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**FEHB Program Carrier Letter**  
All FEHB CarriersU.S. Office of Personnel Management  
Healthcare and Insurance

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**Letter No. 2021-03****Date: February 17, 2021**

Fee-for-service [3]

Experience-rated HMO [3]

Community-rated HMO [2]

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**SUBJECT: Federal Employees Health Benefits Program Call Letter****SUBMISSION OF PROPOSALS**

This is our annual call for benefit and rate proposals from Federal Employees Health Benefits (FEHB) Program Carriers. This letter sets forth the policy goals and initiatives for the FEHB Program for 2022. You must submit your benefit and rate proposals for the contract term beginning January 1, 2022 on or before May 31, 2021. OPM expects to complete benefit negotiations by July 31 and rate negotiations by mid-August to ensure a timely Open Season. As a reminder, Call Letter responsiveness is evaluated by your Contracting Officer as an element of Plan Performance Assessment (PPA).

**FEHB PROGRAM BENEFITS AND INITIATIVES**

OPM maintains its focus on improving quality and affordability in the FEHB Program, as well as supporting the Biden Administration's priority focus on health care access and equity. We expect FEHB Carriers to continue to offer forward-thinking proposals that focus on the strategic priorities described in this Call Letter. Our quality initiatives for the 2022 plan year relate to the COVID-19 pandemic, mental health and substance use disorder services, opioids, and prior authorizations for prescription drugs. We also remain focused on enhancements to price and quality transparency, as well as addressing surprise billing and low-value care. We are encouraging FEHB Carriers to expand coverage of certain medical foods for those affected by Inborn Errors of Metabolism (IEM), and to cover fertility preservation related to infertility caused by medical treatment (iatrogenic infertility). Guidance and policy from previous Carrier Letters remain in effect unless superseded.

The Consolidated Appropriations Act, 2021 (Public Law 116-260) was enacted on December 27, 2020. This law impacts the FEHB Program in multiple ways. For example, the law includes provisions designed to curb [surprise billing](#) and promote [parity](#) in mental health and substance use disorder (SUD) benefits.

OPM will take necessary actions to ensure compliance with the new law, and FEHB Carriers will be provided additional information and guidance at a later date.

We continue to require cost neutrality as outlined in [Carrier Letter 2019-01](#).

## **I. Quality**

The Biden Administration maintains a focus on access to affordable, quality health care with an emphasis on health equity. OPM encourages FEHB Carriers to consider and propose new approaches to delivering services more equitably to diverse populations of race and ethnicity, gender identity, sexual orientation, disability, and socioeconomic status, among others.

### ***COVID-19 Pandemic***

During the COVID-19 pandemic, OPM and FEHB Carriers have worked together to ensure that **all** FEHB enrollees have equitable access to diagnostic tests, therapeutics, vaccines, and telehealth coverage. While progress is being made, the future course and impact of the pandemic is difficult to predict leading into the next plan year and beyond. OPM will continue to work with FEHB Carriers to help safeguard the health of FEHB members, provide necessary COVID-related coverage and address issues of health and social inequity to prevent and remedy differences in COVID-19 care outcomes. Given the dynamic nature of the pandemic, as appropriate, OPM will issue further guidance as prevention and treatment methodologies evolve.

### ***Mental Health and Substance Use Disorder Services***

Throughout this pandemic, self-quarantine, isolating, shelter-in-place and social distancing present a unique set of challenges across the country for many Americans, but especially persons suffering from mental and behavioral health conditions such as depression, anxiety, or substance use disorders (SUDs). For many with these conditions, forced isolation can further exacerbate the condition and, for those in recovery for SUD, can be a powerful trigger to relapse. The Centers for Disease Control and Prevention (CDC) reports an increase in adverse mental health conditions during the pandemic on a nation-wide level.<sup>1</sup> This highlights the need for continued focus on evidence-based mental health and SUD services as we progress through the pandemic and eventually recover from the impact. As in previous years, FEHB Carriers must continue to ensure parity exists for our members seeking mental health and SUD services.<sup>2</sup>

### **Mental Health Services**

OPM strongly encourages FEHB Carriers to focus on the provision of mental health benefits by continual monitoring of both provider access and availability. FEHB Carriers should contract with providers who ensure care coordination during transitions (e.g. movement of patients between levels of care, at hospital discharge). FEHB Carriers should leverage ongoing telehealth expansion to address provider shortages while educating members regarding the availability of these services.

