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Feds' health insurance premiums to increase 7.2 percent

 By Emily Long | elong@govexec.co | October 1, 2010

The average amount federal employees pay for their health insurance plans will rise 7.2 percent in 2011, the [Office of Personnel Management](#) announced on Friday.

The upcoming premium increase for plans in the [Federal Employees Health Benefits Program](#) is less than the 8.8 percent rise participants experienced in 2010, despite a range of new benefits to be added, according to OPM Director [John Berry](#).

The total average premium increase for FEHBP plans will be 7.3 percent, or \$27.10 per pay period, OPM said. Of that amount, the government will increase its contribution to employees' health care costs by \$18.86 per pay period, or 7.3 percent. That leaves federal workers with an average increase of \$8.24 in their premiums, or 7.2 percent.

The average nonpostal employee will see premiums rise by \$5.53 per pay period for individual coverage, and by \$11.45 for family coverage. For postal workers, premiums will cost an extra \$6.10 per pay period for individual coverage and \$12.73 more per pay period for family plans.




According to OPM, the increase is due to changes in the health care market and added plan features, such as tobacco cessation incentives, preventative screenings at no cost to enrollees, and extending coverage to adult children age 26 or younger. The new cutoff age for dependent coverage, mandated by the health reform law, will [take effect](#) on Jan. 1, 2011.

Individual participants in the Blue Cross Blue Shield Standard Option, the government's largest plan, will see premium increases of 6.9 percent, or \$5.58 per pay period. Premiums for family plans will grow 7.6 percent, or \$14.14.

OPM also is introducing a health claims database tool that will track and evaluate the quality and cost of services provided through FEHBP and will help the agency find ways to reduce health costs.

The National Treasury Employees Union expressed disappointment in the premium increase, but noted it is less than this year's 8.8 percent growth and falls below anticipated private sector jumps of up to 10.5 percent. President Colleen Kelley said the union will continue to support legislation that could help bring down costs, including a [bill to reform](#) the drug pricing process.

Carol A. Bonosaro, president of the Senior Executives Association, said while the premium increases are not surprising in the current economic climate, they are "disheartening," given that they outpace annual pay raises. She noted retirees could have an especially hard time since they appear headed for a second year without a cost-of-living adjustment.

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FEHBP enrollees can choose from 207 plans, including two new options. The program will lose six plans after Dec. 31. Open season, during which federal workers can switch enrollments in health insurance plans, runs from Nov. 8 to Dec. 13.

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