



Postal Service Health Benefits Program
(RIN 3206-AO43)
Stakeholder Presentation to OIRA
January 3, 2023



Introduction

- AFHO is a trade association of FEHB carriers, including FEP, GEHA, Kaiser Permanente and the four USPS unions that participate in FEHB.
- AFHO's members cover 80% of FEHB plan enrollees.
- Many but not all of AFHO's members plan to participate in the PSHBP.
- The following are our concerns about the IFR which we previously have shared with OPM.

Available Uploads



- PSHBP provisions of the Postal Reform Act
- OPM's 2018 application for the Indemnity Benefit Plan slot
- Medicare group enrollment rules for MA-PD and Part D EGWPs

Application to Participate in FEHBP



- We have uploaded OPM's 2018 application to fill the then vacant indemnity benefit plan slot.
- OPM does not need such a lengthy, complicated application from existing carriers that plan to participate in the PSHPB.
- The PSHPB application for existing FEHB carriers should be limited to capability to handle issues unique to PSHPB participation such as separate accounting systems and tighter Medicare integration.



Carrier Choices for PSHBP Participation

- Many FEHB nationwide carriers offer multiple options, and FEHB regional carriers offer coverage in various regions, which are treated as separate plans.
- The Transitional Open Season provision of the PSHBP Act, 5 U.S.C. § 8903c(f)(1)(A), states as follows:
 - Subject to subparagraphs (B) and (C), in the case of an individual who is a Postal Service employee or Postal Service annuitant eligible to enroll in a Program plan under subsection (d), who is enrolled in a current plan, and who does not enroll in a Program plan during the open season that immediately precedes the initial contract year, the Office shall automatically enroll the individual, as of the start of the initial contract year, in a Program plan offered by the carrier of the individual's current plan.



Carrier Choices for PSHBP Participation

- Section 8903(c)(f)(1)(A) states that Postal enrollees in a PSHBP participating plan must be auto-enrolled in the same PSHBP option if available. As explained, subparagraph (C) pertains to Postal enrollees whose current plan is not a PSHBP participant.
- Consider that subparagraph (A) calls for Postal employee or annuitant transfer to “a Program plan offered by the carrier of the individual’s current plan,” not the same option or plan.
- Consider situations (1) where a carrier moves less than all of its options to PSHBP and (2) a regional carrier moves less than all of its plans to the PSHBP, but it makes a nationwide plan available.
- In our view, subparagraph (A) applies to these analogous situations.
- The PSHBP Act should not unnecessarily deprive PSHBP participating carriers of its members.



Integration with Medicare

- The Postal Reform Act, 5 U.S.C. § 8903c(h)(2), requires that PSHB participating plans provide their Medicare prime annuitant members with Part D prescription drug coverage.
- AFHO recommends that OPM's PSHB regulations under development (PSHBP IFR) explicitly state that PSHB plans may satisfy this requirement by offering
 - a Medicare Part D Prescription Drug Plan (PDP),
 - a Medicare Advantage prescription drug (MA-PD) plan, or
 - Both types of these Employer Group Waiver Plans (EGWP).



Integration with Medicare

- To obtain the maximum savings from Medicare integration for the PSHBP, as the law intends, the PSHBP IFR must permit a PSHB plan carrier that offers an MA-PD plan to require a Medicare covered PSHB annuitant or family member to enroll in the PDP and/or MA-PD plan that is included with the plan option the enrollee selects.
- Accordingly, the PSHBP IFR should confirm that PSHB plan carriers have the option to use CMS's group enrollment processes for both types of EGWPs, subject to the members' available opt out rights under Medicare.



Medicare Annuitant Database

- The Postal Reform Act requires and funds the creation of a Medicare annuitant database for use in the PSHBP. 5 USC 8903c note
- Nearly thirty years ago, Congress added 5 U.S.C. § 8910(d) to the FEHB Act which reads
 - The Office, in consultation with the Department of Health and Human Services, shall develop and implement a system through which the carrier for an approved health benefits plan described by section 8903 or 8903a will be able to identify those annuitants or other individuals covered by such plan who are entitled to benefits under part A or B of title XVIII of the Social Security Act in order to ensure that payments under coordination of benefits with Medicare do not exceed the statutory maximums which physicians may charge Medicare enrollees.
- Based on this statute, we ask that OPM include all FEHB Medicare annuitants in this new database.