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<sup>1</sup> Czeisler MÉ, Lane RI, Petrosky E, et al. Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic — United States, June 24–30, 2020. MMWR Morb Mortal Wkly Rep 2020; 69:1049–1057. DOI: <http://dx.doi.org/10.15585/mmwr.mm6932a1>

<sup>2</sup> See section 2726 of the Public Health Service Act, as amended by the Consolidated Appropriations Act, 2021. See also <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/self-compliance-tool.pdf>

## Substance Use Disorder Services

Substance use disorders (SUDs) are on the rise nationally<sup>3, 4</sup> and have been shown to result in loss of workplace productivity and to increase disability and overall healthcare costs.<sup>5</sup> Although co-occurring SUDs with mental health disorders are common, they are frequently not treated together.<sup>6</sup> Comprehensive and integrated treatment is effective in addressing mental health and physical comorbidities.<sup>7</sup> The Coronavirus Aid, Relief, and Economic Security (CARES) Act<sup>8</sup> provides greater flexibility for patients and health care providers to share records than previously allowed under 42 CFR Part 2 and further enables integrated and coordinated care in the treatment of SUDs.

OPM strongly encourages FEHB Carriers to continue to improve access and reimbursement for integrated mental health, substance use and primary care services. Carriers are also expected to address in their plan proposals what stigma reduction strategies they will be using, such as enhanced provider and member education.

FEHB Carriers are also encouraged to pay attention to and have programs in place to address the needs of special populations such as pregnant women, rural populations that lack adequate providers and adolescent and youth who may require treatment for SUDs.

### *Addressing the Opioid Epidemic*

The opioid epidemic is an ongoing nationwide problem and Federal employees are not immune from its impact. According to recent provisional data from the CDC, more than 83,000 drug overdose deaths occurred in the United States in the 12 months ending in June 2020, the highest number of overdose deaths ever recorded in a 12-month period, and an increase of over 21 percent compared to the previous year.<sup>9</sup>

OPM appreciates and thanks FEHB Carriers for your many successful efforts in combatting the opioid epidemic. To continue this positive trend, we believe continued urgent action is needed to prevent increases in overall overdose deaths during the current pandemic.

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<sup>3</sup> See Footnote 1 and <https://khn.org/news/coronavirus-crisis-disrupts-treatment-for-another-epidemic-addiction>

<sup>4</sup> [https://emergency.cdc.gov/han/2020/han00438.asp?ACSTrackingID=USCDC\\_511-DM44961&ACSTrackingLabel=HAN%20438%20-%20General%20Public&deliveryName=USCDC\\_511-DM44961](https://emergency.cdc.gov/han/2020/han00438.asp?ACSTrackingID=USCDC_511-DM44961&ACSTrackingLabel=HAN%20438%20-%20General%20Public&deliveryName=USCDC_511-DM44961)

<sup>5</sup> <https://addiction.surgeongeneral.gov/sites/default/files/surgeon-generals-report.pdf>

<sup>6</sup> Substance Abuse and Mental Health Services Administration. *Substance Use Disorder Treatment for People With Co-Occurring Disorders*. Treatment Improvement Protocol (TIP) Series, No. 42. SAMHSA Publication No. PEP20-02-01-004. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2020. [https://store.samhsa.gov/sites/default/files/SAMHSA\\_Digital\\_Download/PEP20-02-01-004\\_Final\\_508.pdf](https://store.samhsa.gov/sites/default/files/SAMHSA_Digital_Download/PEP20-02-01-004_Final_508.pdf)

<sup>7</sup> <https://www.drugabuse.gov/download/1155/common-comorbidities-substance-use-disorders-research-report.pdf?v=5d6a5983e0e9353d46d01767fb20354b>

<sup>8</sup> <https://www.congress.gov/116/plaws/publ136/PLAW-116publ136.pdf>

<sup>9</sup> Ahmad FB, Rossen LM, Sutton P. Provisional drug overdose death counts. National Center for Health Statistics. 2020. Designed by LM Rossen, A Lipphardt, FB Ahmad, JM Keralis, and Y Chong: National Center for Health Statistics. <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm>

