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The Postal Service Health Benefits Plan & Medicare Integration

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Agenda

1. The Need for a Law to Reform the USPS
2. Postal Service Reform Act of 2022
3. Current Guidance
4. Postal Service Health Benefits (PSHB)
5. Resources
6. Future Training

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The Need for a Law to Reform the USPS

- A quick look back into history
  - The Postal Reorganization Act of 1970 transformed the Post Office Department into the United States Postal Service
    - Operates as a business **and** public service
    - Is self-sustaining
    - Cannot expand its operations beyond the sale of its products, unless non-postal services are authorized by statute

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The Need for a Law to Reform the USPS

- A quick look back into history
  - The Postal Accountability and Enhancement Act (PAEA) of 2006 required USPS to pay in advance for retiree health benefits. This statutory obligation cost approximately $5 billion a year over the first 10 years
    - The USPS stopped making contributions after 2016

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The Need for a Law to Reform the USPS

- Postmaster General Megan Brennan testified before the House Oversight and Reform Committee on April 10, 2020
  - She stated that USPS would "**run out of cash** this fiscal year" unless it received financial assistance from the federal government

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Postal Service Reform Act of 2022

- This law placed the USPS on the path toward financial stability by
  - Repealing the pre -funding mandate
  - Maximizing participation in Medicare
- Postal Service employees have contributed over $34 billion dollars toward their health benefits and are expected to save $107 billion over the next ten years

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Postal Service Reform Act of 2022

- Creating a new Postal Service Health Benefits (PSHB) Program within the Federal Employees Health Benefits (FEHB) Program. Coverage will be begin on January 1, 2025
  - This law requires that OPM, in conjunction with USPS, implement the new Postal Service Health Benefits (PSHB) Program

Current Guidance

- The Postal Service Reform Act (PSRA) will **NOT** impact the upcoming Open Season, which runs from Nov. 13, 2023 through Dec. 11, 2023.
  - This Open Season will operate **just like last year's** . You can opt to change your plan. If you do not make changes, you will continue to be enrolled in your **current, existing** health care plan

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Postal Service Health Benefits (PSHB)

- If you are a postal employee or retiree, you **will be required** to select a health insurance plan in the PSHB Program during the 2024 Open Season period, which will run from Nov. 11, 2024 to Dec. 9, 2024
  - If you do not select a PSHB plan, you will be automatically enrolled in a comparable PSHB plan. Plan options and premium information will be available next fall

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PSHB Key Information

- If you are an **annuitant as of January 1, 2025, and not currently participating in Medicare Part B**, you **ARE NOT** required to enroll in Medicare Part B to continue your health insurance coverage in the new PSHB Program
  - Your covered spouse and eligible family members will also not be required to enroll in Medicare Part B even if they are age 65 or older

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First Action for RETIREES ONLY

- If you are an **annuitant entitled to Medicare Part A (typically at age 65) prior to January 1, 2024, and have not enrolled in Medicare Part B,** you and your covered, eligible family members may be able to participate in the **special enrollment period (SEP) for Medicare Part B that starts on April 1, 2024.** Those who enroll during the SEP will not need to pay the late enrollment penalty. Eligibility letters will be sent to annuitants and eligible family members in early 2024.

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PSHB Key Information

- If you are an **active employee under the age of 64 as of January 1, 2025**, to continue your PSHB health insurance coverage in retirement, you **WILL BE required to enroll in Medicare Part B** after you retire and become entitled to Medicare Part A (typically at age 65).

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PSHB Key Information

- If you are an **active employee age 64 or older as of January 1, 2025,** you **ARE NOT** required to enroll in Medicare Part B to continue your PSHB health insurance coverage once you retire. However, upon your retirement and entitlement to Medicare Part A (typically at age 65), you will have the option to enroll in Medicare Part B during a **special enrollment period.**

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PSHB Key Information

- If you **retire on or after January 1, 2025, and you are under 64,** you **WILL BE** required to enroll in Medicare Part B when you become entitled to Medicare Part A (typically at age 65) to remain enrolled in a PSHB plan.

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PSHB Key Information

- The Social Security Administration (SSA) will mail you a notice when you are eligible to enroll in Medicare Part B during your initial enrollment period. If you are the primary PSHB subscriber, your covered family members will also be required to enroll in Medicare Part B upon their entitlement to Medicare Part A, if they wish to remain covered by your PSHB insurance.

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PSHB Key Information

- As a *general* rule, spousal and family member PSHB coverage is based on the primary subscriber's eligibility. If the primary subscriber is required to enroll in Medicare Part B, dependent family members will also be required to enroll when they are eligible.

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PSHB Key Information

- There are exceptions to the requirement to enroll in Medicare Part B as an annuitant. These exceptions will also apply to your covered family members. The exceptions are:
  - You are residing outside of the United States and its territories. You are required to follow the policy and procedure set forth by the Postal Service to be eligible for this exception; or
  - You are enrolled in health care benefits provided by the Department of Veterans Affairs; or
  - You are eligible for health services provided by Indian Health Services.

