System also enables the collection and processing of complaints that OPM receives about the FEHB Program, Carriers, or plans. This Privacy Impact Assessment is being conducted because the FDC System collects, maintains, and disseminates personally identifiable information about individuals who receive health insurance through the FEHB Program to process disputed claims and complaints.

Overview

The Federal Employees Health Benefits Disputed Claims (FDC) System enables the Office of Personnel Management (OPM) Healthcare and Insurance office to collect and process requests made by covered individuals (or their authorized representatives) to review denials of healthcare claims, known as disputed claims, by Federal Employees Health Benefits (FEHB) Program plans. The FDC System also enables the collection and processing of complaints that OPM receives about the FEHB Program, Carriers, or plans.

The FEHB Program is the largest employer-sponsored group health insurance program in the world, covering approximately 8.2 million Federal employees, U.S. Postal employees, annuitants, former employees, former spouses, and other eligible individuals, and their eligible family members. The FEHB Program offers over 270 health plan choices by FEHB Carriers, who contract with OPM to offer these plans.

Pursuant to regulation, each FEHB Carrier adjudicates claims filed under their respective plans. All health benefits claims must be submitted initially to the covered individual's FEHB Carrier. If the Carrier denies all or part of a



claim, the covered individual may ask the Carrier to reconsider its denial. If the Carrier affirms its denial or fails to respond, the covered individual (or their authorized representative) may ask OPM to review the claim. A covered individual must exhaust both the Carrier and the OPM review processes before seeking judicial review of the denied claim.

OPM Disputed Claims staff in Healthcare and Insurance use the FDC System to receive, store, process, and track disputed claims received by OPM from covered individuals or their authorized representatives. The individual or their authorized representative submits identifying information and information about the claim denial they are disputing; in addition, OPM Disputed Claims staff may obtain additional information from the relevant carrier and obtain an advisory opinion from an Independent Medical Reviewer. This information is used by OPM Disputed Claims staff to review the covered individual's disputed claim and determine if it was properly adjudicated. This review and determination may result in OPM requiring the FEHB plan to adjust the claim. In processing the disputed claim, OPM Disputed Claims staff use the system to communicate with and send information to and receive information from the FEHB plan that denied the claim and, where a question of medical necessity is raised, an Independent Medical Reviewer under contract to OPM.

In addition to processing disputed claims, the FDC System is also used to collect and maintain information related to complaints received by OPM about the FEHB Program, Carriers, or plans, including complaints related to surprise billing. These complaints are received from a variety of sources including covered individuals, health care providers, Congress, the Department of Health and Human Services or other Federal agencies. The complaints, any records received or developed by OPM related to investigating the complaints, and OPM's responses to the complaints are collected and stored in the FDC System.

The FDC System acts as a tracking system to facilitate OPM's resolution of disputed claims and complaints in a timely fashion. The system is also used



to create and maintain the administrative record for use if the FEHB covered individual seeks judicial review of OPM's decision. OPM also uses the system internally to evaluate FEHB plan compliance with the plan brochure and the contract and to evaluate and improve FEHB Program benefits and processes.

The FDC System is a sub-application with the Multi-State Program Plan Portal (MSPP) information technology boundary and resides on the MSPP hardware infrastructure, also operated by OPM HI. However, the FDC System is separate in operation and functionality from the MSPP.

Section 1.0. Authorities and Other Requirements

1.1. What specific legal authorities and/or agreements permit and define the collection of information by the project in question?

OPM's authority to oversee the FEHB Program is found in 5 U.S.C. Chapter 89 and 5 C.F.R. part 890, generally. More specifically, 5 C.F.R. 890.105 authorizes OPM's administration of the disputed claims review process for adverse benefit determinations submitted by FEHB covered individuals and 5 C.F.R. 890.114 addresses OPM's authority to resolve complaints related to surprise billing.

1.2. What Privacy Act System of Records Notice(s) (SORN(s)) apply to the information?

The records of disputed claims and complaints are currently covered by the OPM/Central-1, Civil Service Retirement and Insurance Records, SORN (OPM/Central-1). OPM is in the process of regrouping the records covered by OPM/Central-1 and the records in this system will be covered by the OPM/Central-27 FEHB Disputed Claims and Complaints SORN, once published in the Federal Register.



1.3. Has a system security plan been completed for the information system(s) supporting the project?

Yes. A system security plan was completed as part of the Authorization to Operate process for the MSPP. The ATO will expire in June 2023.

1.4. Does a records retention schedule approved by the National Archives and Records Administration (NARA) exist?

Currently, the electronic records in the system are not subject to a NARA-approved records schedule. Paper records of disputed claims are retained in accordance with NARA approved schedule NC1-146-77-01 INS 4(b). HI is working with the Agency Records Officer to appropriately schedule all HI records, including the electronic disputed claims and complaints records.

