FEHB Program Carrier Letter
All FEHB and PSHB Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

FEHB ☒ PSHB ☒

Letter Number 2026-07

Date: March 31, 2026

Fee-for-service [7] Experience-rated HMO [7] Community-rated HMO [8]

Subject: Federal Employees Health Benefits and Postal Service Health Benefits Programs Call Letter

Introduction

This is our call for benefit and rate proposals for Federal Employees Health Benefits (FEHB) and Postal Service Health Benefits (PSHB) Program Carriers (for brevity, and unless specifically stated otherwise, collectively referred throughout this document as Carriers). This combined Call Letter outlines OPM's policy goals and initiatives for benefit proposals from Carriers in Plan Year 2027. Carriers are reminded that effective plan design is key to providing high-quality, affordable health care and Carriers must set 2027 premiums that reasonably and equitably reflect the cost of the benefits provided and premium reserve balances.[1]

Submission of Proposals

Carriers must submit their benefit and rate proposals on or before May 31, 2026, for the contract term beginning January 1, 2027. OPM expects to complete benefit negotiations by July 31, 2026, and rate negotiations by mid-August to ensure a timely Open Season.

[1] 5 U.S.C. 8902(i); 5 C.F.R. §890.503(c)

Call Letter Instructions

The Call Letter outlines benefit policy and strategic initiatives of importance to all Carriers, unless specifically noted as applying to one of the two Programs. As a reminder, Call Letter responsiveness is evaluated by a Contracting Officer as an element of Plan Performance Assessment (PPA) for all Carriers.

Carriers are directed to pay close attention to the relevant sections of the Call Letter and Technical Guidance for the Program(s) to which they intend to submit proposals.

Unless otherwise specified, previous guidance remains in force and applies to both the FEHB and PSHB Programs.

FEHB and PSHB Program Benefits and Initiatives

I. Well Care

In Plan Year 2027, OPM is expanding its vision for benefits with a stronger emphasis on the physical and mental wellness of the whole person. This focus embraces individual autonomy, precision medicine, and patient-centered care, and recognizes that the pursuit of mental and physical health should not be limited to the treatment of symptoms. Members should be empowered with health and lifestyle intervention options to proactively prevent costly conditions and avoid low-value care. Likewise, members should be able to access mental and behavioral health providers that provide care consistent with the members' personal values.

This philosophy forms the foundation of OPM's emphasis on "well care" in Carriers' Plan Year 2027 benefit and rate submissions.

Vaccines

Vaccination coverage remains an important public health tool for protecting individuals and communities from preventable disease. However, the Administration has emphasized that decisions regarding vaccination should be grounded in individual medical judgment and informed consent,

particularly as it relates to pediatric and prenatal vaccinations. Consistent with this approach, the Administration has signaled its opposition to monetary incentives tied to pediatric and prenatal vaccinations uptake and has moved away from policies that condition funding or compliance on vaccination rates. OPM directs Carriers away from provider-based incentives for pediatric and prenatal vaccinations to ensure that their policies support members' independent judgment with respect to vaccination.

Carriers must continue to cover all vaccinations recommended, including those recommended for all children and those recommended for shared clinical decision-making by the Advisory Committee on Immunization Practices (ACIP)[2] and issued by the Centers for Disease Control and Prevention (CDC), through the Department of Health and Human Services (HHS).

Informed Consent/Decision for Covered Vaccines

Vaccination is a personal decision, and Carriers must ensure that their policies do not prevent members from exercising independent judgment with respect to vaccination. Carriers must require that providers comply with applicable informed consent laws. Providers may evaluate as to whether a vaccination is appropriate based on a patient's medical condition or other relevant indications and discuss this with the patient as part of the informed consent process. Carriers should expect that providers are utilizing the most recent vaccine information statements (VIS)[3] when educating members about the benefits and risks of vaccination and monitoring evolving evidence and studies.

Increased Focus on Non-Pharmaceutical Coverage Options

In response to previous expectations stated in Carrier Letters such as 2018-01 and 2019-5a Carriers shall continue to ensure coverage of non-pharmaceutical interventions (NPIs) as means for pain management. In addition, OPM requires Carriers to include medication management programs and NPIs as part of a comprehensive health management approach to prevent or delay costly complications of certain non-infectious diseases.