Access to nonopioid and nonpharmacologic treatments<sup>10</sup> for pain can result in fewer overdose deaths due to prescription opioids. FEHB Carriers should assure coverage of these treatment options. Additional efforts by FEHB Carriers to reduce opioid-involved overdose deaths include expanding the coverage of naloxone and drugs used for medication-assisted treatment (MAT),<sup>11</sup> addressing polysubstance use and co-morbidities and increasing efforts to promote a comprehensive, coordinated care approach that includes medical, pharmacy, behavioral and mental health to provide care coordination and recovery support to members with opioid use disorder (OUD). We ask FEHB Carriers to place continued emphasis on these and other efforts as part of an ongoing comprehensive, multifaceted prevention, treatment, and supportive approach for addressing and reducing opioid-involved overdose deaths.

### ***Prescription Prior Authorization***

Prior Authorizations (PAs) are used to ensure that a prescribed medication is appropriate and medically necessary and are usually approved for a certain length of time, in most cases for a year. PAs can improve patient outcomes by encouraging the use of therapies that have established evidence of efficacy and safety. While PAs may be used for safety reasons or to ensure appropriate medication use, they can also result in access barriers, disrupt continuity of care for patients on established therapies and increase administrative burdens on the provider.

In 2018, seven percent of FEHB prescriptions required PA. Of these, only 41 percent went through an electronic prior authorization (e-PA). Fifty-nine percent of PAs went through a manual process which may have resulted in prescription abandonment, disruptions in therapy and additional provider burden.

Starting in 2022, FEHB Carriers must have in place a process to review all expiring PAs and must notify members a minimum of 45 days before the expiration of a PA for a maintenance medication. FEHB Carriers are encouraged to consider putting in place an automatic renewal for prescription PAs if the member has a chronic condition, has been filling the medication regularly and the PA is not put in place for safety reasons.

OPM continues to encourage FEHB Carriers to fully adopt technologies that streamline the PA process and enhance the member experience. Current technology can improve the efficiency of provider and pharmacy electronic workflows. Enhanced provider tools such as e-PA and real-time benefit tools (RTBT) allow the provider to view accurate pharmacy benefits coverage and exchange clinical information, which results in quicker PA turnaround times, reduced prescription abandonment rates and increased member satisfaction.

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<sup>10</sup> Carrier Letter 2018-01 <https://www.opm.gov/healthcare-insurance/healthcare/carriers/2018/2018-01.pdf>

<sup>11</sup> Carrier Letter 2017-01 <https://www.opm.gov/healthcare-insurance/healthcare/carriers/2017/2017-01.pdf>

## II. Affordability

### *Surprise Billing*

OPM thanks FEHB Carriers for their efforts to curb surprise billing, which continues to be a widespread and costly issue facing the United States.<sup>12</sup> Beginning January 1, 2022, FEHB Carriers must comply with the surprise billing provisions set forth in new 5 U.S.C. 8902(p) as added by the No Surprises Act set forth in Division BB, Title I of the Consolidated Appropriations Act, 2021. Additional guidance from OPM will be forthcoming.

### *Transparency in Coverage*

Since 2006, OPM has required FEHB Carriers to make price and quality transparency information available to FEHB members. We applaud FEHB Carriers for their ongoing efforts to provide greater functionality in transparency tools related to prescription drugs and medical services that allow members to make informed decisions.

FEHB Carriers are required to follow the Transparency in Coverage Final Rule,<sup>13</sup> published on November 12, 2020, by the Departments of Health and Human Services, Labor, and the Treasury. FEHB Carriers should address this in their benefit proposals. Please refer to the Technical Guidance for details.

### *Addressing Low Value Care (USPSTF Ratings)*

OPM expects FEHB Carriers to cover all preventive services recommended by the [United States Preventive Services Task Force \(USPSTF\)](#) with an “A” or “B” rating as a preventive service. Those with a “D” rating indicate that the USPSTF recommends against the service because there is moderate or high certainty that the service has no net benefit or that the harms outweigh the benefits and should not be covered *as a preventive service*.

As coverage of preventive services rated a “D” rating needlessly drives up costs with no associated medical benefit, FEHB Carriers are reminded that the accurate processing of claims includes review to ensure that medical services are appropriate and necessary. Therefore, OPM is instructing FEHB Carriers **not to cover as preventive benefits**, those services with a sole rating of “D” from the USPSTF. A current list will be included in the technical guidance.

