

Postal Service Health Benefits Program



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I know all of you are familiar with the Postal Service Reform Act and its congressional passage last year. However, after receiving several inquiries, I realize this has left many of you wondering how it will affect your health insurance. My goal in this article is to help you understand the changes, what they mean to your NALC Health Benefit Plan enrollment, and help promote peace of mind for our membership.

There are two main areas of the legislation that relate to your health care—changes within the Federal Employees Health Benefits (FEHB) Program and Medicare

integration. Right off, I know this might sound unsettling, but rest assured, it's not as alarming as it sounds.

Let's start with the term Postal Service Health Benefits (PSHB) Program and address the three biggest questions about it:

- **What is it?** Letter carriers currently elect to receive our health benefit coverage through the FEHB Program. Effective Jan. 1, 2025, FEHB will be divided into two groups. One group will be for postal employees and the other for all other federal employees. Pretty simple so far, right? The postal employee group will be called the Postal Service Health Benefits (PSHB) Program. So, in other words, postal employees will retain their FEHB enrollment benefits, but will be placed into the Postal Service segment called PSHB.
- **What effect will it have on my health care coverage?** This is where it gets a little more complicated, but once you understand it, I'm confident you'll find it's not as unsettling as it sounds. According to the law, if a FEHB insurer has more than 1,500 Postal Service employees enrolled in its plan (active or retired), the insurer is eligible to create plans for Postal Service employees. If the insurer chooses to participate, it will offer both postal and federal employee health benefit plans.

The NALC Health Benefit Plan falls into this category, and it is our intention to fully participate at the highest level. For example: The NALC HBP currently offers three plan options—the High Op-

tion, the Consumer Driven Health Plan (CDHP) and the Value Option. Fast-forward to January of 2025. Instead of three plan options, the NALC would offer six. Three of those would be available to Postal Service employees and the other three would be available for all other federal employees. Initially, the law requires insurers to create plans with the identical health benefits for Postal Service employees that they offer to all other federal employees. Thereafter, this requirement will be removed, allowing insurers the ability to customize health benefits between plans. For the NALC HBP, this is a good thing. Many times, the benefit needs of letter carriers can be very different than those of other federal employees.

- **What will I need to do?** For now, nothing, except to help spread the word and stay aware. But, as a Postal Service employee, you eventually will need to select your PSHB plan and enroll. This enrollment will be available during Open Season in late 2024, which is almost two years from now. We will remind you several more times before then, but if you're a planner and want to mark your calendar, open season is always the second Monday in November through the second Monday in December.

The other element I would like to speak about is the Medicare integration component of the Postal Reform Act. Under this law, future Postal Service retirees will be required to enroll in Medicare Parts A and B.

However, there are some individuals who are exceptions to the rule: 1) Any postal employee who is retired before Jan. 1, 2025; 2) any active postal employee who is 64 or older as of Jan. 1, 2025; 3) any postal annuitant who can prove that they do not reside in the United States; or, 4) any postal annuitant who receives benefits provided by the Department of Veterans Affairs or Indian Health Services. If you meet any of these criteria, you will not be required to enroll in Medicare; however, if you were previously eligible and chose not to enroll but now wish to, there will be a special enrollment period in the spring of 2024 allowing Postal Service annuitants to enroll without paying the Medicare late enrollment penalties.

Although these are big changes, they are not as complicated as they appear. The Plan is focused on making the transition as seamless as possible, and we will keep you informed about important dates and when there are actions you need to take.