[2] ACIP Recommendations | ACIP | CDC
[3] Current VISs | Vaccines & Immunizations | CDC

A new joint guideline from the American Heart Association and the American College of Cardiology advises earlier treatment that includes lifestyle modification and medications as appropriate, recommends blood pressure management before, during and after pregnancy, and highlights using the new PREVENT™ risk calculator to estimate a person's cardiovascular disease risk to tailor treatment.[4] The new guideline reinforces the importance of healthy lifestyle behaviors, such as eating a nutritious diet, being physically active, and maintaining or achieving a healthy weight. It also recommends lifestyle modification for 3-6 months prior to starting medications for persons with elevated blood pressure (120-129/<80 mmHg) or persons with stage 1 hypertension (130-139/80-89 mmHg) who have a PREVENT ™ risk <10% and who do not have diabetes, chronic kidney disease, or atherosclerotic heart disease. These NPIs may be more cost-effective long term than pharmacotherapy alone.

Refer to the Technical Guidance for specific details regarding Non-Pharmaceutical Coverage Options.

Expanding Access to Functional and Lifestyle Medicine

Executive Order (EO) 14212 directs Federal agencies to ensure the availability of expanded treatment options and the flexibility for health insurance coverage to provide benefits that support beneficial lifestyle changes and disease prevention. Part of President Trump's MAHA initiative is the announcement of the MAHA Enhancing Lifestyle and Evaluating Value-Based Approaches Through Evidence (MAHA ELEVATE)[5] pilot test being offered for physician practices and facilities, community-based organizations and a variety of other community partners through the CMS Innovation Center. Health insurers are not specifically authorized to apply for this pilot since it applies to original Medicare. However, OPM is interested in learning about any internal analysis or outcomes data that Carriers may have on both preventive care and functional and lifestyle medicine interventions offered under their benefit packages and request that these are submitted with their plan proposals. Carriers' analyses will aid in understanding the most cost-effective way to expand evidence-based functional and lifestyle medicine programs.

[4] 2025 Guideline for the Prevention, Detection, Evaluation and Management of High Blood Pressure in Adults: A Report of the American College of Cardiology/American Heart Association Joint Committee on Clinical Practice Guidelines
[5] MAHA ELEVATE (Make America Healthy Again: Enhancing Lifestyle and Evaluating Value-based Approaches Through Evidence) Model | CMS

OPM continues its long-standing requirement that all Carriers provide access to programs that promote healthy lifestyles, help members modify health risks, and decrease the prevalence of costly chronic conditions in their membership. Carriers are reminded to ensure members receive follow-up support services that align with their members' wellbeing improvement goals.

Reproductive Services and Maternal Health

Preconception

Carriers are encouraged to create and incentivize the use of screening bundles and outreach programs, following the American College of Obstetricians and Gynecologists (ACOG) pre-pregnancy recommendations[6] [7] and the U.S. Preventive Services Task Force (USPSTF) recommendations rated "A" or "B"[8] for women interested in becoming pregnant within the next year. As part of OPM's well care philosophy, emphasis should be placed on ensuring access to treatments for conditions that are recognized to adversely impact fertility, such as obesity, prediabetes, chronic reproductive health conditions to include male factor infertility,[9] and hypertension. Improvement in men's[10] [11] and women's health[12] enhances their likelihood of conceiving naturally and, for women, completing a healthy pregnancy. This approach demonstrates that low cost and health-conscious choices are often the most effective.

Conception

When assistance with conception is determined to be medically necessary, OPM requires Carriers to ensure that the ART clinics in their networks report to the CDC Assisted Reproductive Technology Surveillance System and meet the standards set by the Society for Assisted Reproductive Technology (SART). Plan proposals must discuss how they ensure ART clinics in their networks meet CDC's reporting requests.

