

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

# Federal Benefits Open Season

November 12, 2018 – December 10, 2018





# 2018 Federal Benefits Open Season

November 12 through December 10, 2018

## Healthcare and Insurance – Office of Personnel Management

Open Season for the 2019 plan year for health insurance, dental and vision insurance and flexible spending accounts will be held from November 12 through December 10, 2018. The annual Open Season gives Federal employees and retirees the opportunity to review their plan choices and make changes and enroll in coverage. This year the Office of Personnel Management (OPM) is welcoming uniformed service retirees and their families to enroll in dental and vision coverage and active duty family members to enroll in vision coverage. In rate and benefit negotiations for the 2019 plan year OPM has focused on continuing to offer quality and affordable health, dental and vision benefits to the Federal family.

### 2019 Federal Employees Health Benefits (FEHB) Program Rates

Rate averages below are based on 2018 plan enrollment.

- The overall average increase in rates for non-Postal employees and retirees will be 1.3%.
- The Government contribution will increase by 1.2%.
- The enrollee share will increase an average of 1.5%.
- For Self Only, the average premium increase is 0.9%.
- For Self Plus One, the average increase is 1.1%.
- For Self and Family, the average increase is 1.4 %.

### 2019 Federal Employees Dental and Vision Insurance Program (FEDVIP) Rates

Rate averages below are based on 2018 plan enrollment

- The overall average premium increase is 1.2% for dental plans.
- The overall average premium decrease is 2.8% for vision plans.

## Participating Programs

### **The Federal Employees Health Benefits (FEHB) Program**

Established in 1960, the FEHB Program is the largest employer-sponsored health benefits program in the United States, providing health care benefits for about 8.3 million Federal civilian employees, retirees and their families. The government contribution toward premium (for non-postal employees and retirees) is 75 percent of the premium for an enrollee's particular plan option or the maximum government contribution, whichever is less. The maximum government contribution is calculated as 72 percent of the weighted average of all plan premiums.

Federal employees, retirees and their survivors enjoy the widest selection of health plans in the country. For the 2019 plan year there will be 265 plan choices across the entire Program. The actual number of choices available to any given enrollee will be lower and will vary by geographic location. Specific benefits information for individual plans will be posted on the [OPM website](#) in early November.

### **The Federal Employees Dental and Vision Program (FEDVIP)**

The Federal Employees Dental and Vision Insurance Program (FEDVIP) is a voluntary program providing supplemental dental and vision benefits on an enrollee-pay-all basis to Federal civilian employees, retirees, and their families. OPM is welcoming uniformed service retirees and their families to enroll in dental and vision coverage and active duty family members to enroll in vision coverage for the 2019 plan year. Currently, there are approximately 2 million enrollees in dental plans and 1.4 million enrollees in vision plans.

FEDVIP allows dental and vision insurance to be purchased on a group basis with competitive premiums and no pre-existing condition limitations. There are 15 dental plan choices available across the Program with at least 10 dental plan choices available to each potential enrollee. There are 8 vision plan choices available to all potential enrollees. Specific plan information will be available on [BENEFEDS.COM](#) in early November.

