

# How About Some Good News?

By Tammy Flanagan

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In 1974, Rufus and Chaka Khan released "[Tell Me Something Good](#)," a catchy tune written by Stevie Wonder. It was one of those songs that made you turn up the volume and roll down the windows, so I'm using it as inspiration this week. With so much negative news about federal retirement lately, I've come up with a mini-hit parade of good things that are going on.

## **Self Plus One Health Coverage**

The Office of Personnel Management is in the process of implementing a new enrollment type, [self plus one, under the Federal Employees Health Benefits Program](#) effective in January 2016. The plan will cover the enrollee and one eligible family member (a spouse, dependent child under 26, or dependent child 26 or older who is incapable of self-support because of a mental or physical disability that existed before they turned 26).

You'll have to act during the 2015 FEHBP open season this fall to take advantage of the new option. It'll be less expensive than the current self plus family choice. What remains to be seen is whether for a married federal couple (two federal employees or retirees), self plus one will be less expensive than having two self only enrollments. Stay tuned for more information as the open season approaches.

## **The Medicare-FEHBP Marriage**

OPM is putting a different spin on the relationship between FEHBP and Medicare. OPM has now officially told agency benefits officers that eligible retirees should enroll in Medicare Parts A & B.

According to OPM, 96 percent of those eligible are enrolled in Part A (which covers inpatient coverage or hospitalization). Enrollment is automatic and mandatory for those receiving Social Security benefits. But OPM also notes that only 79 percent of eligible retirees (those 65 and over) are enrolled in Part B (outpatient coverage, or, as it is sometimes called, "doctor" coverage). That's down from 88 percent in 1995. What's more, newly eligible members are refusing Part B at an increasing rate.

Part of the problem is that the [cost of Part B](#) is much higher (\$104.90 per month or more, based on your income) than it was in 1995 (\$46.10 a month). But the reduction of retirees enrolling in Part B concerns OPM officials because retirees who do enroll in Part B greatly reduce the costs of FEHBP. OPM says the current rising costs of FEHBP are unsustainable.

OPM has asked FEHBP carriers to incentivize Medicare enrollment by providing lower cost sharing for Medicare-enrolled retirees, promoting its value to newly Medicare-eligible FEHBP members and coordinating with Part B on covered drugs. Last year, retirees already saw some action from Aetna along these lines in the form of the Aetna Direct plan, specifically designed for retirees enrolled in Medicare A and B. Kaiser now offers a "senior advantage" HMO for federal members that provides additional benefits for retirees enrolled in parts A and B.

## **TSP Scorecards and Funds**

The Thrift Savings Plan continues to look out for its participants. Recently, the TSP published a [scorecard to compare keeping your funds in the TSP with moving them elsewhere](#) after you leave federal service. The TSP also has produced a [one-minute YouTube video](#) on the topic. I wrote about this subject in a [February column](#).

The TSP is also preparing a strategy in the event Congress [makes changes to the G Fund](#), a short-term Treasury security that is exclusive to the TSP and is guaranteed by the U.S. government. (The House Budget Committee takes issue with the way the interest rate on the G Fund is calculated.) This week, Kim Weaver, Director of External Affairs for the TSP, [told Federal News Radio](#)'s Francis Rose that the G Fund has three purposes: It serves as a money market account, provides inflation protection and delivers stable value.

If the proposed changes to the G Fund were to occur, the money market aspect would be the only purpose that would remain. So if the interest rate calculation were changed, the TSP would request permission from Congress to create a new account that would serve the other two purposes. And TSP officials would have to move carefully. With close to \$200 billion invested in the G Fund, changes in it could affect the markets. Of course, the most likely scenario remains that there's no change to the G Fund.

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<http://www.govexec.com/pay-benefits/retirement-planning/2015/04/how-about-some-good-news/110950/>