



The Federal Long Term Care Insurance Program™

2016 FLTCIP Enrollee Decision Period (EDP)

Important Dates

July 18

- Federal Register Notice posted by OPM (electronic Monday; print Tuesday)
- Benefits Administration Letter sent to human resources professionals
- LTCFEDS.com EDP messaging fully operational with general, public information Q&As, Contract information, general webinars, and Agency Benefits Officers section
- LTCFEDS.com enrollee accounts active with personalized EDP options and educational resources (videos, webinar tutorials, FAQs, additional info) available using secure PIN
- Call Centers fully staffed and operational 1-800-LTC-FEDS (1-800-582-3337)
- Mailing of enrollee personalized packages through July 27
- LTCP/JH available for calls and onsite briefings through the end of EDP

July 25 - September 30

- EDP support by LTCP in the form of face-to-face appointments in agencies and for affinity groups (upon request)

August 24

- Reminder letter mailing to enrollees who haven't made a selection

September 30

- EDP selection window closes

October 13 - October 20

- Acceptance packages mailed to enrollees

October 1 - December 31

- Business as usual events including FEHB Open Season Health Fairs – opportunity to service FLTCIP enrollees about EDP billing

November 1

- Effective date of the rate increase, and plan options elected to mitigate the rate increase

2016 Enrollee Decision Period Benefit Options Form Worksheet

We are here to help you make an informed decision regarding your Federal Long Term Care Insurance Program (FLTCIP) coverage and the options available to you through September 30, 2016. As you and your FLTCIP program consultant review your Benefit Options Form, be sure to consider the following questions before submitting your option.

Step 1

Review details on your Benefit Options Form

What is your current age? _____

At what age did you purchase FLTCIP coverage? _____

Is your primary goal to maintain your current premium or keep your current coverage?

Maintain your current premium

Keep your current coverage

Of the personalized options you have been offered, which option are you most considering (for example, keep your current coverage and pay premium increase)? We can discuss all of your options in detail.

Step 2

Compare your personalized options with care trends

What is your preferred care setting:

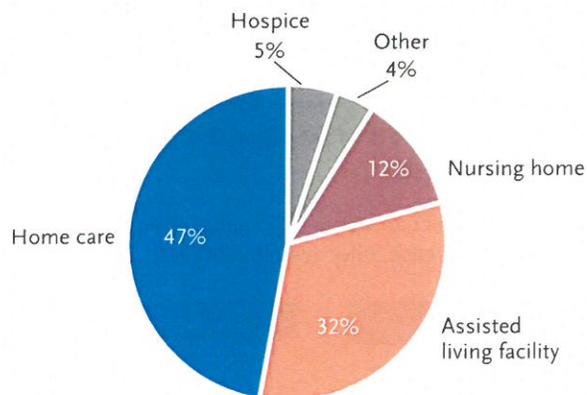
Home

Assisted living facility

Nursing home

Other _____

FLTCIP claimants' care settings*



National average cost of care by setting

Long term care setting	National average costs of care ¹	Five-year average annual increase ²
Nursing home: semiprivate room	\$227 a day \$82,855 a year	3.6%
Assisted living facility	\$3,427 a month \$41,124 a year	2.0%
Home health care aide	\$19 an hour \$29,640 a year**	1.3%

For current cost of care information specific to your area, visit www.LTCFEDS.com/CostofCare.

How do your options compare with the cost of care, now and in the future?

Do you plan to help offset premium costs by paying for some care yourself?

Yes No

* As of April 2016.

** Based on six hours of care per day, five days per week.

¹ John Hancock Life & Health Insurance Company. "John Hancock 2013 Cost of Care Survey," conducted by LifePlans, Inc., April 2013.

² Based on a subset of common providers from the 2008, 2011, and 2013 John Hancock Cost of Care Surveys.

Note: These figures may not represent future inflation rates.

Step 3

Consider the importance of FLTCIP coverage

Why did you choose FLTCIP coverage?

What are your experiences with long term care?

Three horizontal lines for handwritten responses to the questions above.

Do you currently work with a financial advisor?