1.5. If the information is covered by the Paperwork Reduction Act (PRA), provide the OMB Control number and the agency number for the collection. If there are multiple forms, include a list in an appendix.

The information in this system is not collected in a manner that is subject to the PRA.

Section 2.0. Characterization of the Information

2.1. Identify the information the project collects, uses, disseminates, or maintains.

The FDC System collects requests from FEHB covered individuals or their authorized representatives to review claim denials by FEHB plans. The system also contains records related to complaints received by OPM about the FEHB Program, Carriers, and plans. The information included in these requests and complaints includes, but may not be limited to, the name of the covered individual, the name of the patient, date of birth, home address, phone number, email address, health plan name and Member ID, dates of service under appeal, medical history and diagnosis(es), provider



information, FEHB plan communications, and an advisory opinion from an Independent Medical Reviewer.

2.2. What are the sources of the information and how is the information collected for the project?

The records in the system related to disputed claims are obtained from covered individuals or their authorized representative, FEHB Carriers, and Independent Medical Reviewers. The records in this system related to complaints are obtained from a variety of sources including individuals, health care providers, Congress, the Department of Health and Human Services and other Federal agencies.

Requests for disputed claim review are submitted almost exclusively in hard copy via U.S. Mail or commercial package delivery service; a small number of requests are submitted via email, or, for urgent requests, by fax or by phone. FEHB plans and Independent Medical Reviewers submit information electronically through the FDC System. Complaints are submitted in a variety of ways, including U.S. Mail, email, or phone.

2.3. Does the project use information from commercial sources or publicly available data? If so, explain why and how this information is used.

OPM Disputed Claims staff use data from commercial or publicly available sources, including Current Procedural Terminology (CPT) Codes (purchased from the American Medical Association annually) and National Drug Codes (NDCs) (publicly available from the Food and Drug Administration). The codes may be included in the documentation sent to OPM by the covered individual/authorized representative and/or the FEHB plan. If internal OPM users document these codes as part of the case record, they are included in the FDC System.

2.4. Discuss how accuracy of the data is ensured.

The primary purpose of the FDC System is to gather all information relevant to the disputed claim. The clinical information provided by the covered



individual or authorized representative is not checked against any other source of information for accuracy. OPM internal users ensure that records requested (such as from FEHB plans) are the records of the covered individual who has filed the dispute and relate to the claim or claims that are the subject of the review.

2.5. Privacy Impact Analysis: Related to Characterization of the Information

Privacy Risk: There is a risk that the FDC System will collect more information than is required for the review of the disputed claim or complaint.

Mitigation: This risk is mitigated by the OPM Disputed Claims staff carefully considering what information is needed to review the disputed claim or complaint and seeking only that information from the FEHB plan or the Independent Medical Reviewer. However, the risk cannot be fully mitigated because covered individuals may send information that was not requested by OPM and that OPM does not find relevant to the disputed claim or complaint.

Section 3.0. Uses of the Information

3.1. Describe how and why the project uses the information.

OPM uses the information in the FDC System to review disputes submitted by FEHB covered individuals or their authorized representatives regarding denied health insurance claims. Each request for a review of a disputed claim is entered into the FDC System via an online portal. Once a complete case file is assembled, a member of the OPM Disputed Claims staff reviews the information and decides whether to uphold or overturn the health plan's original decision. OPM also use the system to gather information related to complaints including documenting the complaint resolution. OPM uses this information as part of its responsibility in administering the FEHB Program.



3.2. Does the project use technology to conduct electronic searches, queries, or analyses in an electronic database to discover or locate a predictive pattern or an anomaly? If so, state how OPM plans to use such results.

No, the FDC System does not use technology to conduct electronic searches, queries, or analyses to discover or locate a predictive pattern or an anomaly.

3.3. Are there other programs or offices with assigned roles and responsibilities within the system?

No other programs or offices within OPM have roles or responsibilities in the FDC System. The FDC System was developed specifically for OPM HI to manage and gather complete information to decide requests for FEHB disputed claims review.

3.4. Privacy Impact Analysis: Related to the Uses of Information

Privacy Risk: There is a risk that OPM personnel who do not need to know the information in the system will obtain access.

Mitigation: This risk is mitigated through the established FDC Standard Operating Procedures and system plans that describe which personnel should be granted access and at what level based on their roles and responsibilities.

Privacy Risk: There is a risk that authorized individuals may access information in the system for an unauthorized purpose.

Mitigation: This risk is mitigated through defined user roles and access controls which permit authorized users to only access the information they have a need to know for an authorized business purpose.



Section 4.0. Notice

4.1. How does the project provide individuals notice prior to the collection of information? If notice is not provided, explain why not.

