
Letter Number 2022-03

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Fee-for-service [3]

Experience-rated HMO [3]

Community-rated HMO [3]

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 2023. You must submit your benefit and rate proposals for the contract term beginning January 1, 2023 on or before May 31, 2022. 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's focus for the upcoming plan year is advancing health equity and ensuring the federal government, as the largest employer in the country, offers competitive, comprehensive health insurance benefits to its employees, annuitants, their families, and other eligible persons and groups. Our health equity initiatives for the 2023 plan year relate to maternal health, gender affirming care and services, and obesity. In our ongoing efforts to offer competitive benefits to meet consumer demand and address evolving medical evidence, we identify specific initiatives in areas such as assisted

reproductive technology, preventive health services, and coverage for necessary medical foods. We also continue our emphasis on the Coronavirus Disease 2019 (COVID-19) pandemic by maintaining equitable access to testing, vaccines, and therapeutics as well as ongoing efforts related to telehealth, mental health, and substance use disorders. Guidance and policy from previous Carrier Letters remain in effect unless superseded by this Call Letter.

We remain committed to reducing costs and, in particular, continue to encourage FEHB Carriers to manage specialty prescription drugs costs, which have experienced high-cost growth rate across the industry. The annual Consolidated Pharmacy Benefits Guidance, [Carrier Letter 2022-02](#), for the FEHB Program with comprehensive information about the pharmacy benefit was recently released. Carriers must comply with this guidance when preparing proposals.

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

I. Health Equity

A growing body of evidence points to the role that [social determinants of health](#) play in shaping health outcomes and inequality. Beyond the life-altering consequences for individuals and families, such factors drive service utilization and costs in health and other governmental programs.

Overlooking their role is a missed opportunity to improve the lives of individuals and families, reduce inequality, and address the often hidden societal costs.

Two of President Biden's Executive Orders, [Executive Order 13985](#), *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* (EO 13985), and [Executive Order 14035](#), *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce* (EO 14035), instruct agencies to assess, and work to redress, inequities in agency policies and programs that serve as barriers to equal opportunities.

In accordance with these Executive Orders, OPM remains committed to promoting health equity, and to improving care access, delivery, quality, and affordability in the FEHB Program. This Call Letter addresses these issues by focusing on specific conditions and services with known disparities.

Specifically, the FEHB Program is focused on improving maternal health access, quality, and outcomes for patient populations such as Black and American Indian/Alaska Native (AI/AN) women, who have borne a disproportionate share of maternal health morbidity and mortality. OPM is also committed to improving the health of LGBTQ+ individuals and promoting inclusivity through gender affirming care and services offered to the Federal Workforce as emphasized in EO 14035.

Maternal Health¹

The United States has one of the highest rates of maternal mortality among high-income countries despite significantly higher spending on maternity care.² Additionally, 50,000 women in the U.S. each year experience pregnancy complications or severe maternal morbidity (SMM), which includes unexpected and life-threatening outcomes of labor and delivery that result in significant short- or long-term consequences to their health.³ Black women are more than three times more likely and AI/AN women are more than twice as likely to die from a pregnancy-related cause than White women.⁴ The racial disparity between Black and White women persists even when controlling for education,⁵ income, maternal age, hypertension, and receipt of prenatal care.⁶ OPM is committed to addressing inequalities by

¹ OPM acknowledges that terminology related to pregnancy and childbirth is evolving. For purposes of this guidance, we use terms aligned with current medical terminology and references.

² Gunja, MZ et al. [What Is the Status of Women's Health and Health Care in the U.S. Compared to Ten Other Countries?](#) The Commonwealth Fund.

³ [Severe Maternal Morbidity in the United States](#), Centers for Disease Control and Prevention.

⁴ [Pregnancy Mortality Surveillance System](#), Centers for Disease Control and Prevention.

⁵ Artiga, S et al. [Racial Disparities in Maternal and Infant Health: An Overview](#), Kaiser Family Foundation.

⁶ Harper, MA et al. [Racial disparity in pregnancy-related mortality following a live birth outcome](#), Annals of Epidemiology.

improving prenatal and postpartum support and encouraging innovative methods for improving maternal outcomes in the FEHB Program.

Prenatal and Postpartum Support

Early and comprehensive coverage of prenatal care and responsive postpartum care are keys to reducing maternal mortality and SMM. Maternal mortality is highest in the first 42 days postpartum and represents 45% of total maternal mortality.⁷ Robust postpartum care can improve maternal outcomes and provide specialized support when needed, such as care for mental health and other chronic or disabling conditions. Coverage of this care is essential since pregnancy-related deaths occur during pregnancy, delivery, and up to 1 year postpartum, and most pregnancy-related deaths are preventable.⁸

OPM encourages FEHB Carriers to consider expanding coverage and services in support of prenatal and postpartum care including but not limited to childbirth education classes, group prenatal care, home visiting programs or home health care during pregnancy and postpartum, and care management for high-risk pregnancies. OPM also encourages FEHB Carriers to amplify communication efforts to FEHB members who are either pregnant or of childbearing age.

The Center for Disease Control and Prevention (CDC)'s [Hear Her Campaign](#) seeks to improve communication between patients and their healthcare providers. It is critical for health care professionals to really hear women's concerns during and after pregnancy and engage in an open conversation to make sure any issues are adequately addressed. OPM encourages FEHB Carriers to adopt the Hear Her Campaign for patients and healthcare

⁷ [Building U.S. Capacity to Review and Prevent Maternal Deaths](#). Report from nine maternal mortality review committees.

⁸ [Vital Signs: Pregnancy-Related Deaths, United States, 2011–2015, and Strategies for Prevention, 13 States, 2013–2017](#), Morbidity and Mortality Weekly Report, Centers for Disease Control and Prevention.

providers by providing information and raising awareness of potentially life-threatening warning signs during and after pregnancy.

Innovative Methods for Improving Maternal Health

OPM encourages FEHB Carriers to explore and utilize innovative methods to improve overall maternal outcomes.

One method is to pay more for high-value care than low-value care. This could include, for example, paying less for low-risk births where cesarean sections are not medically indicated or using bundled payments for prenatal care and delivery.⁹ Additional strategies for improving maternal health outcomes include increased reimbursement and expanded coverage for certified nurse midwives, birth centers, and perinatal support services such as doulas and nurse home visits.¹⁰

In addition, we encourage Carriers to monitor the Centers for Medicare & Medicaid Services (CMS) [announcement](#) on establishing a “Birthing-Friendly” designation for hospitals to improve perinatal health outcomes and maternal health equity. Since completion of the Maternal Morbidity Structural Measure will be a factor for the birthing friendly designation, we encourage FEHB Carriers to ensure hospitals with this designation are in their networks. We also encourage Carriers to consider utilizing this designation as a target for payment incentives or other innovative payment methods for network contracting.

Gender Affirming Care and Services

In the 2023 plan year, OPM is focused on furthering ways FEHB Carriers can improve access to gender affirming care for transgender and gender diverse individuals. This focus is in accordance with EO 14035, which directs OPM to

⁹ Pierce-Wrobel, Green K. [To Help Fix The Maternal Health Crisis, Look To Value-Based Payment](#), Health Affairs.

¹⁰ *Id.*

“promote equitable healthcare coverage and services for enrolled LGBTQ+ employees” and their covered family members through the FEHB Program.

As OPM and FEHB Carriers continue to stay informed about the evolving evidence-based treatments for transgender and gender diverse individuals, Carriers must be sensitive to the fact that such individuals have unique needs and the types of medically necessary services required will be specific to each individual. As Carriers are aware, since January 1, 2016, OPM has required that no FEHB Carrier have a general exclusion of services, drugs, or supplies related to the treatment of gender dysphoria. In [Carrier Letter 2021-05](#), we asked FEHB Carriers to review and update plan brochures for accurate description of benefits for those with gender dysphoria, provide assurance of non-discriminatory formularies, and review claims processing edits to ensure no improper denial of preventive services for individuals diagnosed with gender dysphoria.

We appreciate the efforts many FEHB Carriers have made to date in covering gender affirming care and services, and we strongly encourage Carriers to both continue and expand these efforts as we seek to better connect our members to medically necessary care.

Standards of Care

Acceptable standards of care are based on credible scientific evidence published in peer-reviewed medical literature and generally recognized by the relevant medical community and physician specialty society recommendations. FEHB Carriers must adopt an acceptable standard of care; in doing so Carriers should look to one or more recognized entities for coverage of gender affirming care and services such as: the World Professional Association of Transgender Health (WPATH), the Endocrine Society, and the Fenway Institute. These entities provide FEHB Carriers with evidence-based clinical guidance to inform their medical policies and benefits coverage to assist transgender and gender diverse people with safe and effective pathways that maximize their overall health, including physical and psychological well-being. This coverage should be comprehensive and

include: primary care (to include preventive services appropriate to the individual's circumstance), gynecologic and urologic care, mental health services (e.g., counseling, psychotherapy), hormonal treatments, other pharmacological therapies, and surgical treatments, among others.

Carriers should remain current in their medical policies such that coverage decisions reflect up to date standards of care.

Care Coordinator and Provider Networks

For Plan Year 2023, individuals diagnosed with and/or undergoing evaluation for gender dysphoria must be provided the option to use a Care Coordinator to assist and support them as they seek gender affirming care and services. This aligns with the practice of care coordination offered for other complex diagnoses or conditions (e.g., obesity, diabetes, advanced cardiovascular disease, kidney disease). The Technical Guidance will further expand upon expectations for care coordination for gender dysphoria care and services.

If network providers are not available to provide medically necessary treatment of gender dysphoria, FEHB Carriers should describe how members are directed to qualified providers with experience delivering this specialized care.

Formulary Access

Studies have shown that transgender individuals face additional cost and access barriers to clinically effective, evidence-based medications.^{11,12}

As a reminder, [Carrier Letter 2021-02](#) describes a non-discriminatory formulary design. OPM expects FEHB Carriers to have effective, evidence-based formularies that prevent selection bias or discrimination and facilitate appropriate access to affordable prescription drug choices. As emphasized in

¹¹ [Lesbian, Gay, Bisexual, and Transgender Health](#), Office of Disease Prevention and Health Promotion.

¹² Sachdeva I, Aithal S, Yu W, Toor P, Tan JCH. [The disparities faced by the LGBTQ+ community in times of COVID-19](#), Psychiatry Res.

[Carrier Letter 2021-05](#), a non-discriminatory formulary design does not have cost or access barriers imposed by disease or condition.

For plan year 2023, FEHB Carriers should review their formularies to ensure that transgender and gender diverse individuals have equitable access to medications including medically necessary hormonal therapies. Clinical criteria should be evidence-based, transparent, easy to access and not impose unnecessary barriers to medically necessary care.

Inclusive Member Communication

The [2021 Technical Guidance](#) asked FEHB Carriers to consider strategies to make member-facing materials and communications more inclusive and gender-neutral. OPM now requires all FEHB Carriers to take additional actions to ensure the use of inclusive and gender-neutral terminology in communication materials, member-accessible resources, and the FEHB Brochure. Communication materials, provider directories, and resources accessible by members should be updated to utilize inclusive, gender-neutral language to advance equity and ensure access to healthcare for LGBTQ+ members. Brochures and other communications will be carefully reviewed by OPM to ensure compliance. Specific examples of inclusive language and communications will be provided in the Technical Guidance.

Iatrogenic Infertility

In the [2021 Call Letter](#), OPM encouraged all FEHB Carriers to provide coverage for standard fertility preservation procedures for persons facing the possibility of “iatrogenic infertility,” that is, infertility caused by a necessary medical intervention. For plan year 2023, OPM is requiring all FEHB Carriers to provide coverage for standard fertility preservation procedures for persons facing the possibility of iatrogenic infertility, including infertility associated with medical and surgical gender transition treatment.

Obesity

Obesity has long been recognized as a disease in the US that impacts children and adults. Obesity is a complex, multifactorial, common, serious, relapsing, and costly chronic disease that serves as a major risk factor for developing conditions such as heart disease, stroke, type 2 diabetes, renal disease, non-alcoholic steatohepatitis, and certain types of cancer.

Throughout the pandemic, obesity has also been linked to increased hospitalizations, the need for mechanical ventilation, and death in persons with COVID-19.¹³ Obesity disproportionately affects some ethnic and/or racial groups with non-Hispanic Black adults having the highest prevalence, followed by Hispanic adults. Estimates have shown that the annual medical cost for people who have obesity are on average 42% -75% higher than those of normal weight, with costs increasing significantly with the severity of obesity.¹⁴

Implications in Children and Adolescents

Almost one in five children in the US have obesity and the risk of obesity is greater among adults who had obesity as children. Obesity is more prevalent among American Indian and/or Native Alaskan, non-Hispanic Black, and Hispanic children compared with White and Asian children in the United States, with Black children having the highest prevalence of risk factors for obesity.¹⁵ Children and adolescents have experienced sharp increases in their rates of weight gain during the COVID-19 pandemic, especially school-aged children and those who already had obesity; now more than ever, children and families need support in achieving and maintaining optimal weight for health.¹⁶ Noting that programs and treatments for adults do not necessarily apply to the pediatric population, FEHB Carriers are strongly

¹³ [Obesity, Race/Ethnicity and COVID-19](#). Centers for Disease Control and Prevention.

¹⁴ Finkelstein EA, Trogon JG, Cohen JW, Dietz W. [Annual medical spending attributable to obesity: payer- and service-specific estimates](#). Health Aff (Millwood) 2009;28(5):w822–31.

¹⁵ Isong IA, Rao SR, Bind MA, Avendaño M, Kawachi I, Richmond TK. [Racial and Ethnic Disparities in Early Childhood Obesity](#).

¹⁶ [Longitudinal Trends in Body Mass Index Before and During the COVID-19 Pandemic Among Persons Aged 2–19 Years — United States, 2018–2020](#), Morbidity and Mortality Weekly Report, Centers for Disease Control and Prevention.

encouraged to address how obesity is covered in children and adolescents in their benefit proposals. Additional details will be provided in the Technical Guidance.

Anti-Obesity Medications

Research in populations with diabetes, hypertension, and cardiovascular diseases has shown that a 5% decrease in weight results in clinically significant improvements in these obesity-related comorbid conditions.¹⁷ Many of the Food and Drug Administration (FDA) approved anti-obesity medications result in at least a 5% weight loss. Timely management of obesity can be cost effective, lower health risks, and prevent disease progression. In 2014, OPM issued [Carrier Letter 2014-04](#) clarifying that it is not permissible to exclude weight loss drugs from FEHB coverage on the basis that obesity is a “lifestyle” condition and not a medical one or that obesity treatment is “cosmetic.” The landscape of pharmaceuticals available to treat obesity continues to evolve and there are currently a variety of FDA approved medications available with different mechanisms of action. The FDA indications for anti-obesity medications reinforce that nutrition and physical activity regimens should accompany drug treatment of obesity. Treatment with anti-obesity medications is highly individualized and will depend on the individual’s comorbidities, their current medication regimen, and the potential for adverse effects.

OPM is clarifying that FEHB Carriers are not allowed to exclude anti-obesity medications from coverage based on a benefit exclusion or a carve out. FEHB Carriers must have adequate coverage of FDA approved anti-obesity medications on the formulary to meet patient needs and must include their exception process within their proposal. In cases where utilization management edits are applied, the process and evidence-based criteria for coverage must be transparent, readily accessible, and follow OPM required turnaround timelines.

¹⁷ Biener AI, Decker SL. Medical care use and expenditures associated with adult obesity in the United States. *JAMA*. Jan 16, 2018;319(3):218. PMID: 29340665.

II. Ensuring the Federal Government Continues to Offer Competitive and Comprehensive Benefits

As the nation's largest employer-sponsored health insurance program, the FEHB Program must stay competitive in the marketplace so that the Federal government can continue to recruit new employees and retain our talented workforce. It is imperative that we offer competitive, comprehensive health insurance options to meet consumer demand and address evolving medical evidence. We must continuously reevaluate our standards to ensure we are doing so, and when necessary encourage FEHB carriers to make new offerings and expand coverage as the market shifts and expectations from consumers change.

COVID-19 Pandemic

OPM applauds FEHB Carriers for their ongoing efforts to address the COVID-19 pandemic. We will continue to work with FEHB Carriers to safeguard the health of FEHB members. As noted in [Carrier Letter 2022-01](#), Carriers must provide coverage for countermeasures against COVID-19, including over-the-counter tests, booster doses, therapeutics, and pharmacy access to therapeutics. In addition to providing such coverage, we encourage FEHB Carriers to continue initiatives put into place during the pandemic related to telehealth as well as mental health and substance use disorder services.

Telehealth

Telehealth services have rapidly expanded during the COVID-19 pandemic. In general, they have been met with broad acceptance from both providers and patients. OPM believes that telehealth continues to have an important role in the provision of healthcare services. Among other things, telehealth promotes health equity by mitigating transportation difficulties faced in both urban and rural communities. Telehealth also improves access to mental health and substance use disorder services. The expansion of remote monitoring capabilities can also improve the quality of care for those with chronic diseases. OPM strongly encourages FEHB Carriers to continue

supporting the efforts of providers to furnish telehealth services, including by continuing reasonable agreements on reimbursement.

Mental Health and Substance Use Disorders

The nation has faced increasing incidences of mental health and substance use disorders throughout the COVID-19 pandemic. According to the Centers for Disease Control and Prevention, an estimated 100,306 people died from drug overdoses over the 12-month period ending in April 2021, which is a 29% increase from the prior 12-month period and also reflects the highest number of opioid-related deaths ever recorded in the United States.¹⁸ The United States Surgeon General has also issued an [Advisory on Protecting Youth Mental Health](#), which discusses the pandemic's impacts on youth mental health, as well as the mental health challenges that existed long before the pandemic.

To address these concerns, FEHB Carriers should intensify their focus on providing comprehensive mental health and substance use disorder benefits including ensuring parity with medical and surgical benefits.

Medical Foods

[OPM's 2021 Call Letter](#) encouraged plans to offer coverage for medical foods as treatment for inborn errors of metabolism (IEM) requiring specialized dietary supplements to meet nutritional needs. Analogous to medications, medical foods are evidence-based treatments necessary for the maintenance of health in those diagnosed with metabolic disorders that require avoidance of specific amino acids (building blocks of proteins) generally found in foods.

OPM is now requiring plans to provide coverage for necessary medical foods. These foods specifically formulated and prescribed to treat IEM should be covered without regard to age, mode of administration (oral vs. nasogastric tube), narrow arbitrary limitations to specific diseases (e.g., PKU), or whether it is the sole source of nutrition for that

¹⁸ [Provisional Drug Overdose Data](#), Centers for Disease Control and Prevention.

individual. Reasonable annual dollar limits can be placed on coverage and there is no intent to require coverage for “grocery items” routinely available at food stores.

Assisted Reproductive Technology (ART)

One in three workers aged 18 to 34 believe that fertility treatment should be included as a part of their employee benefits package, with almost half citing the high out-of-pocket cost of treatment as the main reason.¹⁹ Additionally, over the past five years there has been an upward trend for prevalence of infertility coverage among employers and increased activity at the state level, with the adoption of infertility insurance laws in nineteen states.²⁰ OPM is interested in supporting family building efforts for covered FEHB enrollees and their eligible family members. FEHB Carriers currently cover the diagnosis and treatment of infertility; however, more could be done to assist with the financial burden of ART²¹ treatment for those who may require it. If ART treatments, medications, and procedures are not covered by FEHB Carriers, and Carriers choose not to propose added benefits with corresponding premium increases, Carriers should attempt to negotiate discounted rates that members can access for non-covered ART procedures. This information should be described via the Affinity benefits shown on the non-FEHB page of the plan brochure.

Preventive Services

[OPM’s 2019 Call Letter](#) stated expectations on coverage for preventive services with no cost sharing when received from an in-network provider. The guidance stated that all required preventive services must cover the full scope of the recommendations²² in accordance with the following contract

¹⁹ [The Willis Towers Watson 2017 Maternity, Family and Fertility Survey](#), GlobeNewsWire.

²⁰ [2021 Survey on Fertility Benefits](#), Mercer.

²¹ [Assisted Reproductive Technology](#), Centers for Disease Control and Prevention.

²² Preventive services guidelines are updated periodically by the United States Preventive Services Task Force (USPSTF), Advisory Committee on Immunization Practices (ACIP), United States Health Resources and Services Administration (HRSA), and Bright Futures. Preventive services earning an “A” or “B” rating from the USPSTF or endorsement from the relevant entity must be covered with no cost sharing.

cycle. FEHB Carriers were also offered the option to adopt recommendations earlier as appropriate. OPM is now clarifying our position and updating this guidance to ensure the health, safety, and well-being of our enrollees. For the 2023 plan year and beyond, all updates to preventive services guidelines must be applied as they occur throughout the year by all FEHB Carriers.

Additionally, we remind FEHB Carriers of their continuing obligation to cover, without cost sharing, the full range of contraceptives and contraceptive care for adolescent and adult women as provided in the [Women's Preventive Services Guidelines](#) supported by the Health Resources and Services Administration (HRSA). Such coverage must include all FDA-approved, cleared, or granted contraceptive products that are determined by an enrollee's care provider to be medically appropriate, even if those contraceptive products may be non-formulary or excluded from the Carrier's formulary. Due to complaints received by the Departments of Health and Human Services, Labor, and Treasury, these agencies issued [FAQs Part 51](#), which reiterated and reinforced health plan requirements regarding contraception. FEHB Carriers are required to comply with these requirements.

III. Technical Guidance

The 2022 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, and equitable 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