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# FEHB Program Carrier Letter

## All FEHB Carriers

U.S. Office of Personnel Management  
Insurance Services Program

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**Letter No. 2007-08**

**Date:** March 13, 2007

Fee-for-service [6]    Experience-rated HMO [5]    Community-rated HMO [5]

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**SUBJECT:    High Deductible Health Plan Options**

The purpose of this letter is to update Federal Employees Health Benefits Program (FEHB) carriers on changes to our guidelines for High Deductible Health Plans (HDHP) with Health Savings Accounts (HSA) and Health Reimbursement Arrangements (HRA) following the implementation of the Tax Relief and Health Care Act of 2006. The following are the revised FEHB guidelines with respect to HDHP options:

1. HDHPs must maintain full compliance with the Internal Revenue Code and all applicable Treasury rulings.
2. HDHPs must be open to everyone eligible to enroll in the FEHBP.
3. HDHPs must offer a Health Savings Account (HSA) or a Health Reimbursement Arrangement (HRA) for enrollees who are not eligible to make contributions to an HSA.
4. The pass-through contribution to an HRA must be of equivalent value to the HSA offered under the plan.
5. Deductible amounts should not exceed the IRS maximum HSA contribution limit for the year in question. (Conservative estimates should be used with respect to the IRS indexed amounts if they have not been published when benefit proposals are submitted.)
6. Premium pass-through amounts should not exceed 50% of the plan's deductible.
7. Premium pass-through amounts should not exceed 25% of the net-to-carrier premium.
8. If an enrollee with an HRA becomes eligible to make HSA contributions, any balance remaining in the HRA may be transferred to the HDHP's HSA, subject to IRS rules and limitations.
9. FEHBP carriers that offer HDHPs and HSAs/HRAs must provide assurances that their trustees are financially stable. At a minimum, the trustee/custodian must be rated by a major financial rating service in one of its two highest categories for the most recent available rating period. If the carrier manages the HSA and HRA accounts itself, it must provide assurance that it meets IRS fiduciary requirements.
10. FEHBP plans, including HDHPs, must meet creditable coverage requirements for prescription drug coverage.

For additional information about the tax extender legislation, including information about how it affects flexible spending accounts, please refer to Carrier Letter 2006-29 dated December 21, 2006 at [http://www.opm.gov/carrier/carrier\\_letters/2006/2006-29.asp](http://www.opm.gov/carrier/carrier_letters/2006/2006-29.asp).

We have provided technical guidance in the past on HDHPs and you may access this guidance on the carrier website. If you are a health maintenance organization (HMO), please visit: [http://www.opm.gov/carrier/carrier\\_letters/2006/2006-13Aattachment.pdf](http://www.opm.gov/carrier/carrier_letters/2006/2006-13Aattachment.pdf). If you are a new HMO, please visit [http://www.opm.gov/carrier/carrier\\_letters/2006/2006-13Battachment.pdf](http://www.opm.gov/carrier/carrier_letters/2006/2006-13Battachment.pdf). If you are a fee-for-service plan, please visit [http://www.opm.gov/carrier/carrier\\_letters/2006/2006-13Cattachment.pdf](http://www.opm.gov/carrier/carrier_letters/2006/2006-13Cattachment.pdf)

If you have any questions, please contact your contract specialist.

Sincerely,

Robert F. Danbeck  
Associate Director  
for Human Resources Products and Services