FEHB covered individuals receive notice of the information collected and how it is used through the FEHB brochure and the OPM website. Covered individuals have access to the FEHB brochure for their chosen health plan; these are maintained on the OPM website and offered to covered individuals in paper form if they request it. The brochure contains a wide variety of information about the health plan, including the disputed claims process. The brochure advises the covered individual of the appropriate OPM contact information for filing a request for disputed claims review and the claims information the covered individual should provide to OPM to initiate the disputed claims process. OPM HI describes the disputed claims process and provides information on how to file a disputed claim or complaint on the OPM website.

In addition, this PIA and the SORN referenced in Section 1.2 also provide notice to individuals.

4.2. What opportunities are available for individuals to consent to uses, decline to provide information, or opt out of the project?

Covered individuals that do not agree with a health plan's claim decision may ask OPM to review it. The covered individual or their authorized representative must contact OPM within a designated time frame with specific documents that allow OPM to review the claim history and decide the disputed claim. Should a covered individual disagree with OPM's decision, a lawsuit may be brought. OPM informs covered individuals via the FEHB brochure that the information collected during the disputed claims process will become part of the court record.

Covered individuals who decline to provide information cannot participate in the disputed claims process, nor can they file a lawsuit without exhausting



this administrative remedy. There is no way to opt-out of the FDC system other than to decline to file a disputed claim with OPM.

4.3. Privacy Impact Analysis: Related to Notice

Privacy Risk: There is a risk that individuals will not receive adequate notice concerning how their information will be used.

Mitigation: This risk is mitigated by providing language in every FEHB brochure that outlines why information is being collected and how it will be used if a disputed claim is filed. OPM also maintains frequently asked questions on the opm.gov website that provide relevant information to individuals.

Section 5.0. Data Retention by the Project

5.1. Explain how long and for what reason the information is retained.

The electronic records in the FDC system are currently not subject to a NARA-approved retention schedule and are retained as permanent until a schedule is in place. Paper records of disputed claims and complaints are retained pursuant to NARA Schedule Number NC1-146-77-01 INS 4(b) and are currently maintained for five (5) years and then destroyed securely.

The OPM HI is working with OPM's Records Officer to develop a media neutral NARA-approved record retention schedule that will cover all disputed claims and complaints records.

5.2. Privacy Impact Analysis: Related to Retention

Privacy Risk: There is a risk that the disputed claims and complaints records in the system will be retained for longer than needed to meet the business needs for which they were collected.

Mitigation: This risk is not currently mitigated; the lack of a NARA-approved schedule requires that the records be retained as permanent. HI



is working with the OPM Records Officer to obtain NARA approval for a new media neutral schedule; once that schedule is approved and HI implements the agreed upon schedule, this risk will be mitigated.

Section 6.0. Information Sharing

6.1. Is information shared outside of OPM as part of the normal agency operations? If so, identify the organization(s) and how the information is accessed and how it is to be used.

Disputed claims information in the system is routinely shared outside of OPM with the relevant FEHB plan and, in some cases, an Independent Medical Reviewer. The information is electronically relayed both to and from these entities via the FDC system. The information is used to allow the FEHB plan to submit complete records relating to its decision regarding the claim or claims in dispute. The information is also used to submit all relevant claims records to the Independent Medical Reviewer so that the Reviewer may submit an advisory opinion regarding the disputed claim to OPM. OPM may also share information outside of OPM with FEHB plans to investigate and resolve complaints; or with other Federal, State, or local agencies when information indicates or is relevant to a violation or potential violation of civil or criminal law or regulation.

6.2. Describe how the external sharing noted in 6.1 is compatible with the SORN noted in 1.2.

As noted in Section 1, the records of disputed claims and complaints are currently covered by the OPM/Central-1, Civil Service Retirement and Insurance Records SORN (OPM/Central-1). OPM is in the process of regrouping the records covered by OPM/Central-1 and the records in this system will be covered by the OPM/Central-27, FEHB Disputed Claims and Complaints SORN, once published in the Federal Register. The external sharing noted in 6.1 is compatible with the purposes outlined in both SORNS, which includes review of health benefits claims and the resolution of



disputed claims and complaints and is disclosed pursuant to appropriate routine uses.

6.3. Does the project place limitations on re-dissemination?

Re-dissemination of the disputed claims information relayed to or transmitted from the FEHB plan or the Independent Medical Reviewer is not permitted. Pursuant to their contracts with OPM and to relevant Federal laws, both entities are subject to privacy and security requirements related to the handling of PII and PHI.

6.4. Describe how the project maintains a record of any disclosures outside of OPM.

The FDC system generates audit logs that record the push or pull of data files, including transmissions to and from the FEHB plan or the Independent Medical Reviewer.

6.5. Privacy Impact Analysis: Related to Information Sharing

Privacy Risk: There is a risk that information may be shared outside of the FDC for a purpose that is not consistent with the purpose for which it was collected.

