
Letter Number 2008-01

Date: March 15, 2008

Dental Plans [X]

Vision Plans [X]

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

This is our annual call letter to FEDVIP carriers for proposals to amend your rates for the next contract year. This letter provides our goals and procedures for upcoming negotiations. The first year of the program was a great success. We appreciate your continuing efforts on behalf of the program.

We continue to seek stability as we gain experience with the dental and vision program. For 2009, we will only review proposals for the following limited benefit changes and clarifications.

- As the program continues to mature, we expect utilization based on pent-up demand to dissipate. We encourage you to review your levels of coverage and to raise the percentages that the plan pays where appropriate. We also encourage you to review your benefit maximums for potential increases. We will only entertain reductions in enrollee cost sharing where the increases in benefits are offset by improving experience. We will not accept enhanced levels of coverage that result in higher premiums.

- We will entertain proposals to add out-of-network benefits in adequate access areas. Please remember that enrollees should already receive coverage for the services of out-of-network providers in limited access areas. Also, 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.
- Plans that offer only one level of benefit may propose a second option. Retention levels for newly proposed options should be equal to or less than those of the current option. Premium increases will not be allowed in the original option to account for selection into a lower level option in the same plan.
- We will entertain proposals under dental plans for coverage of implants or other services to replace missing teeth. Your proposal may continue to exclude services for teeth that were missing prior to an enrollee's effective date of coverage under FEDVIP.

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 support and your continued cooperation in administering the FEDVIP Program.

Sincerely,

Kay Ely
Associate Director
For Human Resources Products and
Services

Encl.: