

Solving the Open Season Puzzle

By Tammy Flanagan

December 3, 2015

Do you remember those plastic sliding tile puzzles? They're a timeless classic. The object of the game is to slide the numbers around until you get them in order. Choosing the best health plan during Federal Employee Health Benefits Program open season can be a lot like solving one of these puzzles. Sometimes moving one tile will cause your entire strategy to change.

With more than a week left in the 2015 open season, which ends Dec. 14, I think solving the puzzle is worth the effort. If you make the best choice for you and your family during open season, you can put more dollars in your pocket in 2016. In [last week's column](#), we explored some of the psychological barriers to making a change during open season. This week and next, let's let's get down to brass tacks and focus on the details of evaluating your options.

Before we begin, some of you might wonder, why I spend time in a retirement planning column on open season. It's because health benefits are just as important to retirees as they are to federal employees. Health insurance is one of the most valuable benefits an employee can carry into retirement.

Here is your list of moving parts for the 2015 FEHBP open season. I challenge you to to arrange them so you can clearly see how much extra cash you might have by making the best choice for 2016.

1. Premiums

- Full list of [2016 Premiums](#)
- Biweekly prices for national plans (regional plans are similar but some are slightly different from national plans):
self only: \$43.10-\$133.79; self plus one: \$93.59-\$302.74; self and family: \$93.60-\$344.69

2. Deductibles

- None
- Low deductible
- High deductible

3. Copayments

- In network
- Out of network

4. Coinsurance

- In network
- Out of network

5. Catastrophic protection limits

6. Coordination with other insurance

- Medicare
- Tricare
- Spouse's insurance

7. Coverage for specific illnesses

8. Flexibility

- Network of providers
- Coverage for out-of-network expenses

9. Plan Limitations

- National plan
- Regional plan
- Agency-specific plan

10. Prescription Drug Benefits

- Mail order
- Pharmacy
- Coverage for specific prescriptions

11. Dental and Vision Benefits

- Preventative care is included in health plans
- Coverage for additional expenses
- Restrictions on providers
- Supplemental plans available under the Federal Employees Dental and Vision Insurance Program at [Benefeds](#)

12. Tax-Saving Benefits

- Health Savings Account
- Health Reimbursement Account
- Health Fund
- [Flexible Spending Account](#)
- Limited Expense Flexible Spending Account (for employees who use a high deductible health plan with an HSA)
- Pre-tax premiums for employees, but not for retirees

To begin thinking about how to get all of these parts together in an order that works for you, start with the Office of Personnel Management's [plan information pages](#) to locate the plans available in your area and nationwide.

Another great resource is the Consumers' Checkbook [Guide to Health Plans for Federal Employees and Annuitants](#). The book is compiled by Walton Francis. He says consumer-driven and high-deductible plan options always rank high

on the “best buy” list. To see if this type of coverage might work for you and your family, consider the following attributes of the different type of health plans:

Preferred Provider Option/Fee For Service

- You can go to any provider you want (in most of these plans). But if you go outside of the preferred provider network, you will pay much more out of pocket.
- These plans have a relatively low deductible (generally \$300-\$400 per person).
- In some cases, there are high and low options for these plans (the low options may also be referred to as “basic” or “value” coverage).
- These plans are generally considered very flexible and most will provide coverage nationwide or worldwide.

Health Maintenance Organization

- Limited network of providers who share the fees, regardless of which doctor is used.
- Most will cover emergency care when traveling outside of network or when a facility is not available, but will require network for follow-up care.
- Generally no deductible and lower copayments in exchange for limitations on providers.
- Some HMO plans offer point-of-service options allowing you to use any doctor or hospital but you will pay higher out of pocket expense.
- Some HMOs, such as Kaiser Permanente, offer “one-stop” care in a single facility, including primary care, specialists, pharmacy and outpatient surgery.

High Deductible Health Plan/Consumer Driven Health Plan

- Involve use of health funds, health savings accounts and health reimbursement accounts, which provide tax advantages.
- Higher deductibles than FFS or PPO plans (generally over \$1,000 for self-only enrollments).
- Generally lower premiums than HMO and FFS plans.
- Ability to contribute additional tax-free dollars if eligible to use an HSA for health care expenses in later years.

Remember that all federal health plans:

- Offer catastrophic protection limits that limit how much you will pay out of pocket for certain medical expenses.
- Include coverage for prescription drug expenses (coverage will vary from one plan to the next).
- Include coverage for preventative care (some plans will require that you use specific providers).
- Have no pre-existing condition limitation, meaning the plan cannot refuse to cover the treatment of a condition for the sole reason that you had it before you enrolled.
- Meet the five-year requirement to continue coverage into retirement. In other words, you can change plans within FEHBP within the five-year period prior to retirement. Retirees also can change health plans.

Also, keep in mind that:

- There are differences in coverage from plan to plan, including preventative dental and vision service and alternative medical treatment such as acupuncture and chiropractic care.
- A high-priced plan could still be a good deal if it provides specific coverage you need.

- A low priced plan could be more than adequate. If you and your covered family members are in good health, then you may not need to be in an expensive plan, since every plan offers preventative care, emergency care and catastrophic protection.
- The coordination between Medicare and each plan varies. See Section 9 of each plan brochure for incentives to enroll in Medicare parts A and B.

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<http://www.govexec.com/pay-benefits/retirement-planning/2015/12/solving-open-season-puzzle/124181/>