HRD
Farm and Foreign Agricultural Services
Human Resources Division

New Health Care Changes

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HRD does not have OPM official guidance on how the new health care bill will affect FEHBP yet but the following FAQs were published by Government Executive.

When can I add my older children to my FEHBP coverage?

The U.S. Office of Personnel Management has been preparing to implement the Affordable Care Act since the day it was signed into law. We want Federal employees, retirees, and their families to enjoy the benefits of this landmark legislation as soon as possible, and we are working on this with our partners in the White House, Congress, U.S. Department of Health and Human Services, and other agencies every day.

Under the Affordable Care Act, adult children up to age 26 will be eligible for health insurance coverage at the start of the next benefit plan year. The effective date of this provision is the first day of the plan year that is six months following enactment of the law. For the Federal Employees Health Benefits (FEHB) Program, that means January 1, 2011. Though we are eager to provide coverage to young adults prior to January 1, the current law governing the FEHB Program specifically prohibits us from doing so. Chapter 89 of title 5, United States Code, says unmarried dependent children are covered until age 22. Until the new law goes into effect, we must follow existing law.

We are working diligently with the Congress to address this matter and Congress has introduced legislation to address this issue.

In the meantime, children turning 22 are automatically covered for an additional 31 days under the parent's coverage policy. During this time, families can decide to continue FEHB coverage for their adult child for up to 36 months through the Temporary Continuation of Coverage (TCC) program. Under TCC, adult children can continue their coverage by enrolling as an individual in any FEHB plan. Though there is no Federal contribution toward the premium, the coverage policy is not subject to underwriting or pre-existing condition exclusions. Information about TCC is available at www.opm.gov/insure/health/faq/tcc.asp.

What happens to current and future retirees who have carried over or will carry over their health insurance, especially Blue Cross Blue Shield Standard Option?

Coverage under the Federal Employees Health Benefits Program is employer-provided health insurance, whether you're a current employee or a retiree. If you retire under one of the retirement systems for federal employees and have been enrolled in FEHBP for five years preceding your retirement, you're eligible to continue your health benefits. Nothing in the health care reform law will change that.

If the Senate passes the fixes to the new law, the Blue Cross Blue Shield Standard Option will be used as a measurement for other parts of the health care law. If the plan's costs rise faster than the rate of inflation, then the price threshold that other insurance plans have to rise above to be subject to a tax will increase as well. But using the Standard Option as a measurement tool doesn't mean altering the plan itself, or changing eligibility.

That said, the Standard Option, like all the health plans offered under the Federal Employees Health Benefits Program and elsewhere, will be subject to new rules for insurers. Within six months, insurance companies will be banned from refusing to cover children with pre-existing medical conditions, from setting lifetime limits on how much money they'll pay out to cover individual enrollees diagnosed with an illness that is expensive to treat, and from reducing coverage as a result of an illness or disability. If you're a retiree, that last provision in particular seems like a welcome change.

Has anyone checked to see which of the current FEHBP plans would be subject to excise tax?

Because it's impossible to know how much costs for individual FEHBP plans are going to rise between now and 2018, (the year the tax kicks in), it's impossible to know right now which plans are going to be subject to the excise tax, especially since the excise tax threshold could rise. But FEHBP enrollees have plenty of open seasons during the next eight years to switch to a lower-cost plan if they're worried about getting hit with the excise tax.