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November 28, 2014

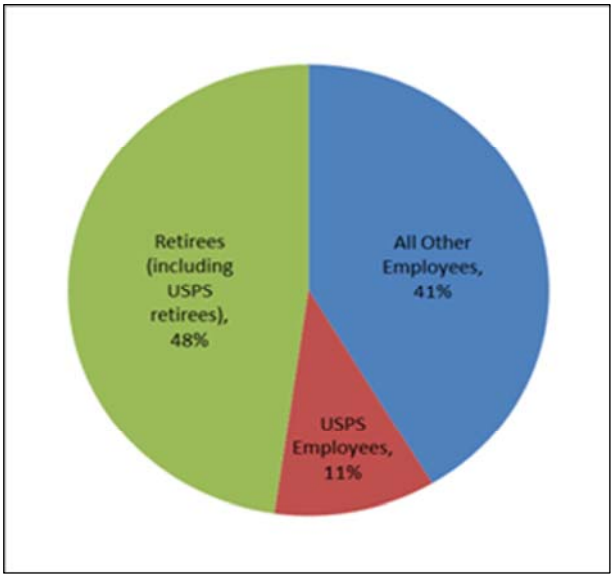
# The Federal Employees Health Benefits (FEHB) Program: 2014 Open Season

## Overview

The Federal Employees Health Benefits (FEHB) Program is the largest employer-sponsored health benefits program in the United States. FEHB is administered by the Office of Personnel Management (OPM). Participation in FEHB is voluntary, with 85% of federal employees enrolled and 90% of federal retirees participating. In FY2013, FEHB provided about $44 billion in health benefits.

According to the most recent estimate from OPM for 2014, there are about 4 million policyholders in FEHB, covering about 8.2 million people, including federal employees, retirees, and their eligible family members. This number includes employees and retirees of the United States Postal Service (USPS). See **Figure 1** for a breakdown of FEHB policyholders.

Figure 1. **Profile of FEHB Policyholders, 2014**




**Source:** Congressional Research Service (CRS) analysis of Office of Personnel Management (OPM) data.

## Open Season

The 2014 open season for the 2015 plan year runs from November 10, 2014, through December 8, 2014. Individuals can enroll for the first time or change their existing health insurance plan during the annual open season. Outside of open season, changes are only allowed for individuals with a qualifying life event, such as marriage.

## The 2015 Plan Year

### Plan Options

The 2015 plan year runs from January 1, 2015, through December 31, 2015. For 2015, there are 257 plan options. FEHB enrollees choose a health plan from a health insurance carrier participating in FEHB. Each carrier offers one or more plans. Generally, FEHB health insurance carriers and their health plans fall into two broad categories: fee-for-service (FFS) plans or health maintenance organizations (HMOs). FFS plans are generally available nationwide, and HMOs tend to be locally available. Details for all FEHB plans are available on OPM's website at http://www.opm.gov/healthcare-insurance/healthcare/plan-information/.

As a practical matter, depending on where an enrollee resides, the choices are limited to about 15 different plans. Plan choices change each year, as plans enter or leave the program or change geographic service areas. For 2015, there are four new local health plans entering FEHB and five local plans leaving FEHB.

Other program options available during open season are the Federal Employees Dental and Vision Insurance Program (FEDVIP) and Federal Flexible Spending Account Program (FSAFEDS). All individuals eligible for FEHB, including retirees, are also eligible to enroll in FEDVIP, which provides supplemental dental and vision insurance. Currently, FEDVIP has more than 1.4 million enrollees in dental plans and more than 1 million in vision plans. *Active* federal employees are eligible for FSAFEDS, which allows employees to pay for health care expenses with pretax dollars. More than 332,000 federal employees participate in FSAFEDS.

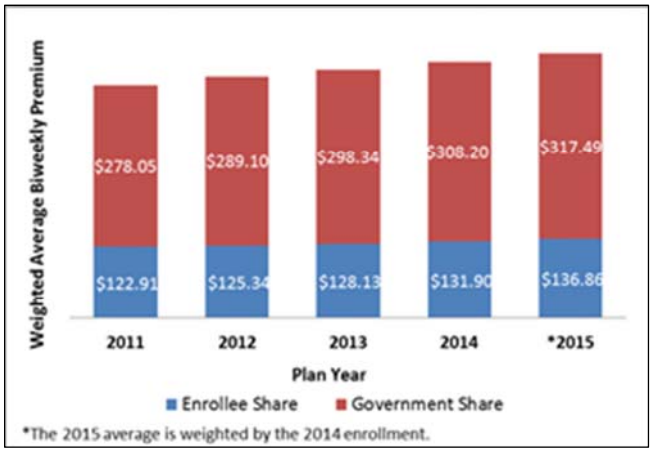
### FEHB Premiums

For employees (other than USPS employees) and retirees in 2015, the weighted average enrollee share of the biweekly FEHB premium for both self and family is $136.86 and the average government contribution is $317.49, for a total average biweekly premium of $454.35. **Figure 2** compares these figures with previous years.