### *Benefits for Certain Medical Foods*

A medical food as defined in the Orphan Drug Act (21 USC § 360ee (b)(3)), is “a food which is formulated to be consumed or administered enterally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which

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<sup>12</sup> Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health & Human Services. Secretary of Health and Human Services’ Report on: Addressing Surprise Medical Billing. 2020. <https://aspe.hhs.gov/system/files/pdf/263871/Surprise-Medical-Billing.pdf>

<sup>13</sup> <https://www.federalregister.gov/d/2020-24591>

distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation.”<sup>14</sup>

These diseases are typically classified as Inborn Errors of Metabolism (IEM), and medical foods help maintain neurological and physical function throughout the lifespan. They may also prevent birth defects in the unaffected children of pregnant mothers affected by phenylketonuria (PKU). [Carrier Letter 2017-04\(a\)](#) strongly encouraged all plans to review their coverage of specialized medical foods for children and pregnant women with PKU. At the time, plans were asked to craft medical and coverage policies supported by strong scientific evidence and clinical guidance to ensure new or updated coverage met the medical treatment needs for children and pregnant women with PKU. Now, treatment for IEM beyond childhood is considered so important that, as of 2020, 36 U.S. states and territories had legally mandated coverage for such foods.

OPM encourages FEHB Carriers to offer coverage for medical food regardless of age of those affected by IEM.<sup>15</sup> OPM expects that coverage will be limited to specialized foods (e.g., amino acid depleted protein powders) required for the management of these diseases. OPM does not expect plans to provide coverage for products that can be routinely purchased through retail and online grocers such as gluten-free foods (e.g., “grocery items”).

A waiver to the cost neutrality requirement will be considered for proposals of coverage.

### ***Coverage for Fertility Preservation in FEHB Members with the Possibility of Iatrogenic Infertility***

Iatrogenic infertility is infertility caused by medical treatment. Typically, this occurs in oncology patients as a result of chemotherapy, radiation therapy, and/or surgery; but it can also occur as an adverse effect of treatment for other diseases.

OPM encourages all FEHB Carriers to provide coverage for standard fertility preservation procedures for men and women as recognized by the American Society for Reproductive Medicine (ASRM)<sup>16</sup> and/or American Society of Clinical Oncology (ASCO),<sup>17</sup> for anyone facing the possibility of “iatrogenic infertility,” that is, infertility caused by a necessary medical intervention. This type of coverage does not include:

- “Elective” fertility preservation, such as egg freezing sought due to natural aging;
- Infertility treatments such as in vitro fertilization that might be needed after the necessary medical intervention, such as cancer treatment to achieve a pregnancy; or
- Long-term storage costs.

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<sup>14</sup> [https://uscode.house.gov/view.xhtml?req=\(title:21%20section:360ee%20edition:prelim\)%20OR%20\(granuleid:USC-prelim-title21-section360ee\)&f=treesort&edition=prelim&num=0&jumpTo=true](https://uscode.house.gov/view.xhtml?req=(title:21%20section:360ee%20edition:prelim)%20OR%20(granuleid:USC-prelim-title21-section360ee)&f=treesort&edition=prelim&num=0&jumpTo=true)

<sup>15</sup> <https://www.genome.gov/Genetic-Disorders/Inborn-Errors-of-Metabolism>

<sup>16</sup> <https://www.asrm.org/>

<sup>17</sup> <https://www.asco.org/>

A waiver to the cost neutrality requirement will be considered for proposals of coverage.

### **III. Technical Guidance**

The Technical Guidance will provide detailed guidance on the initiatives described in this Call Letter, as well as guidance on submission of benefit and rate proposals and preparation of brochures.

### **CONCLUSION**

OPM's goal for the FEHB Program is to provide quality, affordable health benefits for Federal employees, annuitants, their family members, and other eligible persons and groups. Continuous open and effective communication between OPM contracting staff and FEHB Carriers should occur to ensure a seamless negotiation cycle. Please discuss all proposed benefit changes with your Health Insurance Specialist.

We look forward to the negotiations for the upcoming contract year. Thank you for your commitment to the FEHB Program.

Sincerely,

Laurie Bodenheimer  
Associate Director, Healthcare and Insurance