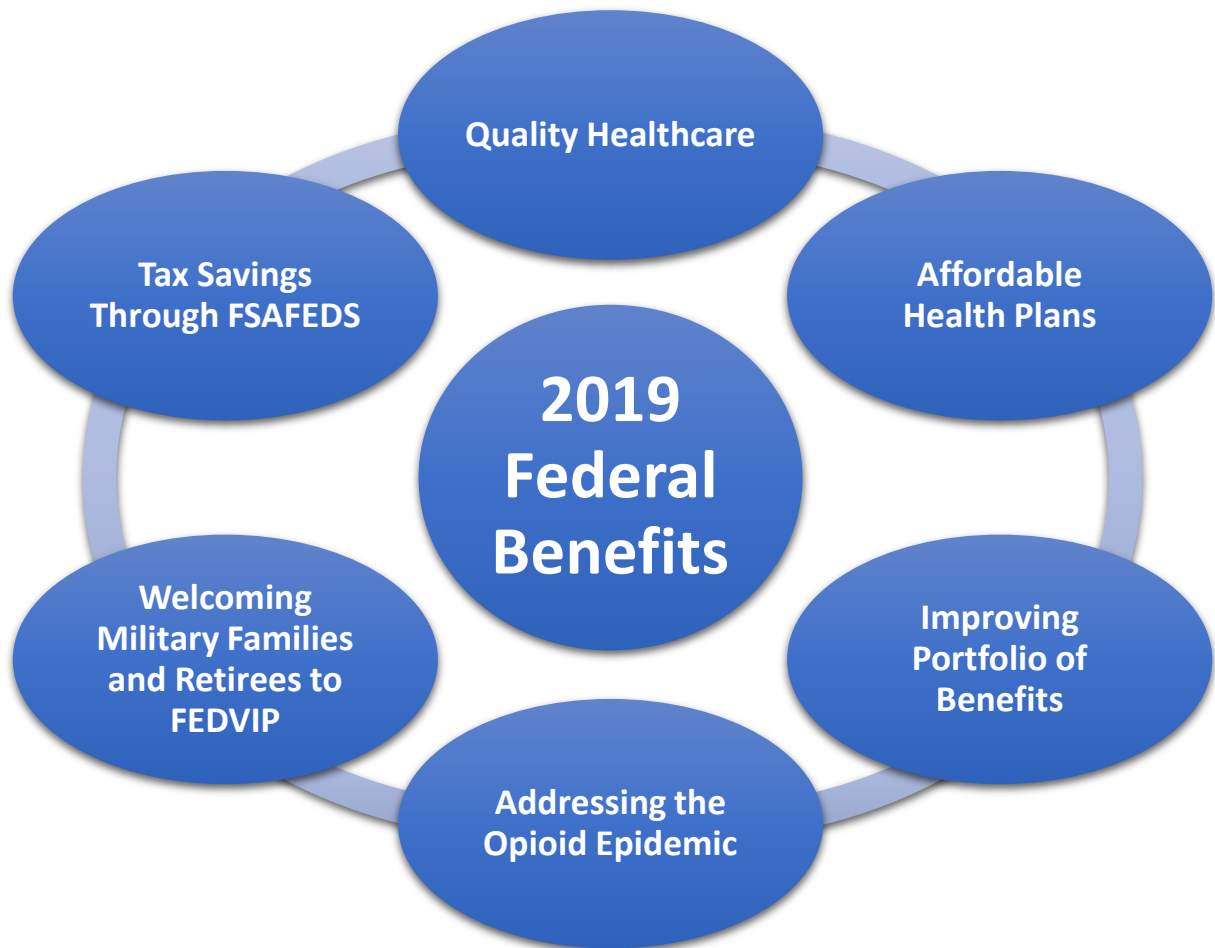
### **The Federal Flexible Spending Account Program (FSAFEDS)**

FSAFEDS is the flexible spending account program for employees of the Federal government. It is a way to save money on taxes for dependent and health care expenses because money is set aside before taxes are deducted. Unlike the FEHB Program and FEDVIP, only active employees are eligible to participate – Internal Revenue Service regulations prohibit retirees from participating. Unlike FEHB and FEDVIP, employees must re-enroll each year – coverage does not automatically continue into the next Benefit Period. Visit [FSAFEDS.COM](#) to learn more.

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## 2019 Plan Year Priorities

In rate and benefit negotiations for the 2019 plan year OPM has focused on continuing to make quality and affordable health, dental and vision benefits available to the Federal family. This is reflective of [OPM's Strategic Goal 1.4](#), to improve healthcare quality and affordability in the FEHB Program. The Agency has worked to ensure that plans continue to offer quality healthcare benefits and remain affordable, both in premium rates and cost sharing. One strategy OPM has employed to reach this goal, is to improve the portfolio of FEHB plans by negotiating with insurance carriers to offer additional plan choices and innovative benefit designs. To offer quality care to the Federal family, in light of the public health crisis facing the country, FEHB and FEDVIP plans are continuing to implement strategies to address the opioid epidemic. As in past years, Federal employees are encouraged to consider the tax savings available through the FSAFEDS Program. Last but not least, this Open Season OPM is excited to welcome military families and retirees to FEDVIP.



## Affordable Plans

One of OPM's major priorities in annual benefit and rate negotiations is ensuring that FEHB Program plans remain affordable for Federal employees and retirees. For plan year 2019, the average percentage increase in FEHB Program plan premiums of 1.3 percent is the lowest increase in 23 years (since 1996 when it was 0.6%). The increase is competitive with other large private and public sector employers whose average 2019 premium increases range from 1.16% to 6.0%.

