

June 1, 2023

RE: OPM-2023-000, Postal Service Reform Act: Establishment of the Postal Service Health Benefits Program

On behalf of the National Active and Retired Federal Employees Association (NARFE), which represents the interests of federal and postal employees, retirees and their survivors, I write to provide the following comments regarding the interim final rule establishing the Postal Service Health Benefits (PSHB) program, and share our views on the implementation of the program. As the sole organization dedicated to defending and enhancing the earned benefits of the federal and postal communities, we can provide unique insight on the creation of PSHB and the health benefits that our members have earned through decades of service.

Limiting Plan Changes to Prevent Disruptions

To the greatest extent possible during contract negotiations with carriers, NARFE encourages OPM to limit changes to healthcare plans in both FEHB and PSHB as much as possible to prevent provider disruptions for participants and enable easier enrollment decision making. Based on the Postal Service Reform Act and the interim final rule, carriers are required to offer plans with “benefits and cost-sharing (*e.g.*, deductibles, copayments and coinsurance) equivalent to the benefits and cost-sharing for FEHB plans for that carrier in the initial contract year.”

NARFE recognizes that plans change from year to year under normal circumstances, and Medicare Part D integration will add new elements to plan designs. But further changes to plans, including changes affecting coverage of services and providers, could cause unnecessary confusion concerning the medical care of postal employees and retirees and create additional challenges for enrollees during PSHB’s initial open season. As OPM knows, the majority of FEHB participants elect to maintain their current healthcare plan during open season, having been satisfied with their plan and the associated coverage and medical care. The relative continuity of these plans eases enrollment decisions and understanding of coverage.

Understandably, the eventual move to PSHB already has postal workers and retirees concerned that they are losing the health plans and coverage they have worked for and come to expect. Limiting changes will ease these concerns and provide PSHB enrollees with greater confidence that they are retaining the health benefits they earned through service to this country.

Hardship Exception for Dropped HMO Plans

NARFE asks that OPM consider creating a hardship exception allowing individuals to continue in their chosen plan in FEHB, should that plan no longer exist in PSHB. This

may be the case for some small, regional Health Maintenance Organization (HMO) plans. If OPM is unable to provide this exception by rule, we ask that OPM ask Congress for this exception.

As stated in the interim final rule, OPM can exempt certain HMOs from the requirement that the PSHB Program include, to the greatest extent practicable, a plan offered by any FEHB Carrier that has a plan with 1,500 or more Postal Service enrollees. We believe exempting certain HMOs has the potential to disrupt the medical care of thousands of postal workers and retirees, as they may have already established relationships with providers in the HMO network and are satisfied with their care. They would be losing access to their coverage and plan due entirely to the creation of PSHB and OPM's discretion. If an HMO is still provided in FEHB, but not PSHB, we ask that those postal workers and retirees be allowed to remain in FEHB and enrolled in the selected HMO until they otherwise choose to change their plan selection.

Any such exception should apply to all postal employees and annuitants in the plan, and not be differentiated by Medicare enrollment.

Further Information Regarding the Special Enrollment Period for Medicare Part B

NARFE asks that OPM provide further information to postal employees and annuitants regarding the Special Enrollment Period (SEP) for Medicare Part B, which is set to take place for eligible individuals on April 1, 2024. Numerous questions exist following the publication of the interim final rule.

- Section 1837(o) of the Social Security Act (42 U.S.C. 1395p(o)) states that individuals who are, as of January 1, 2024, a postal annuitant or family member qualified to participate in PSHB, and not already enrolled in Part B, will be eligible to participate in the SEP. Will there be any additional criteria used by OPM and SSA to determine who is eligible for the SEP?
- When will eligible individuals be notified that they are qualified for the SEP?
- Does having been a Medicare Part B recipient previously, but now no longer, disqualify an individual from being eligible for the SEP? Could a postal annuitant drop Medicare Part B coverage in December 2023 and re-enroll in April 2024 and receive a waiver of any late enrollment penalty they would otherwise incur?
- Does OPM intend to create an appeal process for those who believe they are eligible for the SEP but were told otherwise or never informed?
- OPM weighed allowing SEP-eligible individuals to pre-enroll in a PSHB plan during the SEP but opted otherwise due to the lack of certified plans and the potential of downside risks. Will any PSHB plan information be available at the beginning or during the SEP to allow SEP-eligible individuals to weigh their

Medicare Part B enrollment decision based on the plans available through PSHB?

- The initial open enrollment for PSHB will begin the Monday of the second full work week of November and run through the second full workweek of December. Has OPM considered extending the SEP, or asking for authority to extend the SEP, so that PSHB and Medicare Part B enrollment decisions can be made at the same time?

Reimbursement for Medicare Part D income-related monthly adjusted amount (IRMAA)

NARFE asks that OPM encourage or require PSHB plans to offer health reimbursement accounts with sufficient funds to offset the cost of any Medicare Part D income-related monthly adjusted amount (IRMAA), or alternatively, to reduce the costs of Part B premiums or other out-of-pocket expenses if not subject to IRMAA. PSHB prescription drug coverage will be provided through an employer group waiver plan, automatically enrolling eligible annuitants in Medicare Part D. Since this enrollment in Part D is not a choice, annuitants should not have to pay for the additional premium costs (via IRMAA) that they may otherwise avoid through their previous prescription drug coverage in FEHB.

NARFE appreciates the ability to provide comments and looks forward to consideration of our views and responses to our questions. If you have any questions or concerns, please contact NARFE Staff Vice President for Policy and Programs John Hatton at 571-483-1267 or jhatton@narfe.org.

Sincerely,



William Shackelford
NARFE National President