

What's New in FEHB for 2024



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Agenda

- Introduction
- Consumers' Checkbook background
- Guide to Health Plans for Federal Employees Background
- Insights from the Guide – What's New in 2024
- High Deductible Plans (HDHP)
- Flexible Spending Accounts (FSA)
- FEDVIP Dental and Vision Plans
- Questions? Please use the chat throughout the hour to submit your questions. We'll get through as many as we can at the end. You can also send an email to guidetohealthplans@checkbook.org

Who we are – Consumers' Checkbook

- Founded in 1974
- Nonprofit 501(c)(3)
- Quality and price ratings on local businesses and healthcare professionals
- Independent, unbiased, no advertising from businesses
- Ratings of local services – home contractors, auto services, healthcare providers, pet care, and more
- Quality reviews from members and local consumers
- Undercover price research conducted by Checkbook staff
- Dedicated to help healthcare consumers make smarter choices



Checkbook's Guide to Health Plans for Federal Employees – The Setting

To pick a health insurance plan, a consumer must weigh both predicted and unpredicted healthcare expenses. **And that's hard.**

Additional obstacles that make choosing a plan difficult:

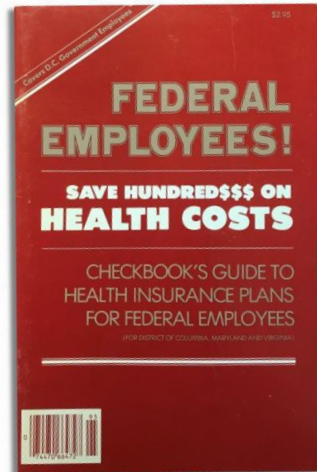
- FEHB system has different plan types: HMO, PPO, CDHP, and HDHP
- For 2024, in the D.C. area, there are 37 different FEHB plans open to all employees
- Wide range of cost – For the D.C. area, self and family enrollment:

Lowest premium plan - \$3,400

Highest premium plan - \$22,010

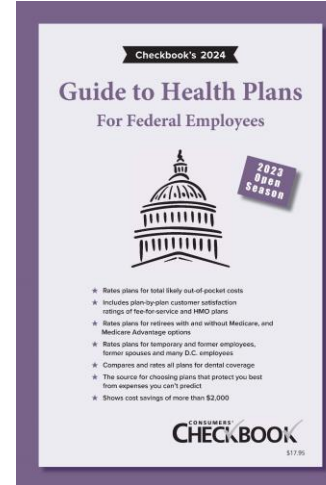
Checkbook's Guide to Health Plans for Federal Employees – The Setting

How it started...



1979

How it's going...



2024

Checkbook's Guide to Health Plans for Federal Employees – The Approach

DEFINITIONS

YEARLY COST ESTIMATE:

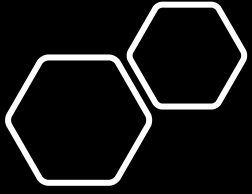
For-sure expenses, like premium, plus estimated out-of-pocket healthcare expenses. This is presented as an annual dollar amount, which produces a rank order of plans from least to most expensive.

OUT-OF-POCKET ESTIMATE:

Personalized for the user and is based on family characteristics that influence healthcare spending, like family size, age, and expected healthcare usage for the coming year.

Goal: Help consumers compare plans by providing yearly cost estimate for every FEHB plan.

Users can narrow down plan choices by filtering on health plan type, best quality score, lowest deductible, etc.



Insight #1 – Switching Plans Can Save You Money

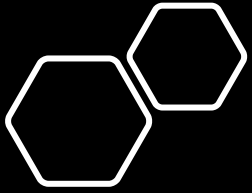
- There's a huge range of estimated average yearly costs. In the D.C. area for a family of four, as low as \$4,950 and as high as \$16,870.
- A D.C.-area family of four currently enrolled in Blue Cross Standard that wanted to stay with just PPO plans could save \$3,950 per year in average estimated yearly costs by switching to GEHA Elevate. If the family considers CDHP/HDHP plans, they could save \$4,590 switching to NALC CDHP.