[6] American College of Obstetricians and Gynecologists Pre-Pregnancy Counseling
[7] American Society for Reproductive Medicine Pre-pregnancy Counseling
[8] US Preventive Services Task Force Recommendations
[9] Diagnosis and Management of Infertility: A Review - PMC
[10] The Latest Research in Male Infertility : Abstracts + "Beyond the Abstracts"
[11] Preconception Health For Men | American Pregnancy Association
[12] Natural Ways to Boost Fertility

OPM continues to strongly encourage Carriers to provide members with access to discounted or negotiated rates for non-covered ART procedures as previously referenced in Carrier Letter 2022-03. This information should be available on a CPT-code basis and described in the affinity benefits section of plan brochures.

Maternal Health Providers

All Carriers are permitted to cover Certified Professional Midwives (CPM)[13] and Certified Midwives (CM) where licensed to practice, or Certified Nurse Midwives (CNM)[14] and, to the extent such providers are covered, must list these providers in their directories.

Please see the Technical Guidance additional requests related to Reproductive Services and Maternal Health.

Prevention and Treatment of Obesity

OPM continues to require Carriers to provide a range of FDA-approved anti-obesity medications on their formulary, including at least one anti-obesity medication (AOM) from the GLP-1 class for weight loss and at least two (2) additional oral AOM options. OPM reminds Carriers of the importance of covering a comprehensive obesity management benefit to prevent and treat obesity that includes the following four components: nutrition and physical activity supports, intensive behavioral counseling, coverage of anti-obesity medications when medically indicated, and criteria for metabolic surgery.

FDA indications for anti-obesity medications reinforce that nutrition, behavioral interventions and physical activity regimens should precede drug treatment of obesity and that anti-obesity medications are not recommended for cosmetic or convenience weight loss.[15] This is consistent with guidance from nationally recognized clinical bodies including the American Diabetes Association, the American Association of Clinical

[13] North American Registry of Midwives
[14] American Midwifery Certification Board
[15] FDA: Obesity and Overweight: Developing Drugs and Biological Products for Weight Reduction: Guidance for Industry (Draft guidance released January 2025)

Endocrinology and the USPSTF. Carriers must cover the full extent of the USPSTF recommendations addressing healthy weight in adults,[16] children and adolescents,[17] and pregnant women.[18]

The primary USPSTF recommendation is intensive behavioral therapy (IBT), a combination of structured lifestyle interventions pertaining to nutrition, physical activity, and behavior change outside the realm of mental or behavioral health treatment for eating disorders. IBT for obesity management has shown cost savings related to physician time, medication use, and obesity-related costs.[19] The 2025 American Association of Clinical Endocrinology (AACE)/ American College of Endocrinology (ACE) guidelines indicate that a person's health should guide a shared clinical decision-making discussion, including intensification or de-escalation of therapeutic interventions, including IBT and anti-obesity medications, if indicated.

IBT for obesity[20, 21, 22] consists of the following:

- Screening for obesity in adults using measurement of BMI calculated by dividing weight in kilograms by the square of height in meters (expressed in kg/m^2) or waist/hip ratios:
- Dietary (nutritional) assessment; and
- Intensive behavioral counseling and behavioral therapy to promote sustained weight loss through high intensity interventions on diet and exercise.

For Plan Year 2027, OPM clarifies that the obesity management benefit must include the following benefit and Carrier requirements prior to and while covering AOM. Attestation statements alone from members or providers of prior weight loss attempts should not bypass these requirements for a comprehensive approach to obesity management. Carriers' comprehensive

[16] Recommendation: Weight Loss to Prevent Obesity-Related Morbidity and Mortality in Adults: Behavioral Interventions | United States Preventive Services Taskforce
[17] Recommendation: High Body Mass Index in Children and Adolescents: Interventions | United States Preventive Services Taskforce
[18] Recommendation: Healthy Weight and Weight Gain In Pregnancy: Behavioral Counseling Interventions | United States Preventive Services Taskforce
[19] Bradley DW, Murphy G, Snetselaar LG, Myers EF, Qualls LG. The incremental value of medical nutrition therapy in weight management. Manag Care. 2013 Jan;22(1):40-5. PMID: 23373140
[20] Weight Loss to Prevent Obesity-Related Morbidity and Mortality in Adults: Behavioral Interventions
[21] Behavioral Approaches to Obesity Treatment
[22] Intensive Behavioral Therapy for Obesity

approach for obesity management using these covered services should support data sharing and care team coordination to ensure improved member engagement, weight-related outcomes, and improved medical cost trend.