Though rate increases are generally low for plan year 2019, OPM encourages enrollees to carefully evaluate their coverage, as there may be lower cost options available that meet their healthcare needs.

### 2018 and 2019 FEHB Program Rates

Rate averages below are based on the prior year's enrollment.

2018	2019
Overall average premium increase was 4%.	Overall average premium increase is 1.3%.
Average government share increase was 3.2%.	Average government share increase is 1.2%.
Average enrollee share increase was 6.1%.	Average enrollee share increase is 1.5%.
50% of enrollees saw an increase of less than 5% for their share of the premiums.	78.7% of enrollees will see an increase of less than 5% for their share of the premiums.
Enrollees with Self Only coverage paid \$5.57 more on average per bi-weekly pay period.	Enrollees with Self Only coverage will pay \$1.53 more on average per bi-weekly pay period.
Enrollees with Self Plus One coverage paid \$12.55 more on average per bi-weekly pay period.	Enrollees with Self Plus One coverage will pay \$3.06 more on average per bi-weekly pay period.
Enrollees with Self and Family coverage paid \$12.17 more on average per bi-weekly pay period.	Enrollees with Self and Family coverage will pay \$2.55 more on average per bi-weekly pay period.

### Historical Annual Average Premium Increases

Year	Average Percent Increase
2019	1.3%
2018	4.0%
2017	4.4%
2016	6.4%
2015	3.2%

### Prescription Drugs

The cost of prescription drugs remains a top concern for the FEHB Program, especially as more expensive drugs are projected to hit the market over the next several years. After large increases in 2014 and 2015, prescription drug spending in 2017 slowed and the market reported the lowest drug trends in over five years; a trend that was also observed in the FEHB Program. In 2017, 27.2% of total FEHB expenditures were on prescription medications.

Medication management programs work collaboratively with members who have multiple drug regimens and chronic conditions to assess their medication regimen, help improve adherence, manage medication costs and avoid adverse safety events to improve health outcomes. Most FEHB carriers have or propose to put in place a medication management program to optimize the medication needs of FEHB members.

OPM has asked plans to be more transparent and provide effective drug use calculators that are member-friendly and more interactive. 98% of FEHB plans have drug cost calculator available to members and 91% of plans provide a link to the pre-enrollment pharmacy price transparency tool.

### Maximum Government Contribution and Weighted Average Subscription Charges

The 2019 bi-weekly maximum government contribution for non-postal employees and annuitants (72% of the weighted average) is \$230.18 for Self Only, \$492.27 for Self Plus One, and \$525.32 for Self and Family. The monthly maximum government contribution (72% of the weighted average) is \$498.72 for Self Only, \$1,066.59 for Self Plus One and \$1,138.19 for Self and Family.

For 2019, the bi-weekly program-wide weighted average subscription charges for Self Only, Self Plus One, and Self and Family enrollments are \$319.70, \$683.71, and \$729.61 respectively. The monthly program-wide weighted average subscription charges for Self Only, Self Plus One, and Self and Family enrollments are \$692.68, \$1,481.37, and \$1,580.82 respectively.

## Improving Portfolio of Benefits

The FEHB is a market-based program where increased competition fosters quality and affordable health plans. For the 2019 plan year, many FEHB carriers are offering new and innovative plan options and product designs. Enrollees should review all available choices to find an affordable, quality health plan. The [Plan Comparison Tool](#) available on OPM's website, with enhanced features including medical account display for HDHPs and CDHPs, can help enrollees shop for healthcare coverage. The 2019 plan information will be available in the tool the first full week of November.

### FEHB Plans Offering Three Plan Options

In 2018, OPM updated applicable regulations to allow all FEHB Program plans to offer three options of any plan type. Of the 27 plans offering three options in 2019, three are new and four are available nationwide.