Yes No

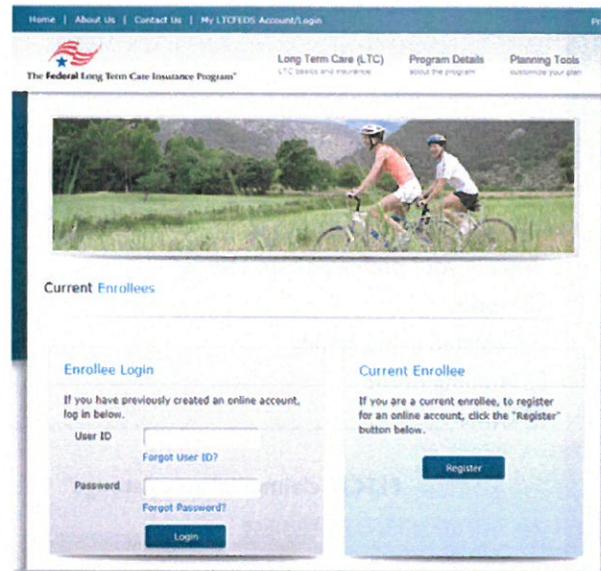
We encourage you to consult with your financial advisor to determine which personalized option best meets your needs.

Set up an online account

Please log onto www.LTCFEDS.com/MyAccount to set up a My LTCFEDS account if you do not have one or to ensure that your current log-in and contact information is up-to-date.

During the 2016 Enrollee Decision Period, your personalized options will be available for review within your online account, along with resources that will help you understand your coverage and the options available to you. These resources include instructional videos, webinar training, and general questions and answers.

Once you make a decision based on the choice that is right for you, your My LTCFEDS account may be the easiest and most efficient way to submit your selection.



Submit your option

Select one of your personalized options by completing and returning the back of your Benefit Options Form, or by visiting www.LTCFEDS.com/MyAccount to submit your option online.

We must receive your selection by **September 30, 2016**. Unless you select an option to change your coverage, your current coverage will remain the same and your premium will increase, effective **November 1, 2016**.

Online	or	Mail	or	Fax
www.LTCFEDS.com/MyAccount		Long Term Care Partners, LLC P.O. Box 8330 Portsmouth, NH 03802-9908		1-866-921-4511

The Federal Long Term Care Insurance Program is sponsored by the U.S. Office of Personnel Management, insured by John Hancock Life & Health Insurance Company, and administered by Long Term Care Partners, LLC.



FLTCIP 2016 Enrollee Decision Period

This fact sheet can help you answer general questions from employees and retirees about the Federal Long Term Care Insurance Program's 2016 Enrollee Decision Period. You may also direct FLTCIP enrollees to the FLTCIP Customer Service Center: **1-800-LTC-FEDS (1-800-582-3337) TTY 1-800-843-3557**.

Why are premiums increasing?

After a full and open competitive bidding process, the U.S. Office of Personnel Management (OPM) awarded a new, seven-year contract to John Hancock Life & Health Insurance Company, the prior carrier and single bidder, to continue to provide insurance coverage for the Federal Long Term Care Insurance Program (FLTCIP). John Hancock proposed significantly higher premiums because recent analysis of the program, using updated assumptions based on identified trends and actual claims experience, indicated that the current FLTCIP premiums would not be sufficient to meet the future, projected costs of the benefits. The new premium rates are those established as a result of this competitive process. Long Term Care Partners, LLC, will continue to administer the FLTCIP.

Most FLTCIP enrollees are impacted by the premium increase. Who is not?

The following FLTCIP enrollees are not impacted by the premium increase at this time:

- ▶ enrollees who applied for coverage on or after new application rates were raised on August 1, 2015
- ▶ enrollees whose age at purchase was 80 years or older
- ▶ enrollees currently enrolled in the FLTCIP's Alternative Insurance Plan
- ▶ enrollees who are currently eligible for benefits or awaiting a decision on a pending claim

When will I receive information about any changes to my premium?

If you are impacted by the premium increase, Long Term Care Partners will send you a 2016 Enrollee Decision Period offer package with personalized plan change options starting in July 2016. The mailings will be staggered over several weeks, so not all enrollees will receive their letters at the same time. You may also visit www.LTCFEDS.com/MyAccount to sign into or register for a My LTCFEDS online account to review your personalized options.

How much is the increase?

The exact amount of the increase is based on a combination of:

- ▶ your benefit options (such as your benefit period or inflation option)
- ▶ your issue age (the age when you applied and were approved for coverage)
- ▶ the plan you originally purchased (FLTCIP 1.0 or FLTCIP 2.0)

Please consult your personalized offer package or review your options online at www.LTCFEDS.com/MyAccount to see how you may be affected by the premium increase.

