



Postal Service Health Benefits (PSHB) Program: Carrier Application Overview

Introduction

The [Postal Service Health Benefits \(PSHB\) Program](#) is a new program established by the Postal Service Reform Act (PRSA) within the Federal Employees Health Benefits (FEHB) Program and codified at 5 U.S.C. 8903c. The PSHB Program will be administered by the Office of Personnel Management (OPM), which will offer health benefits coverage to eligible United States Postal Service (“Postal Service”) employees, Postal Service annuitants, and their eligible family members beginning January 1, 2025.

Effective January 1, 2025, this new Program will generally require Postal Service annuitants who are newly entitled to Medicare, and their covered family members who are Medicare-eligible, to enroll in Medicare Part B to continue their health benefits coverage associated with their Postal Service employment into retirement. Postal Service employees’, Postal Service annuitants’ and their eligible family members’ enrollment or coverage in FEHB plans will end on December 31, 2024. They will be able to enroll in or be covered only by PSHB plans after that time. Additionally, after January 1, 2025, Postal Service annuitants who are entitled to Medicare Part A and eligible to enroll in Medicare Part B and their Medicare-eligible family members, will be required to enroll in Medicare Part B to maintain enrollment in or be covered by a PSHB plan, subject to some exceptions. Postal Service employees are not required to enroll in Part B, and Postal Service annuitants who, as of January 1, 2025, are not entitled to benefits under Medicare Part A are not required to enroll in Part B. Postal Service employees will be required to enroll in Medicare Part B once they retire and become a Postal Service annuitant and entitled to Medicare Part A, subject to some exceptions.

PSHB plans are required to integrate Medicare Part D, offering prescription drug coverage through an Employer Group Waiver Plan (EGWP). OPM requires that each PSHB plan provide prescription drug benefits to any Postal Service annuitant and their family members who are required to enroll in Medicare Part B through a Part D prescription drug plan (PDP) or through a contract with a PDP sponsor. Medicare Advantage prescription drug plans (MA-PDs) may also be offered as an alternative to PSHB enrollees, provided that a PDP is also made available to enrollees.

Beginning April 1, 2024, there will be a six-month, penalty-free Medicare Part B special enrollment period (SEP) for Postal Service annuitants and their family members who are not enrolled in Medicare Part B as of January 1, 2024.

Postal Service employees and Postal Service annuitants will make their PSHB plan elections and enroll during the Federal Benefits Open Season that occurs mid-November through mid-December 2024, for a January 1, 2025, effective date.

In the initial contract year, PSHB Carriers that also offer FEHB plans must offer PSHB plans that have coverage with equivalent benefits and cost sharing to the FEHB plans offered by that Carrier, except to

the extent needed to integrate Medicare Part D prescription drug benefits. Those carriers must propose rates for their equivalent PSHB plans that reflect the PSHB risk pool.

Schedule

The chart below includes milestones and deadlines that are part of the benefit and rate proposal process. Applications must be complete upon submission. The deadlines for concluding application reviews and approvals are firm, and we cannot consider late applications.

Milestone	Deadline
Application Released	June 28, 2023
Application Due	August 31, 2023
Discussions	August 2023 – September 2023
Application Decision	November 1, 2023
Medicare Special Enrollment Period	April 1, 2024 – September 30, 2024
Call Letter Response Due	May 31, 2024
Benefit and Rate Negotiation	June 2024 – July 2024
Plan Brochure Preparation	July 2024 – September 2024
Contract submitted for signature	December 1, 2024
Open Season	Mid-November – mid-December 2024
Contract Begins	January 1, 2025

Application requirements: For purposes of this Application, the terms “you” and “your” refer to the Applicant.