- Aetna Health of Utah Inc. (dba Altius Health Plan)
  - Blue Cross Blue Shield Service Benefit Plan (nationwide)\*
  - GEHA Benefit Plan (nationwide)
  - Health Net of California (Northern CA)
  - Health Net of California (Southern CA)
  - Humana Employer's Health Plan of Georgia (Atlanta)
  - Humana Employer's Health Plan of Georgia (Macon)
  - Humana Employer's Health Plan of Georgia (Columbus)
  - Humana Health Plan of Illinois (Peoria)
  - Humana Health Plan of Ohio (Cincinnati)\*
  - Humana Health Plan of Texas, Inc. (Austin)
  - Humana Health Plan of Texas, Inc. (Corpus Christi)
  - Humana Health Plan of Texas, Inc. (San Antonio)
  - Humana Health Plan of Texas, Inc. (Houston)
  - Humana Health Plan, Inc. (Chicago, IL)
  - Humana Health Plan, Inc. (Lexington, KY)
  - Humana Health Plan, Inc. (Colorado Springs, CO)
  - Humana Health Plan, Inc. (Denver)
  - Independent Health Assoc (Western NY)
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- Kaiser Foundation Health Plan Mid-Atlantic States (Washington, DC, Northern Virginia, and Metro Baltimore, MD)
- Kaiser Foundation Health Plan of Colorado (Metro Denver/Boulder, Mountain CO, Northern CO, and Southern CO areas)
- Kaiser Foundation Health Plan of Northern California (Northern CA)
- Mail Handlers Benefit Plan (nationwide)
- NALC Health Benefit Plan (nationwide)
- Select Health of Utah (statewide)\*
- TakeCare (Guam/N. Mariana Islands/Belau (Palau)
- UPMC Health Plan (Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Fayette, Forest, Greene, Huntingdon, Indiana, Jefferson, Lawrence, McKean, Mercer, Potter, Somerset, Venango, Warren, Washington, and Westmoreland counties)

\*New third option for 2019

## **New and Terminating Plans for 2019**

### **There are 18 new plan options for 2019**

- Av-Med Health Plan (HDHP)
  - BlueAdvantage - Colorado (High)
  - Blue Cross Blue Shield Service Benefit Plan (FEP Blue Focus)
  - Blue Shield of California (Standard)
  - HIP of Greater New York (Standard)
  - Humana CoverageFirst - Cincinnati (CDHP)
  - Humana CoverageFirst - Cincinnati (Value)
  - Humana CoverageFirst - Daytona (CDHP)
  - Humana CoverageFirst - Daytona (Value Option)
  - Humana CoverageFirst - Orlando (CDHP)
  - Humana CoverageFirst - Orlando (Value)
  - Humana Health Plan of Ohio (Value)
  - Medical Mutual of Ohio (Northwest) (Basic)
  - Medical Mutual of Ohio (Northwest) (Standard)
  - Medical Mutual of Ohio (Southwest) (Basic)
  - Medical Mutual of Ohio (Southwest) (Standard)
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- Optima Health Plan (HDHP)
- SelectHealth of Utah (HDHP)

#### **Four plans will no longer participate**

Four health plans will no longer participate in the FEHB Program after December 31, 2018: Healthnet of Arizona, Inc. (Cochise, Gila, Maricopa, Pima, Pinal, and Santa Cruz counties), UnitedHealthcare of California (Central and Southern California), UnitedHealthcare Plan of the River Valley, Inc. (Eastern and Central Iowa and West Central Illinois) and Physicians Plus Insurance Corporation (South Central Wisconsin). Enrollees in these plans will have to select a new plan during Open Season; otherwise, they will be enrolled in the Blue Cross and Blue Shield Service Benefit Plan FEP Blue Focus (the lowest-cost nationwide plan option for 2019 as determined by OPM). Enrollees will know if their health plan is terminating from two sources:

1. Pre-Open Season Letter from OPM to all agency benefit officers.
2. Notice to members from the terminating plans by mail.

#### **2019 FEHB Plan Choices**

- 265 Health Plan Choices
- 16 Fee For Service plan choices open to all
- 4 Fee For Service plan choices available to employees in certain agencies
- 245 HMO plan choices
- 17 High Deductible Health Plan (HDHP) choices
- 28 Consumer Driven Health Plan (CDHP) choices

## **Innovative Benefit Design**

FEHB Program carriers are also responding to the healthcare industry's rapidly changing environment by offering innovative benefit designs. Due in part to OPM's expectations communicated in the FEHB Program Call Letter, the following are notable areas of innovative benefit designs in FEHB plans:

