



Updated January 19, 2016

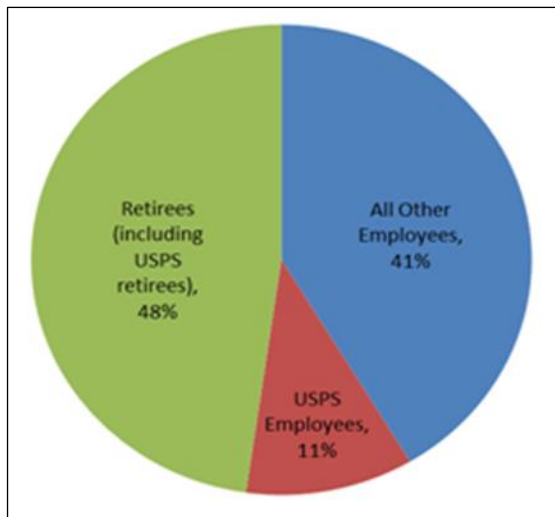
The Federal Employees Health Benefits (FEHB) Program: Open Season for the 2016 Plan Year

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. FEHB provides about \$48 billion in health benefits annually.

According to the most recent estimate from OPM for 2015, 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, 2015



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

Open Season

Individuals have the opportunity to enroll for the first time or change their existing health insurance plan during the annual open season. The open season for the 2016 plan year ran from November 9, 2015, through December 14, 2015. Outside of open season, changes are only allowed for individuals with a qualifying life event, such as marriage.

The 2016 Plan Year: January 1–December 31, 2016

Plan Options

For 2016, there are 252 plan options. FEHB enrollees choose a health plan from a health insurance carrier

participating in FEHB. Each carrier offers one or more plans. In general, 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 2016, four new local health plans entered FEHB and six local plans left FEHB.

The Federal Employees Dental and Vision Insurance Program (FEDVIP) and the Federal Flexible Spending Account Program (FSAFEDS) options are also available during open season. 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 1.6 million enrollees in dental plans and more than 1.1 million in vision plans. Active federal employees are eligible for FSAFEDS, which allows employees to pay for some health care expenses with pretax dollars. More than 350,000 federal employees participate in FSAFEDS.

New This Year: The Self Plus One Option

In the past, FEHB has offered two enrollment options: self-only and self and family. The Bipartisan Budget Act of 2013 (P.L. 113-67) established a third enrollment option, self plus one, to begin in 2016. The self plus one option allows the enrollee plus one eligible family member to be covered. Enrollment in self plus one is not automatic; enrollees must sign up during open season or during the year through a qualifying life event, such as marriage. For this year only, outside of open season, OPM has created a one-time Limited Enrollment Period from February 1 to February 29, 2016, to allow employees enrolled in self and family extra time to decrease enrollment to self plus one.

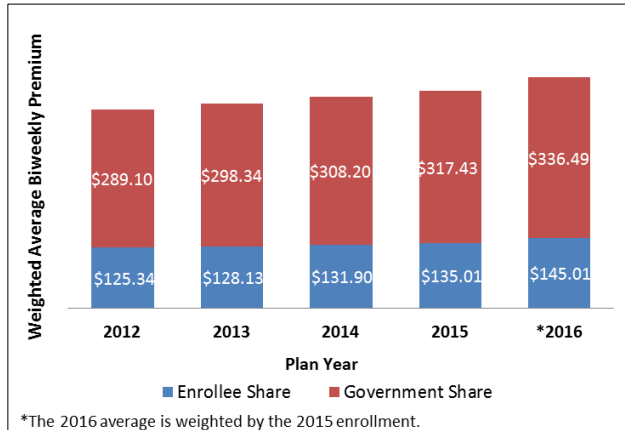
FEHB Premiums

For employees (other than USPS employees) and retirees in 2016, the weighted average enrollee share of the biweekly FEHB premium for self, self plus one, and self and family is \$145.01 and the average government contribution is \$336.49, for a total average biweekly premium of \$481.50. **Figure 2** compares these figures with previous years.

Total premiums for employees (other than USPS employees) and retirees will rise by an average of 6.4% in

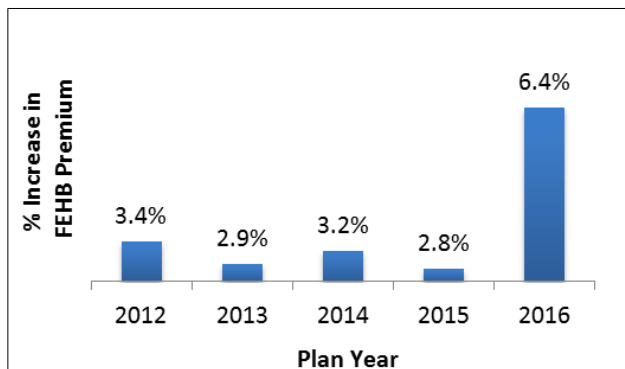
2016, a greater increase than the 2.8% increase in 2015. Although premiums increased on average by 6.4%, premiums for any given plan may have increased by more or less or declined. However, looking only at premium changes may not give a complete picture of year-to-year plan changes, as plans may modify 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, 2012-2016



Source: OPM.

Figure 3. Average FEHB Premium Increase per Year, 2012-2016



Source: CRS analysis of OPM data, except for the 2016 increase, which was announced in the OPM press release, "Open Season for Federal Health Benefits, Dental and Vision," September 29, 2015.

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. Employee (Non-USPS) and Retiree Premium Contributions and Cost-Sharing, Standard and Basic BCBS Plans, 2016

| | BCBS Standard Option | BCBS Basic Option |
|---|---|--|
| Enrollee share of biweekly premium | \$100.18 (self only) \$231.31 (self + one) \$238.24 (self & family) | \$68.48 (self only) \$160.75 (self + one) \$164.20 (self & family) |
| Calendar year deductible | \$350 per person; \$700 per family | None |
| Physician outpatient care copayment for preferred providers | Primary Care: \$25 Specialist Care: \$35 (deductible does not apply) | Primary Care: \$30 Specialist Care: \$40 |
| Hospital Care for preferred providers | Inpatient: \$350 per admission (deductible does not apply) Outpatient: 15% of the Plan allowance ^a (deductible applies) | Inpatient: \$175 per day up to \$875 per admission Outpatient: \$100 per day per facility |
| Out of Pocket Maximum for preferred providers | \$5,000 for Self Only \$10,000 for Self + One and Self & Family | \$5,500 for Self Only \$11,000 for Self + One and Self & Family |

Source: Blue Cross Blue Shield (BCBS) Benefit Plan, 2016, <https://www.opm.gov/healthcare-insurance/healthcare/plan-information/plan-codes/2016/brochures/71-005.pdf>.

a. The "Plan allowance" is the amount BCBS uses to determine their payment and the enrollee's cost-share for covered services.

More Information

For more information about FEHB, see CRS Report R43922, *Federal Employees Health Benefits (FEHB) Program: An Overview*, and CRS Report R42741, *Laws Affecting the Federal Employees Health Benefits (FEHB) Program*. Also of interest may be CRS Report R43194, *Health Benefits for Members of Congress and Designated Congressional Staff*.

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IF10324

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