Mitigation: This risk is mitigated by training OPM Disputed Claims staff on properly handling the information in the system, including appropriate disclosures. In addition, the contracts with the FEHB plans and the Independent Medical Reviewer clearly define the purpose for which the FEHB covered individuals' information is being provided to them.

Section 7.0. Redress

7.1. What are the procedures that allow individuals to access their information?

FEHB covered individuals or their authorized representatives may access their health information directly from their FEHB plan. Covered individuals may request access to any records related to their disputed claim or



complaint by writing to the Office of Personnel Management, Office of Privacy and Information Management - FOIA, 1900 E Street NW, Washington, DC 20415-7900 or by emailing foia@opm.gov; ATTN: Healthcare and Insurance. Individuals must furnish the following information when making their request: full name, date of birth, FDC control number (if known), signature, reasonable specification of the requested information, and the address to which the information may be sent.

In addition, individuals requesting access must also follow OPM's Privacy Act regulations on verification of identity and access to records (5 CFR part 297).

7.2. What procedures are in place to allow the subject individual to correct inaccurate or erroneous information?

Individuals or their authorized representative may send in new information, new health documentation, and/or previously omitted documentation related to their disputed claim or complaint at any time. In addition, individuals wishing to request amendment of their disputed claims or complaint record may write to the Office of Personnel Management, Office of Privacy and Information Management - FOIA, 1900 E Street NW, Room 5415, Washington, DC 20415-7900 or email foia@opm.gov; ATTN: Healthcare and Insurance. Requests for amendment of records should include the words "PRIVACY ACT AMENDMENT REQUEST" in capital letters at the top of the request letter or in the subject line of the email. Individuals must provide the following information: full name, date of birth, name and address of employing agency or retirement system, precise identification of the information to be amended, and signature.

Individuals requesting amendment of their records must also comply with OPM's Privacy Act regulations regarding verification of identity and access to records (5 CFR 297). OPM may refer amendment requests to other entities when those entities are the original source of the record.



7.3. How does the project notify individuals about the procedures for correcting their information?

Individuals are notified concerning how to correct their information in the acknowledgment letter sent when OPM accepts their disputed claim for processing. Individuals may also be notified through their communications with OPM Disputed Claims staff, and through the relevant SORN and this PIA.

7.4. Privacy Impact Analysis: Related to Redress

Privacy Risk: There is a risk that FEHB covered individuals submitting a disputed claim or complaint will not know how to access or correct the records in the FDC system

Mitigation: This risk is mitigated through OPM Disputed Claims staff, upon inquiry, providing notice to covered individuals concerning how they may access and correct their records in the FDC system, and through publication of this PIA and the relevant SORN.

Section 8.0. Auditing and Accountability

8.1. How does the project ensure that the information is used in accordance with stated practices in the PIA?

OPM maintains Standard Operating Procedures around the collection and maintenance of the information.

8.2. Describe what privacy training is provided to users either generally or specifically relevant to the project.

All OPM employees and contractors complete required IT security and privacy awareness training on an annual basis. OPM FEHB Disputed Claims staff also take additional training specific to the system, including general customer service and information handling procedures and sensitivity of the information.



Users from the FEHB plans and from the Independent Medical Reviewer also complete training specific to the system. Pursuant to their contracts with OPM and relevant Federal laws, both entities are subject to privacy and security requirements related to the handling of PII and PHI, including the training of users in these requirements.

8.3. What procedures are in place to determine which users may access the information and how does the project determine who has access?

User management rights are granted to designated users within the system. FEHB plan and Independent Medical Reviewer users are responsible for self-reporting the names of users who have access to the system and the names of users who should have access revoked. OPM Disputed Claims staff are responsible for managing internal user access based on principles of least privileged access rights.

OPM uses a web-based tool for the system that allows for administrator provided account and role management. The tool allows account managers within the system the ability to create and modify user accounts. Additionally, these same account management users can assign system roles to accounts.

All actions within the tool are fully logged with a date and time of action, data changed with recorded history, and the user responsible for the change. Actions include the creation of or updates to user accounts, the addition of or removal from roles, and any emails triggered by the system through new account creation, password reset, or account unlock actions.



8.4. How does the project review and approve information sharing agreements, MOUs, new uses of the information, new access to the system by organizations within OPM and outside?

Information is shared with relevant FEHB plans and the Independent Medical Reviewer. These entities are under contract with OPM and contracts are reviewed, as appropriate.

If necessary, the FDC project team would work with the appropriate office within OPM to follow guidelines and procedures to review and approve information sharing agreements, MOUs, new uses of the information, and any new access to the system by organizations within OPM and outside, including the Department of Health and Human Services or other Federal agencies.

Responsible Officials

Laurie Bodenheimer
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Approval Signature

Signed copy on file with Chief Privacy Officer

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Chief Privacy Officer