Benefit Requirements:

- Member participation in an obesity management program involving IBT as reflected in the USPSTF, Obesity Medical Association (OMA)[23], Endocrine Society, AACE[24], or ACE evidence-based clinical guidelines for frequency and duration of services;
- Documented participation of in-person or virtual obesity management program of the same rigor as described in the bullet above and certified by the program provider as meeting this rigor; and
- Continued participation and documentation of IBT should an AOM be prescribed.
- Criteria for metabolic surgery that includes the above points.

Carrier Requirements**:**

Prior authorization and utilization management for any AOM must ensure the member has demonstrated and will continue participation in lifestyle interventions meeting the rigor of IBT as referenced in this Technical Guidance before initiating treatment and while on an anti-obesity medication. Coverage of anti-obesity medications for obesity management must be consistent with FDA-approved labeling and clinical guidelines. As part of their considerations for prior authorization or utilization management for anti-obesity medications, Carriers should escalate or intensify IBT per the 2025 AACE/ACE guidance.[25] To ensure consistency with FDA-approved labeling and clinical guidelines, AOM must only be covered when used concurrently with IBT as described above.

[23]Obesity Medicine Association. OMA Obesity Algorithm®. 2023–2024 Edition. Available at: https://obesitymedicine.org/obesity-algorithm/

[24] American Association of Clinical Endocrinologists and American College of Endocrinology Comprehensive Clinical Practice Guidelines for Medical Care of Patients with Obesity - PubMed

[25] American Association of Clinical Endocrinology Consensus Statement: Algorithm for the Evaluation and Treatment of Adults with Obesity/Adiposity-Based Chronic Disease – 2025 Update - Endocrine Practice

Carriers must cover the following minimum CPT/HCPCS codes and associated modifiers for virtual sessions that can be provided by licensed physician providers (MD/DO), nurse practitioners, physician assistants, exercise physiologists/lifestyle coaches or similarly qualified (for IBT), registered dietitians (RD)/nutrition professionals (for Medical Nutrition Therapy [MNT]), and licensed mental health professionals who have training in obesity management:

- G0447: Intensive behavioral therapy for obesity, individual
- G0473: Group IBT for obesity, 30 min.
    - Minimum IBT coverage: Up to 12–22 sessions per year depending on progress
- 90832, 90833, 90834, 90836, 90837, 90838: Psychotherapy (if mental health integrated)

For members who also qualify for MNT, Carriers must provide and coordinate their IBT benefits with MNT. Carriers must cover the following minimum CPT/HCPCS codes and virtual session modifiers for MNT:

- 97802–97804 Medical Nutrition Therapy (RD or nutrition professional[26]).

MNT must include a risk assessment of the member's current nutritional intake which aligns with current principles of obesity management set forth by the organizations listed above. MNT case management led by a registered dietitian has been shown to have lower mean health plan costs than current care.[27]

These components apply whether Carriers outsource any components to third-party vendors. If Carriers opt to outsource their obesity premedication benefits to a third-party vendor, including digital or virtual vendors, that vendor must include coordination of all the IBT program elements.

Smartphone Applications or Artificial Intelligence (AI) only vendors are not eligible for coverage under this process; virtual programs must include

[26] For definition of nutrition professional: eCFR :: 42 CFR 410.134 -- Provider qualifications.
[27] Effects of lifestyle intervention on health care costs: Improving Control with Activity and Nutrition (ICAN) - PubMed

options for a combination of human coaching and interaction along with AI prompts.

Carriers are asked to encourage their providers and to include providers that follow the FITT(E) framework[28] (frequency, intensity, time spent, type of physical activity, and enjoyment [motivation]) as a covered benefit when delivered as part of evidence-based behavioral counseling for obesity by licensed providers and that aligns with their nutritional and behavioral risk assessment. Allowances for obesity-related physical impairment such as those that substantially limit one or more major life activities must be considered and incorporated into eligibility for AOM requirements.