Average Yearly Cost Estimates

NALC CDHP	\$4,950
Kaiser Standard	\$5,140
MHBP HDHP	\$5,290
GEHA Elevate	\$5,590
BCBS Basic	\$7,530
BCBS Standard	\$9,540

Self-family enrollment, Zip 20006, age 50 primary insured, average estimated yearly cost family of 4

CONSUMERS' CHECKBOOK Guide to Health Plans For Federal Employees



Insight #2 – Choosing a Different Plan With the Same Insurance Carrier Can Save You Money

- Many insurance carriers have multiple plan options. **Are you enrolled in the right plan with the carrier?**
- If you're enrolled in BCBS Standard and don't go out-of-network, you might not be in the right plan.
- You could switch to BCBS Basic, keep the same provider network, have no deductible, and save \$2,810 in premium in the case of a self family enrollment.

Blue Cross Blue Shield PPO Plan Benefit Highlights

	Deductible, Self Family	Primary Care Visit	Generic Drug	Providers
BCBS FEP Blue Focus	\$1,000	\$10	\$5	In-Network Only
BCBS Basic	\$0	\$35	\$15	In-Network Only
BCBS Standard	\$700	\$30	\$7.50	In- or Out-of-Network

CONSUMERS' CHECKBOOK Guide to Health Plans For Federal Employees

Insight #3 – High Premium Plans Don't Always Have the Best Coverage

MD-IPA has the highest premium of any plan in the D.C. area at \$22,010 per year for self & family enrollment. The plan remains the highest cost plan in low, average, and high healthcare expense years.

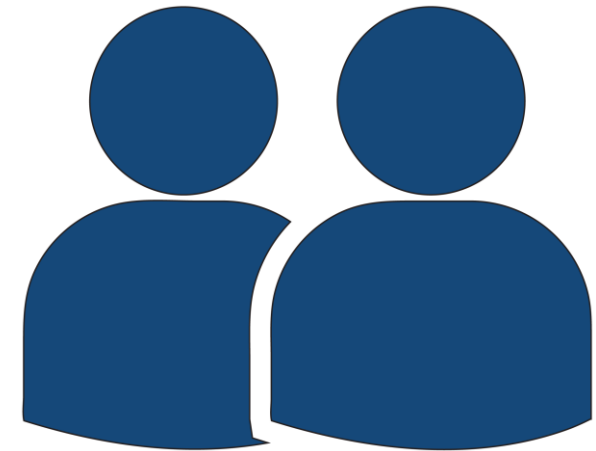
Why? Paying a high premium did not diminish out-of-pocket expense estimates in any of the healthcare cost scenarios

- The plan benefit structure is not more generous because of the high premium paid.
- The result is the for-sure expense of the premium keeps the plan as the most expensive option.

Finding the best plan for your family at the lowest cost requires you to balance the up-front plan expenses (premium) with estimated out-of-pocket costs your family will face.

Insight #4 – Switching Your FEHB Enrollment Type Can Save You Money

- Couples and other two-person families can enroll as self-plus-one or self & family.
- About 75% of the time, self-plus-one has the lowest premium, but there are 48 FEHB plan options in 2024 where self & family is lower. Make sure to look at the enrollee share of premium for both enrollment types to confirm the less expensive option.
- For Kaiser High (DC) choosing the wrong enrollment type could save or cost you \$1,552 a year.
- The Guide to Health Plans has a “Yes/No” column on Plan Flexibility that tells you if Self Plus One is cheaper than self family. You can also look at the premium rate sheet on the last page of any official FEHB plan brochure.



Kaiser High –Monthly Enrollee Share	
Self Plus One	Self and Family
\$775.95	\$646.64

Insight #5 – Wellness Benefits

FEHB plans continue to expand wellness benefits offered to their plan members.

Wellness benefits can be found in section 5H of an official plan brochure and in the Non-FEHB benefits section.

The Checkbook Guide displays some of the most important ones.

Examples:

Kaiser Prosper in DC offers \$375 to the plan member and spouse for completing a total health assessment, biometric screenings, and a COVID-19 vaccination.

Some plans offer gym reimbursements, tobacco cessation programs, and discounts on dental, vision, hearing aids, and LASIK.

Insight #6 – What’s New for Open Season 2024

Expanded Fertility Benefits

Starting in plan year 2024, all FEHB plans must cover the following:

- Artificial insemination - intrauterine insemination - IUI, intracervical insemination - ICI, and intravaginal insemination – IVI
- Fertility drugs associated with artificial insemination procedures
- In Vitro Fertilization (IVF)-related drugs for three cycles annually

A step in the right direction, but large expenses are still not covered.

One IVF cycle can range from \$15K - \$30K with fertility drugs only 35% of total cost

Insight #6 – What's New for Open Season 2024

BCBS Standard Infertility Coverage

Up to \$25K per year for assisted reproductive technologies (ART), which includes IVF

Must meet the plan's definition of infertility, prior approval required

AI procedures and fertility drugs not subject to the \$25K annual maximum

Plan members must still pay the deductible and 15% of the plan allowance when using preferred providers

BCBS Standard has the highest premium of any national PPO plan

Insight #7 – General FEHB Open Season Advice

Premium Changes – Enrollee share of premiums will increase an average of 7.7% in 2024, lower than the 8.7% increase in 2023, but higher than the 3.8% increase in 2022

The premium increase is not uniform

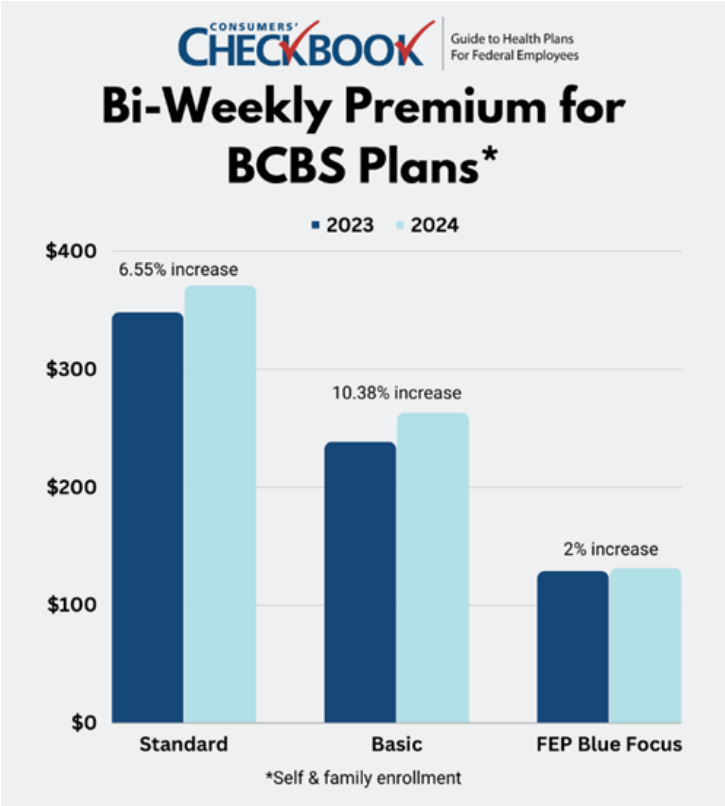
One Texas plan's premium decreased 54%

One Georgia plan's premium increased 22%



Insight #7 – General FEHB Open Season Advice

Premium Changes – Two-thirds of federal employees have a BCBS plan, Standard increased 6.5%, Basic 10.3%, and FEP Blue Focus increased only 2%.



Insight #7 – General FEHB Open Season Advice

New and Discontinued FEHB Plans – One new regional plan, Sentara Health in Northern Virginia, Compass Rose has added a Standard plan and included the Dept of VA as a qualified agency for enrollment, all Humana plans have left FEHB, and NALC Value is no longer available.

Benefit Changes – Did your health plan add acupuncture visits, did they take away chiropractor visits? There are benefit changes every year that impact the care you'll receive. Section 2 of the official plan brochure will tell you how your plan will change for the upcoming year.

- BCBS plans have added family and marital counseling
- SAMBA has added doula coverage

Provider Directory Changes – Do you know if your current doctor will still be preferred next year? APWU switched provider networks from Cigna to United. We advise calling your doctor's office to confirm they'll be a participating provider with your plan.

Formulary Changes – Is your prescription still on formulary? It's a good idea to check to avoid surprises in 2024.

High Deductible Health Plans (HDHP) – Overview

- HDHP plans encourage participants to be smart consumers of healthcare. They have high deductibles, which means traditional health insurance kicks in once the deductible has been met.
- Before the deductible, plan members pay the allowed charge set by the health plan for medical services. You can call the health plan or your provider to find out what the pre-deductible charge will be for a service.
- It might sound scary to pay for all your healthcare expenses out-of-pocket before you hit the deductible, but keep in mind:
 - Preventive care services are free.
 - Premiums tend to be lower in HDHP plans.
 - HDHP plans set up and fund a savings account that you use to pay for healthcare expenses before the deductible.
- HDHP plans have some of the lowest estimated yearly costs in low, average, or high healthcare expense years.

