

*United States
Office of Personnel Management
The Federal Government's Human Resources Agency*



Benefits Administration Letter

Number: 16- 901

Date: July 18, 2016

Subject: **Federal Long Term Care Insurance Program (FLTCIP)
2016 Enrollee Decision Period**

Purpose

The purpose of this Benefits Administration Letter is to provide guidance about an Enrollee Decision Period for current enrollees in the Federal Long Term Care Insurance Program (FLTCIP), to be held from July 18 to September 30, 2016.

New Contract Term

Per Federal law, the U.S. Office of Personnel Management (OPM) must issue a new contract term every seven years for FLTCIP. In addition, the law requires that premiums must reasonably and equitably reflect the cost of benefits. OPM engaged in a full and open competitive bidding process for the third FLTCIP contract term and received a single bid. The FLTCIP contract was awarded to John Hancock Life & Health Insurance Company, effective May 1, 2016. John Hancock proposed higher premiums because recent analysis of the program, using updated assumptions based on identified trends and actual claims experience, indicated that the current FLTCIP premiums would not be sufficient to meet the future, projected costs of the benefits. The new premium rates are those established as a result of this competitive process. Most current enrollees are impacted by the premium increase, which will take effect on November 1, 2016. Therefore, OPM is holding an enrollee decision period for current enrollees from July 18 to September 30, to give them the opportunity to review their current coverage and make decisions that allow them to accept or alleviate the premium increase.

Long Term Care Partners (LTCP), LLC, a subsidiary of John Hancock, will continue to administer the program. Their toll-free phone number, 1-800-582-3337 (TTY 1-800-843-3337), and website, www.LTCFEDS.com, remain the same.

Enrollee Decision Period for Current Enrollees

a) Personalized Options

Long Term Care Partners (LTCP) will send a 2016 Enrollee Decision Period offer package with personalized options to impacted enrollees. It will include an introductory letter, a return envelope, an informational brochure, and an options form with detailed information about the

enrollee's current coverage and options to change coverage in an effort to reduce the impact of the premium increase. At least one of the options will allow the enrollee to reduce coverage in order to maintain the current premium at or below the current level. In general, enrollees will be able to choose:

- a premium-neutral option to fully offset the premium increase
- a partial increase, accepting roughly half the premium increase along with moderate coverage reductions; or
- the full premium increase to retain the current benefits and inflation protection

Eligible enrollees may also elect the paid-up, limited benefit. This option allows enrollees whose premium increase is beyond a certain percentage to stop paying premiums and keep paid-up coverage with a reduced level of benefits. Enrollees may request other benefit selections not indicated on the Benefit Options Form, but these options may require underwriting and/or a higher premium.

The current enrollees who will receive an offer package include:

- enrollees whose age at purchase was 79 years or younger
- enrollees who have standard FLTCIP coverage and are not enrolled in the FLTCIP's Alternative Insurance Plan
- enrollees who applied for coverage before new application rates were raised on August 1, 2015
- enrollees who are not currently eligible for benefits or awaiting a decision on a pending claim

If an enrollee does not respond by the September 30, 2016, deadline, the current coverage will remain the same and the premium will increase.

b) Underwriting Requirements

Eligible enrollees who choose to reduce their coverage or keep their current coverage (with the premium increase) will be able to do so without underwriting. Coverage increases require full underwriting.

c) Timing of the 2016 Enrollee Decision Period Package

The offer package mailings will begin in mid-July and will be staggered over several weeks; enrollees will not receive their packages at the same time. Enrollees may also visit www.LTCFEDS.com/myaccount to sign into or register for a MyLTCFEDS account to review their personalized options.

d) Due Date for Decision

The deadline for enrollees to submit a selection is **September 30, 2016**. If an enrollee does not respond by September 30, 2016, the enrollee's coverage will remain the same and the premium will increase.

e) Effective Date

The effective date of coverage changes that do not require underwriting will be November 1, 2016, regardless of when the Enrollee Decision Period request is received. Coverage changes requiring underwriting, if approved, will be effective the first day of the month following approval of the request, but not before November 1, 2016.

f) For Current Enrollees Only

The Enrollee Decision Period is for current FLTCIP enrollees only. It is not a general open season for all employees, annuitants, and qualified relatives.

g) Educational Resources

The 2016 Enrollee Decision Period offer packages will include information on alternative benefit options that an enrollee can select in order to help reduce the impact of the premium increase. The FLTCIP website www.LTCFEDS.com/QA has general questions and answers on the contract award and the Enrollee Decision Period. The FLTCIP website, www.LTCFEDS.com, will also have instructional videos that enrollees can access in their My LTCFEDS online account to help in the decision-making process. These videos will be specific to the individual enrollee's plan options. Webinars will be available to help enrollees make their selection during the Enrollee Decision Period. LTCP has a call center with trained program consultants to help current enrollees understand their choices. Personalized assistance is available from 8 a.m. to 8 p.m. (ET) at 1-800-582-3337 (TTY 1-800-843-3357).

h) Enrollee Decision Period Resources for Agency Benefits Officers

Long Term Care Partners (LTCP) developed a [dedicated web page](#) for agency benefits officers, Human Resource (HR) professionals, and similar personnel who work with employees, retirees, and affinity group members. OPM encourages HR professionals to use the web page's resources to help enrollees understand their coverage and the options available to them. A [fact sheet](#) has also been created to help agencies handle questions. Please share with all agency personnel—especially agency-shared service centers—who field benefits questions from employees and retirees.

In addition, HR professionals can register for an LTCP [informational training webinar](#) about the 2016 Enrollee Decision Period. The event will air live on Thursday, July 21, 2016, at 2 p.m. (ET). You may also register to view the on-demand version, if you cannot attend the live event.

If you have any questions regarding this Benefits Administration Letter, please contact the FLTCIP Program Office at ltc@opm.gov or www.LTCFEDS.com/SecureEmail. You may also contact your [FLTCIP account manager](#) directly for assistance.

Sincerely,

John O'Brien
Director, Healthcare and Insurance