When will the premium increase take effect?

If you are an enrollee who is impacted by the premium increase, your new premium will take effect on November 1, 2016.

Is there an alternative to paying higher premiums?

Yes. You will be offered personalized options to reduce your coverage, and at least one of your options will allow you to reduce your coverage in order to maintain your current premium at this time. This option will provide you with a premium at or below the premium level that you currently pay. The 2016 Enrollee Decision Period offer package will outline the personalized options available to you.

What support is available to help me make the right decision?

During the 2016 Enrollee Decision Period, FLTCIP enrollees will have access to trained customer service representatives, comprehensive information, and online instructional videos and webinar tutorials. The FLTCIP Customer Service Center is available Monday through Friday, from 8 a.m. to 8 p.m. (ET), at **1-800-LTC-FEDS (1-800-582-3337) TTY 1-800-843-3557**.

Can I make changes to my coverage not provided in my 2016 Enrollee Decision Period offer package?

At any time, you may request changes not provided in your 2016 Enrollee Decision Period offer package, but some changes may require underwriting and/or a higher premium. If you wish to make changes to your coverage outside of the personalized options in your offer package, please call FLTICIP Customer Service.

How do I submit my selection?

There are three ways to submit your selection:

1. Submit your option online at www.LTCFEDS.com/MyAccount.
2. Mail your completed form to:
Long Term Care Partners, LLC
P.O. Box 8330
Portsmouth, NH 03802-9908
3. Fax your completed form to **1-866-921-4511**.

Is there a deadline to respond?

Yes. The deadline to submit your personalized option is September 30, 2016. If you want to keep your current coverage and pay the premium increase, you do not need to do anything. Your coverage will remain the same and your premium will increase, effective November 1, 2016.

If I select an option now, will I be able to change to a different option during the 2016 Enrollee Decision Period?

Yes. If you elect an option and determine later that you wish to change your election, you may do so during the 2016 Enrollee Decision Period. Your last election submitted will be used.

If my premium is increasing or changing, when will I pay the new premium amount?

If your premiums are paid through:

- ▶ direct bill, you will receive a bill for the new amount in October
- ▶ automatic bank withdrawal, the new amount will be withdrawn in the first week of November
- ▶ payroll deduction, the new amount will be deducted from your first full pay period that begins on or after November 1, 2016
- ▶ annuity/pension deduction, the new amount will be deducted from the annuity/pension check in December that covers November

What happens if I miss the deadline for reasons beyond my control?

Please notify Long Term Care Partners immediately if you are unable to meet the deadline by calling FLTICIP Customer Service.

I misplaced my offer letter. How can I obtain another copy?

If you misplace your offer letter, FLTICIP Customer Service can mail you a copy. You can also get a copy by signing into your My LTCFEDS account at www.LTCFEDS.com/MyAccount.



Benefits Administration Letter

Number: 16-901

Date: July 18, 2016

**Subject: Federal Long Term Care Insurance Program (FLTCIP)
2016 Enrollee Decision Period**

Purpose

The purpose of this Benefits Administration Letter is to provide guidance about an Enrollee Decision Period for current enrollees in the Federal Long Term Care Insurance Program (FLTCIP), to be held from July 18 to September 30, 2016.

New Contract Term

Per Federal law, the U.S. Office of Personnel Management (OPM) must issue a new contract term every seven years for FLTCIP. In addition, the law requires that premiums must reasonably and equitably reflect the cost of benefits. OPM engaged in a full and open competitive bidding process for the third FLTCIP contract term and received a single bid. The FLTCIP contract was awarded to John Hancock Life & Health Insurance Company, effective May 1, 2016. John Hancock proposed higher premiums because recent analysis of the program, using updated assumptions based on identified trends and actual claims experience, indicated that the current FLTCIP premiums would not be sufficient to meet the future, projected costs of the benefits. The new premium rates are those established as a result of this competitive process. Most current enrollees are impacted by the premium increase, which will take effect on November 1, 2016. Therefore, OPM is holding an enrollee decision period for current enrollees from July 18 to September 30, to give them the opportunity to review their current coverage and make decisions that allow them to accept or alleviate the premium increase.

Long Term Care Partners (LTCP), LLC, a subsidiary of John Hancock, will continue to administer the program. Their toll-free phone number, 1-800-582-3337 (TTY 1-800-843-3337), and website, www.LTCFEDS.com, remain the same.

