



OFFICE OF THE DIRECTOR

UNITED STATES  
OFFICE OF PERSONNEL MANAGEMENT  
WASHINGTON, DC 20415-1000

September 17, 2004

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: KAY COLES JAMES  
DIRECTOR

Subject: A New Health Care Option for 2005

On Monday, September 13, 2004, OPM announced a new health care option that will give Federal enrollees greater, more cost effective choices. I firmly believe Federal employees are wise enough to make their own informed decisions on health care for themselves and their families. Further, Federal employees should have more options that empower personal decision-making and maximize their ability to put more of their hard-earned dollars to work for their needs and those of their families. There is basic information available now at [www.opm.gov/hsa](http://www.opm.gov/hsa) and I have enclosed a letter that you can use to alert your employees.

The new High Deductible Health Plans (HDHP) with a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) is a combination of health plan and savings vehicle that provides a new opportunity and additional choices for Federal enrollees. In 2005, a total of eighteen health plans, both national and local, will offer HDHPs thereby strengthening the Federal Employees Health Benefits (FEHB) Program and highlighting once again its unique and distinctive market-oriented features.

As part of the introduction to the new program, educational materials for employees and agency Insurance and Benefit Officers are being developed and will be available on the Open Season web site. Open Season runs from November 8<sup>th</sup> to December 13, 2004. You can expect a HDHP/HSA or HRA Fact Sheet, Frequently Asked Questions Sheet, a power point presentation, and of course the 2005 Guide to Federal Employees Health Benefits Plans and the individual plan brochures, just to name a few. These will be great tools to introduce and educate our Federal workforce to the new program.

Please encourage your employees to take this opportunity to visit the site and begin their introduction to the features of this new option.

Enclosure

cc: Chief Human Capital Officers Council  
Directors of Human Resources

## **Suggested Email or Letter Alerting Employees About Health Savings Account Web Site**

Dear

The Office of Personnel Management (OPM) has announced a new health care option that will, depending on your own health care and financial priorities, give you additional opportunities to save and better manage your hard-earned dollars. Eighteen High Deductible Health Plans (HDHP) will be offered by the Federal Employees Health Benefits (FEHB) Program in 2005. These health plans together with a Health Saving Account (HSA) or a Health Reimbursement Arrangement (HRA) provide a tax-advantaged savings vehicle for the purpose of paying for your medical expenses.

To learn more about HDHPs visit OPM's new web site, [www.opm.gov/hsa](http://www.opm.gov/hsa). You will find basic information on HSAs, HRAs, and a chart comparing their features. Additional information will be provided in conjunction with the FEHB Open Season, November 8 through December 13, 2004, in the 2005 Guide to FEHB Plans, and in the individual HDHP brochures.