Average Yearly Cost Estimates

NALC CDHP	\$4,950
Kaiser Standard	\$5,140
MHBP HDHP	\$5,290
GEHA Elevate	\$5,590
BCBS Basic	\$7,530
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Self-family enrollment, Zip 20006, age 50 primary insured, average estimated yearly cost family of 4

CONSUMERS' CHECKBOOK Guide to Health Plans For Federal Employees

High Deductible Health Plans (HDHP) – HRA vs HSA

Health Reimbursement Accounts (HRA)	Health Savings Accounts (HSA)
Consumer Driven Health Plans (CDHP)	High Deductible Health Plans (HDHP)
Health plan manages the account.	Financial services company manages the account.
Entire amount of the HRA is available upon enrollment.	A portion of the plan contribution is deposited to the account every month as a premium pass through.
Plan contributions range from \$900 to \$1,200 for self only enrollment, and between \$1,800 and \$2,400 for self-plus-one and self family enrollment.	Plan contributions range from \$750 to \$1,200 for self only enrollment, and between \$1,500 and \$2,400 for self-plus-one and self family enrollment.
You cannot contribute additional funds.	You can contribute additional funds. Plan and participant contributions cannot exceed \$4,150 for self, and \$8,300 for self-plus-one and self family enrollments.
Unused funds roll over to the following year.	Unused funds roll over to the following year.
Qualified medical expenses covered by the plan are automatically deducted from the HRA.	Qualified medical expenses covered by the plan can be paid through debit card, checks, online banking, or withdrawal forms.
Non-medical distributions not allowed.	Non-medical distributions are allowed. If you're under 65, you'll pay a 20% income tax penalty plus normal tax obligations. If you're over 65, you just pay normal tax obligations.
No portability, the plan owns the account.	HSA is fully portable.

High Deductible Health Plans (HDHP) – How to Maximize Your HSA Potential

Plan Contribution Preservation Strategy – To maximize the full potential of the HSA, you'll want to try to preserve the plan contribution as much as possible and have it grow year over year along with future contributions. Remember, your voluntary contributions go in tax-free, grow tax-free, and, if used for qualified medical expenses, leave tax-free.

Here are two important ways to help you preserve the plan HSA contribution:

- 1. Limited Expense Health Care FSA (LEXHCFSA)** – If you're enrolled in an HDHP, you cannot have a general purpose flexible spending account (FSA). You can sign-up for a LEXHCFSA for qualified dental and vision expenses. Use the LEXHCFSA for dental and vision expenses, not your HSA.
- 2. Premium Difference Contribution** – If you switch from a more expensive plan to an HDHP, it's tempting to pocket the premium difference. Instead, since you've already budgeted for a higher premium, contribute the premium difference into the HSA. By doing so, you'll be able to use the voluntary contribution for out-of-pocket expenses without touching the plan contribution.

Federal employees are on borrowed time. Once you retire, you can no longer make voluntary contributions to an HSA and plans that typically offer active employees an HSA offer retirees a HRA instead.

High Deductible Health Plans (HDHP) – The Final Word

While many federal employees would save money by switching to an HDHP/CDHP plan, there are some cases where an employee might be better served in a more traditional HMO or PPO plan:

1. Employees with significant prescription drug expenses. You'll be paying the allowed charge for prescription drugs before reaching the deductible. Those out-of-pocket costs will be higher than other plans and will erode some of the savings account value.
2. Employees who expect high healthcare usage in the upcoming year.
3. Any employee that might not be able to pay an unexpected health bill of \$1,000 or more.

Flexible Spending Accounts (FSA)

Only about 20% of federal employees have an FSA. **Every employee**, regardless which health plan they're enrolled in, will have some predictable out-of-pocket healthcare expenses. Having an FSA is an easy way to save about 30% on those expenses, depending on your tax bracket. Things to remember:

- Employees enrolled in a PPO or HMO should sign up for a healthcare FSA.
- Employees enrolled in an HDHP/CDHP cannot enroll in a healthcare FSA but can enroll in an LEXHCFSA for dental and vision expenses.
- Both the FSA and LEXHCFSA have annual contribution limits of \$3,050, and both accounts let you roll over up to \$610 in unused funds into the next year.
- New employees can enroll right away. Existing employees can enroll during Open Season or due to a qualifying life event
- Only active employees, not retirees, can have an FSA.
- FSAfeds.com manages the FSA program.