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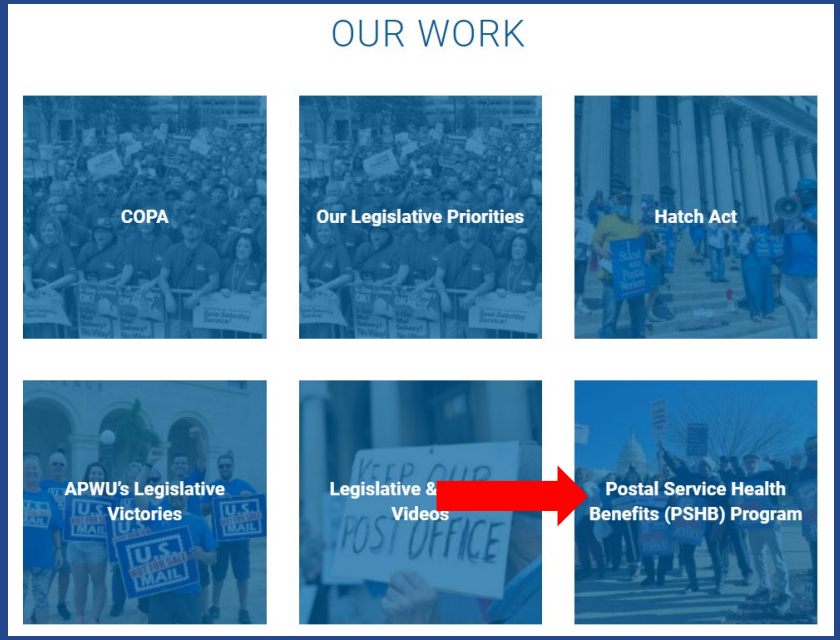
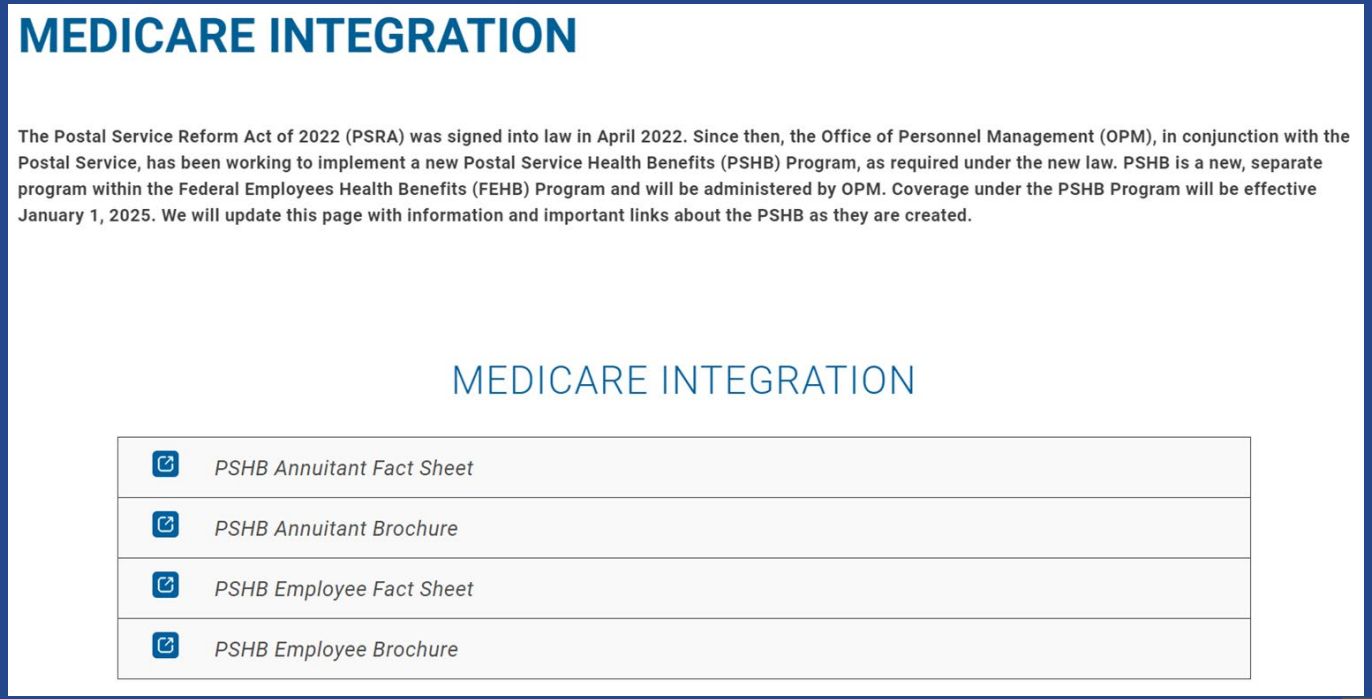
Resources on Our Web Page



Resources on Our Web Page



MEDICARE INTEGRATION

The Postal Service Reform Act of 2022 (PSRA) was signed into law in April 2022. Since then, the Office of Personnel Management (OPM), in conjunction with the Postal Service, has been working to implement a new Postal Service Health Benefits (PSHB) Program, as required under the new law. PSHB is a new, separate program within the Federal Employees Health Benefits (FEHB) Program and will be administered by OPM. Coverage under the PSHB Program will be effective January 1, 2025. We will update this page with information and important links about the PSHB as they are created.

MEDICARE INTEGRATION

- *PSHB Annuitant Fact Sheet*
- *PSHB Annuitant Brochure*
- *PSHB Employee Fact Sheet*
- *PSHB Employee Brochure*

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Future Training

- In the coming months, USPS will implement a training module for all active employees to complete **on the clock**
  - This training module will go into greater depth on the PSHB Program and offer resources for follow-up questions

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Thank You!

Any Questions?

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