- Chronic condition management
    - Members receive reduced cost sharing when they take action to manage chronic conditions, or obtain higher-quality or more efficient care through creative provider or vendor partnerships.
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- Examples include patient-centered medical homes, cancer management programs and diabetes education and monitoring.
- 88% of plans will have this in place in 2019, compared to 82% in 2018.
- Other cost management techniques
  - FEHB plans are also exploring other cost management techniques, such as evidence-based utilization management in medical or specialty pharmacy.
  - 98% will have this in place in 2019, compared to 94% in 2018.
- Access to Telehealth
  - With industry data showing that telehealth can reduce avoidable hospital visits as well as provide regular access to care in remote and rural areas, we're pleased to report increased adoption and incentives for telehealth programs.
  - Several plans are expanding telehealth services to cover minor acute medical conditions, behavioral health counseling, substance use disorder counseling and dermatology.
  - Many FEHB plans have also reduced copayments for telehealth visits for the 2019 plan year.
- High Deductible Health Plans
  - In efforts to promote innovative High Deductible Health Plan (HDHP) plan design, OPM removed a restriction regarding the premium pass-through amounts allowed to be contributed to a member's Health Reimbursement Arrangement (HRA) and Health Savings Account (HSA). The pass-through amount is no longer limited to 50% of the plan deductible.
  - As a result, the amounts that members have in their HRAs and HSAs to use towards qualified medical expenses may be increased.
  - For 2019, 36% of returning HDHP options increased their premium pass-through amounts. There are three new HDHP options for 2019: Av-Med Health Plan (South Florida), Optima Health Plan (Greater Hampton Roads Region of Virginia) and Select Health of Utah.

### **Medicare Coordination Benefits**

FEHB Program carriers continue to respond to the needs of our unique population comprised of both Federal employees and annuitants. For 2019, two carriers added monetary incentives to FEHB members who enroll in Medicare Part B either through member cost share waivers or Part B reimbursement: Rural Carrier's Benefit Plan and Kaiser of Southern California.

All HDHPs with an HRA can be used to pay for Part B premiums. In addition, the following six FEHB plans provide a reimbursement specifically for Medicare Part B premiums:

- Aetna Direct
- Blue Cross and Blue Shield Service Benefit Plan – Basic Option
- Kaiser of Northern California (High)
- Kaiser of Southern California (High)
- Kaiser of Washington (Standard, High)
- MVP Healthcare

Now 39 FEHB plans waive copays or coinsurance and waive deductibles for those enrolled in Part B, which provides out-of-pocket savings for Medicare enrollees. More than 90% of FEHB members are enrolled in a plan that provides additional benefits for those who enroll in Medicare.

## Quality Healthcare

OPM remains committed to providing quality health plans to meet the needs of the Federal employee and retiree population. Specifically, OPM has worked with FEHB Program carriers to measure plan performance based on relevant clinical quality measures and to improve benefits to prevent and control diabetes. Enrollees can compare FEHB plan healthcare quality metrics on the [OPM website](#).

### Plan Performance Assessment

Plan Performance Assessment is designed to reinforce quality and value in the FEHB Program by linking measures of health outcomes and consumer experience to health plan profit. In addition to traditional parameters of contract compliance, the FEHB Plan Performance Assessment relies on a carefully curated set of commonly used Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) measures that collectively represent Clinical Quality, Customer Service, and Resource Use (QCR).

OPM is encouraged by progress in 2017, the most recent reporting period on quality measures. In 2016 and 2017, the high priority measures were timeliness of prenatal care, blood pressure control, and reduction of readmissions. More FEHB Carriers demonstrated performance that exceeded national benchmarks for these three measures in 2017 and showed improvements over 2016.

### Diabetes Control and Prevention

FEHB carriers report diabetes as one of the most common conditions among their enrolled population and as a top driver of medical and pharmacy costs. For the 2019 plan year, 88% of all FEHB plans are referring qualifying adults to intensive behavioral counseling interventions for diabetes prevention. Additionally, a measure for Comprehensive Diabetes Care (HbA1c control <8%)

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was included in the Plan Performance Assessment scoring for the first time in 2017 and we are pleased to see 61% of plans already scoring above the national average.

### Addressing the Opioid Epidemic

The staggering effect of the opioid epidemic on families, the workforce, and the economy means we must all do more to develop and implement comprehensive solutions. The FEHB Program continues to confront this complex epidemic through prevention and treatment strategies. FEHB data reveals a declining trend in opioid utilization, both in number of prescriptions and quantity dispensed per prescription.

Overall, the total number of subsequent opioid prescriptions dispensed to FEHB members has declined from 2015-2017.