A separate application must be submitted for each PSHB plan you want to offer for participation in the PSHB Program. Your application must include:

1. A signed Contracting Official’s Form.
2. Your most recent audited Annual Accounting Statement dated the period spanning 18 months prior to January 1, 2023.
 - a. Your most recent annual financial statement submitted to your State Insurance Commissioner (or equivalent). Financial statements should include a balance sheet, income statement, and statement of cash flow. If you are not required to submit a financial statement to your State Insurance Commissioner (or equivalent), you must indicate that these documents are not required to be submitted and in place of these, provide an unaudited balance sheet, income statement and statement of cash flow as of December 31 of the year preceding the date of your application.
 - b. If you do not have annual financial statements, please provide your CPA statement, with management letters, for the most recent fiscal year that is no more than 6 months old or if one is not available, please provide your most recent available CPA statement with management letters and indicate the reason for their age and/or the unavailability of the current statement and letters.

Postal Service Health Benefits Program Applicant Evaluation Criteria

Applications will be evaluated and approved based on the criteria listed below:

1. Carriers offering an FEHB plan(s) as of the date of this application must:
 - A. If currently participating in the FEHB Program:
 - a. Have a total enrollment in an FEHB plan in the contract year beginning January 2023 of 1,500 or more enrollees who are Postal Service employees or Postal Service annuitants; or
 - b. Provide geographic coverage where current FEHB coverage is limited; or
 - c. Utilize a specialized health care delivery system.
 - B. Demonstrate financial stability/soundness.
2. Applicants who are not offering health benefits plans in the FEHB Program as of the date of this application must:
 - A. Demonstrate, to the satisfaction of OPM in its sole discretion, that the Applicant:
 - a. Reasonably projects a total enrollment in a PSHB plan in the contract year beginning 2025 of 1,500 or more enrollees who are Postal Service employees or Postal Service annuitants; or
 - b. Provides geographic coverage where current FEHB coverage is limited; or
 - c. Utilizes a specialized health care delivery system.
 - B. Demonstrate financial stability/soundness.

Application Submission

Review these instructions carefully and read the entire application before you start to prepare your response. To avoid an unacceptable application, you should review the requirements, regulations, and laws of the FEHB Program and specifically, the PSHB Program.

- A. To be considered for participation in the PSHB Program in the initial contract year, at the time of application you must meet the Application Evaluation Criteria, above.
- B. Complete the attached Drug-Free Workplace and Anti-Lobbying certifications and have them signed by your contracting official.
- C. Any information in your application may be subject to public disclosure after your application has been adjudicated by OPM. Please identify each item in your application that you believe is exempt from disclosure under the Freedom of Information Act. Also, specify which exemption you believe applies to that item, in accord with 5 U.S.C. 552, and give full justification for your belief that the exemption applies. OPM will decide on disclosure only when a request for

information is made. In making the decision, OPM will consider your justification for nondisclosure. If OPM determines that an item of information that you believe is exempt is not exempt from disclosure, you will be informed before the information is disclosed.

- D. The entire application, including affirmations and statements of compliance with the FEHB and PSRA laws and regulations, updated transmittals, and signed representations are official documents. Therefore, the Contracting Official's Form must be signed by an authorized contracting official.
- E. Your application must be received by OPM no later than **August 31, 2023**, to be considered.
- F. An application may be withdrawn at any time prior to a final determination by OPM. Future applications will be treated as new applications, without regard to previous applications submitted; a completely new application document will be required.
- G. Applicants should be aware that knowingly or willfully providing a false response to any portion of this application may be grounds for denial of the application and may be punishable by fine or imprisonment (18 U.S.C. 1001). All statements and information provided are subject to investigation, including confirmation through third parties and other government agencies.

Preparation of the Application

- A. You must submit an application through OPM's Carrier Connect.
- B. Required forms must be in PDFs.
- C. Digital signatures must be used to electronically sign documents.
- D. Failure to provide the information called for and/or failure to comply with the specified format may result in rejection of the application.

Notification of Application Status

You will be notified of your application status sixty (60) days after submission. If we approve your application for participation, you will be assigned a health benefits specialist to assist you with implementation.

We will negotiate benefits and rates after the release of the first annual PSHB Call Letter in early 2024 and prepare a plan brochure that serves as the member's statement of contractual benefits for the 2025 year.

We will conclude benefit and rate negotiations with PSHB Carriers in August 2024 and conduct an Open Season from the second Monday in November through the second Monday in December 2024. Open Season changes are effective January 1, 2025.