Total premiums for employees (other than USPS employees) and retirees will rise by an average of 3.2% in 2015, a smaller increase than the 3.7% increase in 2014. Although premiums increased on average by 3.2%, premiums for any given plan may have increased by more or less or declined. However, looking only at premium

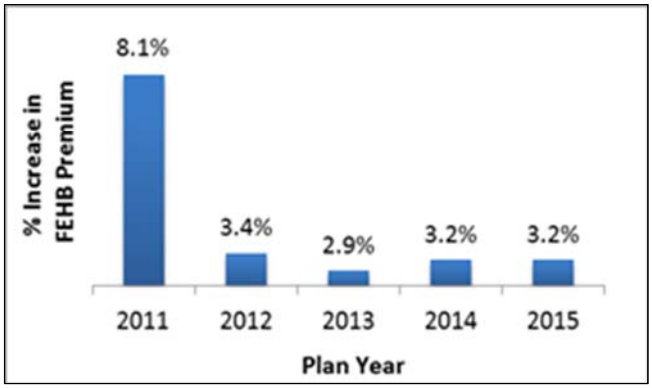
changes may not give a complete picture of year-to-year plan changes, as plans may modify benefits or cost-sharing. For comparisons with other years, see **Figure 3**.

**Figure 2. Weighted Average Biweekly FEHB Premiums for Employees (Non-USPS) and Retirees, 2011-2015**




**Source:** OPM.

**Figure 3. Average FEHB Premium Increase per Year, 2011-2015**




**Source:** CRS analysis of OPM data, except for the 2015 increase. That increase was announced in the OPM press release, "OPM Announces 2015 Federal Employees Health Benefits Program Premium Rates" (October 7, 2014).

For employees (other than USPS employees) and retirees, the government share of premiums is set in statute at 72% of the weighted average premium of all plans in the program, not to exceed 75% of any given plan's premium. For USPS employees, the USPS contribution to premiums is collectively bargained.

### Plan Details: Blue Cross and Blue Shield

The most popular insurance carrier in FEHB is Blue Cross and Blue Shield (BCBS), which offers two FFS health plans: a Standard health plan and a Basic health plan. These plans have the highest level of FEHB enrollment, with a total of more than 2.5 million (more than half) of FEHB policyholders. The Standard plan has a higher premium than the Basic plan and a deductible, but it has lower co-pays and greater choice of providers, including coverage for non-preferred and non-participating providers as well as preferred providers. The Basic plan has a lower premium and no deductible but higher co-pays, and it only covers preferred providers. Selected plan details for the Standard and Basic BCBS plans are listed in **Table 1**.

**Table 1. Table 1. Employee (Non-USPS) and Retiree Premium Contributions and Cost-Sharing , Standard and Basic BCBS Plans, 2015**

| | BCBS Standard Option | BCBS Basic Option |
|---|---|---|
| Enrollee share of biweekly premium | $91.03 (self)<br>$213.31 (family) | $63.40 (self)<br>$148.46 (family) |
| Calendar year deductible | $350 per person; $700 per family | None |
| Co-payment for preferred primary care provider office visit/Preferred specialist office visit | $20/$30 (The calendar year deductible does not apply for this benefit) | $25/$35 |
| Coinsurance for participating provider visit | 35% of plan allowance | No coverage, except in special circumstances such as emergency care |
| Coinsurance for non-participating provider visit | 35% of plan allowance, plus any difference between allowance and billed amount | |

**Source:** Blue Cross Blue Shield (BCBS) Benefit Plan, 2015. http://www.opm.gov/healthcare-insurance/healthcare/plan-information/plan-codes/2015/brochures/71-005.pdf.

## More Information

For more information about FEHB, see CRS Report RS21974, *Federal Employees Health Benefits Program (FEHBP): Available Health Insurance Options* and CRS Report R42741, *Laws Affecting the Federal Employees Health Benefits Program (FEHBP)*. Also of interest may be CRS Report R43194, *Health Benefits for Members of Congress and Certain Congressional Staff.*

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