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Record Type: Record

To: John Morrall@EOP

CC:

Subject: Suggestion for Guidance Document Improvements

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Name of Guidance:

FEHB

Regulating Agency:

Office of Personnel Management

Subagency (if any):

Citation (Code of Federal Regulation):

U.S. Code

Authority (Statute/Regulation):

Title 5 Chapter 89

Description of Problem (Nature of Impact and on Whom):

We estimate that out of 9 million Federal Civilian Employees approximately 30 or 2.7 million are military retired and CHAMPUS / Tricare eligible. Our Federal Government is wasting approximately 16 Billion dollars a year in unnecessary premiums in lieu of these employees utilizing their government entitlement of CHAMPUS / Tricare as a primary health insurance with a CHAMPUS / Tricare supplement.

Federal Civil Service that are military retired CHAMPUS / Tricare eligible are misled into signing up for a costly health plan under the FEHB Program because an FEHB interim regulation does not permit CHAMPUS / Tricare supplemental insurance plans to join the FEHB program. Consider

these facts:

- . The FEHB handbook states that any FEHB plan pays benefits first as the primary payer and CHAMPUS / Tricare as the secondary payer.

- The Code of Federal Regulations Title 32 National Defense Ch. 1 7-1-97 Edition Part 199.2 and 199.8 specifically states that CHAMPUS / Tricare can be used as a primary when combined with a CHAMPUS / Tricare supplemental insurance plan.

- . Military retired CHAMPUS / Tricare eligible Federal Civilian employees would have equal if not better coverage utilizing their government entitlement of CHAMPUS / Tricare with a supplement compared to any of the FEHB health care plans.

- Why should a military retiree that is a Federal Civil Service employee pay 30 in health insurance premium when she/he has a free government entitlement of CHAMPUS / Tricare and free pharmacy program

- The average age of a military retiree is 40 years old. Carving out this older segment of your employee population could lower the average age which should lower your premiums for everyone. Claims experience will be favorably affected, since claims filed tend to increase with age.

In closing, CHAMPUS / Tricare claims are paid on the DRG system similar to Medicare unlike private health insurance. Therefore, the government decides how much will be paid out on a claim versus a hospital or physician making that decision.

Based on employee 1 dependent
Average annual premium 3,000 per person

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Proposed Solution:

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Estimate of Economic Impacts (Quantified Benefits and Costs if possible / Qualified description as needed):

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