#### Subsequent opioid prescriptions dispensed (number of prescriptions dispensed after the first opioid prescription)

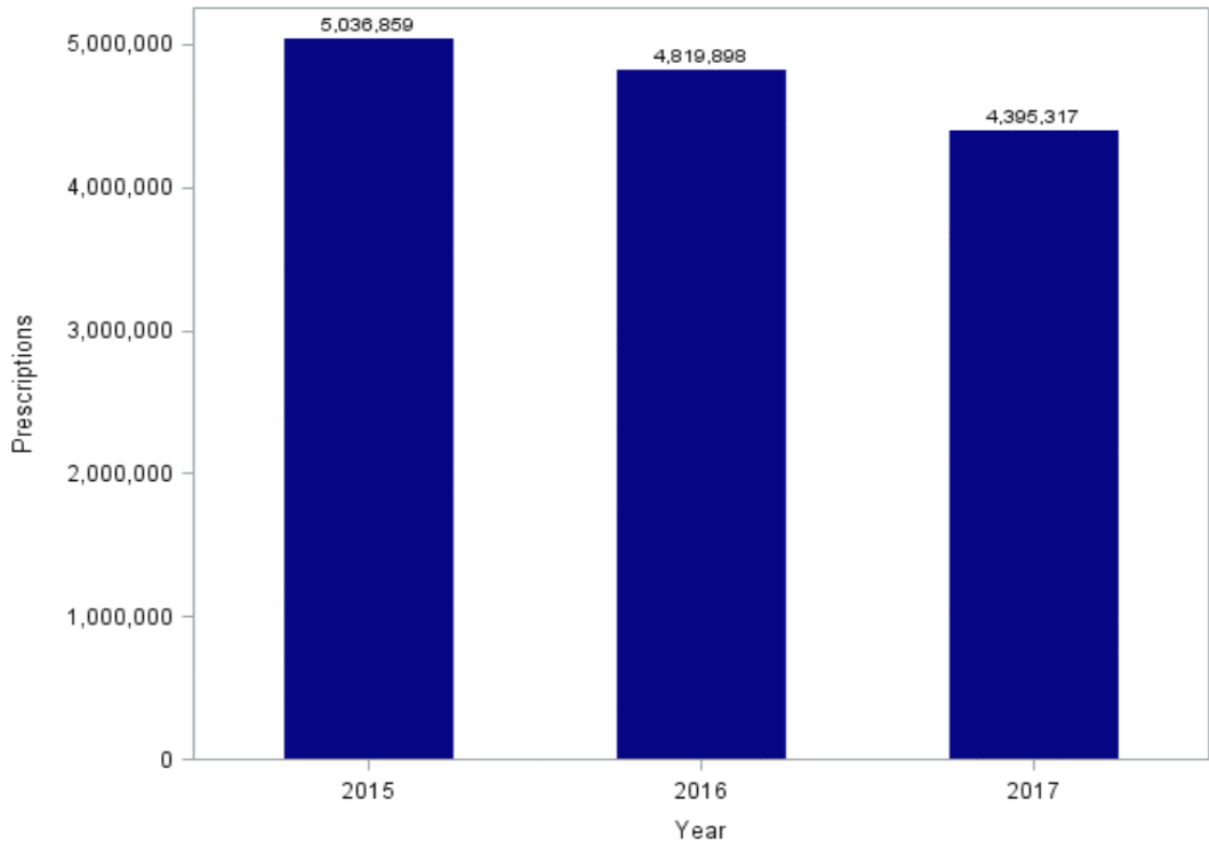


Figure: Subsequent opioid prescriptions dispensed in 2015: 5,036,859. In 2016: 4,819,898. In 2017: 4,395,317.

FEHB plans are expected to use each member encounter as an opportunity to emphasize the safe use of prescription medications and proper disposal of unused quantities. To assist in these efforts, we released a utilization review newsletter to guide our plans on drug disposal options. Additional webinars for FEHB carriers shared evidence based strategies when working with unique population groups such as pregnant women.

According to a preliminary report from the CDC, more than 42,000 people died from drug overdoses involving opioids in 2017. FEHB data reveals a declining trend in opioid utilization, both in number of prescriptions and quantity dispensed per prescription. All FEHB plans have responded to OPM's request to have strategies in place to minimize the risks of opioid use within the FEHB Program.

These include:

1. Promoting awareness of opioid risks and addiction treatment services;
2. Implementing evidence-based and dispensing guidelines for opioids;
3. Reinforcing mental health parity and improving access to substance use disorder services including Medication Assisted Treatment;
4. Ensuring availability of overdose reversal or rescue agents and providing greater access to non-pharmacologic benefits for pain management.