Enrollee Decision Period for Current Enrollees

a) Personalized Options

Long Term Care Partners (LTCP) will send a 2016 Enrollee Decision Period offer package with personalized options to impacted enrollees. It will include an introductory letter, a return envelope, an informational brochure, and an options form with detailed information about the

enrollee's current coverage and options to change coverage in an effort to reduce the impact of the premium increase. At least one of the options will allow the enrollee to reduce coverage in order to maintain the current premium at or below the current level. In general, enrollees will be able to choose:

- a premium-neutral option to fully offset the premium increase
- a partial increase, accepting roughly half the premium increase along with moderate coverage reductions; or
- the full premium increase to retain the current benefits and inflation protection

Eligible enrollees may also elect the paid-up, limited benefit. This option allows enrollees whose premium increase is beyond a certain percentage to stop paying premiums and keep paid-up coverage with a reduced level of benefits. Enrollees may request other benefit selections not indicated on the Benefit Options Form, but these options may require underwriting and/or a higher premium.

The current enrollees who will receive an offer package include:

- enrollees whose age at purchase was 79 years or younger
- enrollees who have standard FLTCIP coverage and are not enrolled in the FLTCIP's Alternative Insurance Plan
- enrollees who applied for coverage before new application rates were raised on August 1, 2015
- enrollees who are not currently eligible for benefits or awaiting a decision on a pending claim

If an enrollee does not respond by the September 30, 2016, deadline, the current coverage will remain the same and the premium will increase.

b) Underwriting Requirements

Eligible enrollees who choose to reduce their coverage or keep their current coverage (with the premium increase) will be able to do so without underwriting. Coverage increases require full underwriting.

c) Timing of the 2016 Enrollee Decision Period Package

The offer package mailings will begin in mid-July and will be staggered over several weeks; enrollees will not receive their packages at the same time. Enrollees may also visit www.LTCFEDS.com/myaccount to sign into or register for a MyLTCFEDS account to review their personalized options.

d) Due Date for Decision

The deadline for enrollees to submit a selection is **September 30, 2016**. If an enrollee does not respond by September 30, 2016, the enrollee's coverage will remain the same and the premium will increase.

e) Effective Date

The effective date of coverage changes that do not require underwriting will be November 1, 2016, regardless of when the Enrollee Decision Period request is received. Coverage changes requiring underwriting, if approved, will be effective the first day of the month following approval of the request, but not before November 1, 2016.

f) For Current Enrollees Only

The Enrollee Decision Period is for current FLTCIP enrollees only. It is not a general open season for all employees, annuitants, and qualified relatives.

g) Educational Resources

The 2016 Enrollee Decision Period offer packages will include information on alternative benefit options that an enrollee can select in order to help reduce the impact of the premium increase. The FLTCIP website www.LTCFEDS.com/QA has general questions and answers on the contract award and the Enrollee Decision Period. The FLTCIP website, www.LTCFEDS.com, will also have instructional videos that enrollees can access in their My LTCFEDS online account to help in the decision-making process. These videos will be specific to the individual enrollee's plan options. Webinars will be available to help enrollees make their selection during the Enrollee Decision Period. LTCP has a call center with trained program consultants to help current enrollees understand their choices. Personalized assistance is available from 8 a.m. to 8 p.m. (ET) at 1-800-582-3337 (TTY 1-800-843-3357).

h) Enrollee Decision Period Resources for Agency Benefits Officers

Long Term Care Partners (LTCP) developed a [dedicated web page](#) for agency benefits officers, Human Resource (HR) professionals, and similar personnel who work with employees, retirees, and affinity group members. OPM encourages HR professionals to use the web page's resources to help enrollees understand their coverage and the options available to them. A [fact sheet](#) has also been created to help agencies handle questions. Please share with all agency personnel—especially agency-shared service centers—who field benefits questions from employees and retirees.

In addition, HR professionals can register for an LTCP [informational training webinar](#) about the 2016 Enrollee Decision Period. The event will air live on Thursday, July 21, 2016, at 2 p.m. (ET). You may also register to view the on-demand version, if you cannot attend the live event.

If you have any questions regarding this Benefits Administration Letter, please contact the FLCIP Program Office at lrc@opm.gov or www.LTCFEDS.com/SecureEmail. You may also contact your [FLCIP account manager](#) directly for assistance.

Sincerely,

John O'Brien
Director, Healthcare and Insurance