Subject: Federal Employees Dental and Vision Insurance Program (FEDVIP) Call Letter and Rate Instructions

This is our first call letter to FEDVIP carriers for proposals to amend your rates for the next contract year. We would like to maintain program stability for the 2008 contract term. Therefore, we do not plan to entertain benefit changes in dental or vision plans. This means we will not agree to benefit enhancements, reductions, or additional plan options. However, we will review proposals for benefit clarifications. We also will allow regional plans to propose service area expansions if they are contiguous and they meet our access standards.

For those plans with limited network access areas, you should be making access determinations on a real time basis (i.e., on the date that the enrollee seeks services). Enrollees should receive coverage for the services of out-of-network providers in limited access areas.

For all plans, if there is no network provider available to render a covered service (e.g., a specialty provider drops out of the network), you must provide benefits for the services of a non-network provider, regardless of whether the area has adequate access for other covered services.

Coordination of benefits (COB) is an important aspect of your contract administration since Federal Employees Health Benefits Program coverage is primary based on the FEDVIP statute. Where other coverage is primary, you
should be coordinating benefits such that you pay the lesser of the remaining charge or the amount you would have paid if there were no other coverage. You should use rules pertaining to traditional COB, not non-duplication of benefits. Please provide us with a detailed description of your coordination of benefit procedures.

Privacy and security of personal health information is of paramount importance. Plans should issue enrollee identification numbers to protect against inappropriate disclosure of enrollee social security numbers.

Please contact Sylvia Pulley at (202) 606-1938, or email at Sylvia.Pulley@opm.gov, if you have any questions regarding this letter. Specific instructions for submitting your FEDVIP rate proposals are attached.

Thank you for your continued cooperation and your efforts in making the implementation of the FEDVIP program very successful.

Sincerely,

Robert F. Danbeck
Associate Director
for Human Resources Products and Services

Encl.: