

FACT SHEET

2017 Federal Benefits Open Season for Health Benefits, Dental and Vision Insurance and Flexible Spending Accounts

- Open Season for health benefits, dental and vision insurance, and flexible spending accounts will be held from November 13 through December 11, 2017.
- The annual Open Season gives Federal employees and retirees the opportunity to review their plan choices and make changes. It also allows eligible Federal employees to enroll for coverage.

Federal Employees Health Benefits (FEHB) Program

- The overall average FEHB premium increase for non-postal employees and annuitants will be 4.0 percent in 2018. (Last year, the average increase announced by OPM was 4.4 percent.)
- The average increase in the government share of premiums for 2018 will be 3.2 percent; the average enrollee share increase will be 6.1 percent. The employee share appears to be rising faster than the Government share because of enrollee selection of health plans. The Government contribution to premiums is based on a lower average as enrollees select lower cost plans.
- Changes in the enrollee share of premiums vary from plan to plan. On average, enrollees with Self coverage will pay \$5.57 more per bi-weekly pay period; enrollees with Self Plus One coverage will pay \$12.55 more per bi-weekly pay period and enrollees with Self & Family coverage will pay \$12.17.
- Enrollees with Self Only coverage in the popular Blue Cross and Blue Shield Standard Option will pay \$7.17 more per biweekly pay period in 2018 than in 2017; those with Self Plus One will pay \$17.04 more per biweekly pay period and those in Self & Family coverage will pay \$17.72 more per biweekly pay period.
- Negotiations were geared to keep premium increases as low as possible while minimizing changes in out-of-pocket costs, such as for deductibles, co-pays, and coinsurance. The program continues to offer comprehensive preventive services at no cost to enrollees.
- OPM encourages FEHB enrollees to review the benefits and premiums for their health plan choices and decide what coverage will best fit their health care needs in the coming year.
- In 2018, FEHB will offer 262 health plan choices government-wide. (FEHB offered 245 plan choices for 2017). Fifteen (15) health plan choices are offered nationwide and open to all eligible federal employees and retirees including two (2) CDHPs and two (2) HDHPs.
- FEHB annually provides \$53 billion in health care benefits for about 8.3 million employees, retirees and dependents.

Federal Employees Dental and Vision Insurance Program (FEDVIP)

- Premium increases for dental plans are on average 1.26 percent for 2018.
- Average vision plan premiums will decrease 0.48 percent for 2018.
- Over 1.9 million FEDVIP contract holders are in dental plans and over 1.3 million contract holders are in vision plans.

FSAFEDS

- Eligible federal employees must reenroll in FSAFEDS each year to set aside pre-tax dollars in flexible spending accounts for their health care and dependent care costs.
- Employees interested in a Health Care flexible spending account can avail themselves of: an annual minimum (\$100) and the ability to carryover up to \$500 of unused funds to the following year.
- Employees can set aside from \$100 to \$2,600 for health care costs and up to \$5,000 for dependent care costs each year.
- Dependent Care FSA enrollees will have 14-1/2 months to spend their election.
- Employees who enroll in a Health Care or Limited Expenses FSA will have 12 months to spend their election, but can carry over up to \$500 of unspent funds in the following year.
- To be eligible for carry over, an employee must be actively employed by a FSAFEDS-participating agency and contributing to their FSA account through December 31; and re-enroll for the next Benefit Period.
- Employees must incur eligible Health Care expenses by December 31st of the benefit year.
- Over 420,000 federal employees currently participate in FSAFEDS.

Federal Employees Health Benefits Program Questions & Answers

What is the Federal Employees Health Benefits Program and who is enrolled?

- Established in 1960, the FEHB Program is the largest employer-sponsored health benefits program in the United States, with about 8.3 million participants.
- Federal employees, retirees and dependents participate in the Program. Approximately 85 percent of Federal employees choose to enroll, including covered federally employed spouses, and approximately 90 percent of retirees participate.
- Since May 2012, employees of certain tribes and tribal organizations are eligible to enroll for FEHB coverage. Approximately 97 tribes with 22,500 tribal employees are currently enrolled.
- In January 2018, the FEHB program will have 262 health plan choices.

How do individuals enroll in the FEHB Program?

- Most employees are eligible and enroll when they are employed in the Federal Government.
- During the annual Open Season, November 13 to December 11, 2017, eligible Federal employees and retirees can stay with their current health plan or select a new one.
- Employees of participating tribes and tribal organizations may also stay with their current FEHB plan or select a new one during Open Season.
- Open Season enrollment changes take effect the first pay period in 2018.

What are the significant benefit changes for 2018?

- As in recent years, negotiations were geared to keeping premium increases as low as possible without asking enrollees to pay substantially more money out of their pockets each time they need health care.
- Telemedicine benefits were added to many of the Carriers benefits to expand access to care.
- FEHB enrollees are advised to review the benefits and premiums for their health plan choices and decide what coverage will best fit their health care needs in the coming year.

What are the FEHB trends for next year?

- The overall average FEHB premium increase for non-postal employees and all annuitants will be 4.0 percent. Premiums for Health Maintenance Organizations will increase an average 5.5 percent, while Fee-for-Service plans will see an average increase of 3.8 percent.
- In 2018, on average, enrollees with Self Only coverage will pay \$5.57 more each pay period; enrollees with Self Plus One coverage will pay \$12.55 more per pay period and enrollees with Self and Family coverage will pay \$12.17 more per pay period.
- On average, the Government pays about 70 percent of health benefits premiums.

When do the new health benefits premiums go into effect?

- The new health benefits premiums go into effect in January 2018.

What accounts for the FEHB average premium increase?

- In general, FEHB rates reflect changes, including prices, in the health care marketplace.
- The FEHB Program uses private market competition and consumer choice to provide comprehensive benefits at an affordable cost to enrollees and the Government. In addition, we negotiate with health carriers to keep increases as reasonable as possible.

For the past several years, what was the average FEHB premium increase announced?

Year	(%)
2018	4.0
2017	4.4
2016	6.4
2015	3.2
2014	3.7
2013	3.4
2012	3.8
2011	9.0

Are health care premiums going up for other purchasers?

For 2018, employers, consultants and others are projecting or approving higher rates:

- PriceWaterhouseCoopers Health Research Institute (HRI) – anticipates a 6.5% growth rate for calendar year 2018 for medical cost trend
- National Business Group on Health - overall health care benefit cost increases at large employers are expected to be at 5.0%
- Mercer - The average per-employee health benefit cost is predicted to rise by 4.3% in 2018.
- CalPERS – approved plan changes and rates average 2.33% overall premium increase

How does OPM keep FEHB Program participants informed?

- OPM provides information such as lists of health plans and summary information on benefits, rates, and health plan quality on our website at www.opm.gov/healthcare-insurance/open-season/. OPM also posts results of consumer satisfaction surveys. OPM ensures that each health plan produces a brochure that describes the benefits and rates it will offer next year. Plan brochures are available at www.opm.gov/insure.

What decision support tools are on OPM's web site?

- In 2016, OPM unveiled an enhancement to the FEHB online Plan Comparison Tool (PCT) during Open Season. The tool now allows consumers to:
 - Sort plans by the cost of monthly premiums, annual deductibles, and annual out-of-pocket maximums;
 - See a list showing the top items most people consider when shopping for health insurance. The list will show each plan available in their zip code; and,
 - Select specific plans to compare in more detail.

Why is the increase in the employee share of premiums higher than the Federal government share of premiums?

- The Government contribution to premiums is based on an average of health plan premiums. The employee share appears to be rising faster than the Government share because of enrollee selection of health plans. The Government contribution to premiums is based on a lower average as enrollees select lower cost plans.