Subject: PlanSmartChoice and the FEHB Website

We are busy planning for this fall’s Open Season – November 11 through December 13. As we have for the past two years, the FEHB website (www.opm.gov/ insure) will include a link to the health plan decision tool, PlanSmartChoice.Com. We encourage you to contact PlanSmartChoice to discuss ways you can make the site more valuable to your Federal Employees Health Benefit (FEHB) Program enrollees.

In 1998, we conducted a pilot where 30,000 federal employees and annuitants used the site in five states. Last year, PlanSmartChoice.Com was available nationwide for all federal employees and retirees, and was viewed by approximately 175,000 users. The tool is available year-round.

After using the PlanSmartChoice decision tool, employees and annuitants see results that show the health plans that best fit their personal preferences. Users can then click on plan websites or provider links to get plan-specific information. We believe the opportunity to link to a plan’s website at the point of purchase is an important educational opportunity, particularly when the site provides specific information for Federal enrollees. During the last Open Season, almost 50,000 individuals linked from PlanSmartChoice.Com to plan websites. PlanSmartChoice research indicates high satisfaction with the tool but indicates that consumers wanted more website and provider links. We would like this feature to be more broadly available this year and encourage all FEHB plans to consider links.

PlanSmartChoice has reduced the cost of links to FEHB plans. Last year, the fees were $1,500 per state, up to a maximum of $15,000 for the entire country for a website link; and $1,500 per state, up to a maximum of $15,000 for the entire country for provider links. PlanSmartChoice also offered a “brochure request” link for $500. This year, PlanSmartChoice will offer all three links for one price -- $1,500 per state per plan, up to a maximum of $15,000 for the entire country. We believe that PlanSmartChoice.Com is a valuable interactive tool that educates users about attributes they should consider when selecting a health plan. Accordingly, experience-rated plans may charge the cost of these links to their FEHB contract.

In addition, PlanSmartChoice is offering their 2000 FEHBP Open Season Research Report for $5,000 -- $2,500 less than last year’s price. This price is available until August 1, 2000. This report contains preference data from over 165,000 users segmented by demographics, lifestyle, attribute importance profiles and a variety of clusters. The 1999 report is also available for $5,000. The cost of the research report is not chargeable to the contract.
If you are interested in the links, or the research report, call PlanSmartChoice (1-800-220-9665 or 919-767-1211) and speak with Lisa Childs or Tonika Breeden or email them at Childs@Psmart.Com or Breeden@Psmart.Com. If you would like to see the links, go to http://www.PlanSmartChoice.com/psc2000. If you have questions about the FEHB website, please call Marie L’Etoile at 202-606-0745.

Sincerely,

(signed)

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