FEDVIP Dental and Vision Plans – Approach

Choosing to join a FEDVIP dental or vision plan is an important decision. Federal employees must consider their predictable dental expenses and what dental coverage, if any, their FEHB plan provides.

- Step 1 – **What’s a typical dental care year look like for my family?** For the dental comparisons on the Guide, we rank plans on low, average, or high dental care scenarios:
 - **Low** – Preventive Services Only, which include annual exams, x-rays, and cleanings
 - **Average** – Preventive Services and some restorative services (fillings)
 - **High** – Preventive Services and some major restorative services (crowns)
- Step 2 – **What dental coverage does my existing FEHB plan provide?** Before you decide to pay a separate premium for a FEDVIP dental plan, it’s important to know what dental coverage, if any, your existing FEHB plan provides.
- Step 3 – **Compare your options**

FEDVIP Dental and Vision Plans – How to use the Guide

The Guide to Health Plans considers both the official dental benefits and the non-FEHB unofficial dental benefits provided by the FEHB plans.

You can find the dental comparisons on the Guide by selecting “Dental/Vision/Hearing” tab. The filters on the left allow you to add FEHB plans to the FEDVIP comparisons. Low, Average, and High dental yearly cost estimate columns can be re-sorted by clicking on the column header:

The screenshot shows the 'Compare Plans' step of the Health Plan Comparison Guide. The 'Dental/Vision/Hearing' tab is selected. On the left, the 'Plan Type' filter has 'FEDVIP' checked. The table below shows a list of dental plans with columns for 'Dental Annual Published Premium' and 'Dental Cost If Your Dental Care Usage were ...' (None, Low, Average, High), along with 'Maximum Dental Benefit per Person'.

	Dental Plan Type	Dental Annual Published Premium	Dental Cost If Your Dental Care Usage were ...				Maximum Dental Benefit per Person
			None	Low	Average	High	
<input type="checkbox"/> Blue Cross FEP Dental High	FEDVIP	\$550	\$550	\$620	\$890	\$1,790	Unlim
<input type="checkbox"/> Blue Cross FEP Dental Std	FEDVIP	\$300	\$300	\$380	\$710	\$1,790	\$1,500
<input type="checkbox"/> GEHA Dental High	FEDVIP	\$600	\$600	\$670	\$940	\$1,840	Unlim
<input type="checkbox"/> Aetna Dental High	FEDVIP	\$460	\$460	\$530	\$800	\$1,700	Unlim
<input type="checkbox"/> Aetna Dental Std	FEDVIP	\$260	\$260	\$340	\$670	\$1,750	\$1,500

FEDVIP Dental and Vision Plans – Takeaways

Dental Care Usage Estimates

*Family of four, Zip 20006

www.GuidetoHealthPlans.org

Low Usage Yearly Estimate

Kaiser Standard	HMO	\$220
Aetna HealthFund CDHP	CDHP	\$280
GEHA HDHP	HDHP	\$320
Blue Cross Basic	PPO	\$400
APWU Hi	PPO	\$450
Dominion Dental Standard	FEDVIP	\$480

Average Usage Yearly Estimate

Dominion Dental High	FEDVIP	\$1,110
CareFirst HDHP	HDHP	\$1,200
Kaiser Standard	HMO	\$1,200
Humana Dental Standard EPO	FEDVIP	\$1,250
Aetna Dental Standard	PPO	\$1,790
APWU Hi	FEDVIP	\$2,160

High Usage Yearly Estimate

Dominion Dental High	FEDVIP	\$2,190
Humana Dental Standard EPO	FEDVIP	\$2,330
CareFirst HDHP	HDHP	\$2,800
Kaiser Standard	HMO	\$3,200
Blue Cross FEP Dental Standard	FEDVIP	\$3,930
APWU Hi	PPO	\$5,760

- Make sure you consider both the official and unofficial dental benefits from your FEHB plan before deciding to enroll in a FEDVIP plan. Unofficial dental benefits are found toward the back of an official FEHB brochure in the “Non-FEHB Benefits” section.
- For all FEHB plans and FEDVIP plans, you’ll pay more if you see a dentist out-of-network. But, in some cases, the plan has no out-of-network benefit and you’ll be on the hook for the entire expense. Before joining a plan, it’s very important to check to see if your dentist is in-network. Who your preferred dentist participates with might be the deciding factor in the plan you select.

Questions?

Email: guidetohealthplans@checkbook.org