## Welcoming Military Families and Retirees to FEDVIP

The Federal Employees Dental and Vision Insurance Program (FEDVIP) is welcoming TRICARE-eligible individuals in 2019. Uniformed services retirees and their families will have access to dental and vision benefits under FEDVIP. Most active duty family members and uniformed services retirees and their family members will be able to enroll in FEDVIP vision, if they are enrolled in a TRICARE health plan. OPM has worked closely with the Department of Defense Health Agency to expand FEDVIP coverage to this group as provided in the 2017 National Defense Authorization Act. Visit [TRICARE.BENEFEDS.COM](http://TRICARE.BENEFEDS.COM) to learn more.

### What Uniformed Services Retirees and Active Duty Family Members Need to Know

- The TRICARE Retiree Dental Program (TRDP) is ending on December 31, 2018.
- This newly eligible population **must enroll** during the 2018 Federal Benefits Open Season, if they would like dental and/or vision coverage beginning on January 1, 2019.
- Enrollment in FEDVIP is NOT automatic for an individual enrolled in TRDP.

### Key Dates

- October 1, 2018: Begin shopping for coverage using the plan comparison tool on [BENEFEDS.COM](http://BENEFEDS.COM).
  - Mid October 2018: Full FEDVIP benefits (plan brochures) information is available on [BENEFEDS.COM](http://BENEFEDS.COM).
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- November 12- December 10, 2018 (ends midnight eastern standard time): Enroll in dental and vision plans during Open Season.
- January 1, 2019: Coverage is effective.

#### **FEDVIP Rates — Dental**

- Overall 2019 average gross premium increased 1.2% for dental plans
- Average biweekly rates:
  - Self \$17.41
  - Self Plus One \$34.14
  - Self and Family \$49.23
- The average monthly rates are:
  - Self \$37.73
  - Self Plus One \$73.97
  - Self and Family \$106.68

These 2019 dollar amounts and rate increases are weighted by plan size based on 2018 enrollment.

#### **FEDVIP Rates — Vision**

- Overall 2019 average gross premium decreased 2.8% for vision plans
- Average biweekly rates:
  - Self \$5.10
  - Self Plus One \$10.23
  - Self and Family \$14.75
- The average monthly Vision rates are:
  - Self \$11.05
  - Self Plus One \$22.16
  - Self and Family \$31.96

These 2019 dollar amounts and rate increases are weighted by plan size based on 2018 enrollment.

## **Tax Savings through FSAFEDS**

FSAFEDS is the flexible spending account program for employees of the Federal Government. It is a way to save money on taxes because the money is set aside for medical and dependent care (including child daycare) expenses before taxes are deducted. Only active employees are eligible to participate – Internal Revenue Service regulation prohibits retirees from participating. Employees must re-enroll each year – coverage does not automatically go to the next Benefit Period.

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Enrollees can use FSAFEDS account money for copayments and deductibles for their FEHB and/or FEDVIP enrollments. Several plans in the FEHB Program offer paperless reimbursement so that there is no need to file a claim to receive payment.

Employees who enroll in a Health Care or Limited Expenses FSA during the annual Federal Benefits Open Season will have 12 months to spend their election, but can carry over up to \$500 of unspent funds to a Health Care or Limited Expense FSA in the following year.

For the 2019 plan year, the minimum/maximum for DCFS (dependent care) is \$100.00/\$5,000 and for both HCFS (healthcare) and LEX HCFS (limited expenses) is \$100.00/\$2,650.00. Visit [FSAFEDS.COM](https://www.fsa-feds.com) to enroll for the 2019 plan year.

## Upcoming Initiatives

- Under the FY 2019 National Defense Authorization Act, the Secretary of Defense is authorized to enter into agreement with OPM to offer FEDVIP dental coverage to current TRICARE Dental Plan beneficiaries, beginning in plan year 2022. Eligible individuals will include:
    - Family members of active duty service members
    - Family members of National Guard and Reserve members
    - National Guard and Reserve members who are not on active duty
    - Survivors
  - OPM is seeking to contract for the Government-wide Indemnity Benefit Plan carrier for the 2020 plan year. The new plan will be available nationwide.
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**U.S. Office of Personnel Management**

Healthcare and Insurance

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