There must be evidence of providers in their networks who can provide the necessary rigor of IBT obesity counseling as part of evidence-based obesity management. Case management programs where members are solely referred to wellness resources related to weight management are not considered IBT.

Carriers are strongly encouraged to provide coverage for these programs for adults with cardiometabolic risk factors and a BMI of at least 27 regardless of AOM utilization.[29]

Coverage of Services for Children and Adolescents with High BMI

Carriers must demonstrate coverage of child, adolescent, and family IBT programs that address the needs of children and adolescents 6 years of age and older and who have a BMI higher than the 95th percentile for age and sex.[30] These programs can be conducted at the primary care setting or conducted at community-centered organizations and provide the required 26 or more contact hours over 3 to 12 months; however, Carriers are strongly encouraged to contract with community-centered options for children, adolescents, and family caregivers that are listed in content specified in the

[28] ACSM Guidelines for Exercise Testing and Prescription (10th edition, 2021)
[29] Metabolic health and cardiovascular disease across BMI categories: NHANES findings | Journal of Health, Population and Nutrition | Springer Nature Link
[30] Recommendation: High Body Mass Index in Children and Adolescents: Interventions | United States Preventive Services Taskforce

CDC Family Healthy Weight Programs (FHWP)[31] for a minimum of 26 contact hours.

Carriers or their designated vendor must track utilization and outcomes of the components of their obesity medical management program including participation and completion rates, percentage weight change on average, and percentage change in the cardiometabolic risk factors of high blood pressure >130/80, fasting blood glucose >100 mg/dl, high triglyceride >150 mg/DL and low HDL (<40 mg/dl for men and less than 50 mg/dl for women). OPM expects Carriers to use this data to improve their obesity management programs as needed to achieve positive outcomes. OPM also expects Carriers to report utilization and outcome metrics of their obesity management programs as part of their 2027 plan proposal and as needed by OPM.

II. Cost Management and Efficiencies

Premiums

OPM's goal for the 2027 plan year is to offset any potential premium increases through innovative cost-saving strategies while continuing to ensure comprehensive healthcare coverage. OPM expects Carriers to submit benefit and rate proposals that support this objective. Proposals should be strategic, solutions -oriented, and focused on achieving the lowest possible premium without solely shifting costs to enrollees.

Carriers are encouraged to pursue innovative approaches to lowering administrative expenses, improving network efficiency, and strengthening Pharmacy Benefit Manager (PBM) and provider contracting arrangements. OPM also encourages Carriers to contact their Health Insurance Specialist promptly to begin pre-proposal discussions and to identify any barriers to developing cost-saving solutions as early as possible.

[31] CDC-Recognized Family Healthy Weight Programs | Family Healthy Weight Programs | CDC

All Carriers must provide sufficient documentation demonstrating that every feasible cost reduction strategy was thoroughly evaluated and incorporated into their benefit and rate proposals to the greatest extent possible.

A key component of premium reduction is the effective management of prescription drug spending, especially high-cost specialty medications. OPM expects Carriers to include in their proposals how they intend to adopt strategies such as increased biosimilar utilization based on lowest net cost, value-based purchasing models, enhanced rebate transparency, competitive and accountable PBM contracting, and reductions in administrative and markup costs. Carriers must maintain clinically appropriate formularies and evidence-based utilization management practices.

Site of Care Optimization

OPM's Consolidated Pharmacy Benefits Guidance states that "OPM expects Carriers to have a Site of Care (SOC) program to manage specialty drugs under the medical benefit" (see Carrier Letters 2022-02, 2023-03, 2024-05 and 2025-07).[32] This requirement is grounded in OPM's contracting authority under 5 U.S.C. 8902. OPM is now expecting SOC expansions to medical services.

OPM's overarching goal is to ensure that members have access to the most cost-effective, safe, and appropriate settings in a manner that manages overall Program costs. To this end, SOC initiatives should safely direct members to lower-cost settings (e.g., urgent care/virtual-first, physician office, hospital-at-home, outpatient/ASC) when clinically appropriate, coordinate utilization management across both medical and pharmacy benefits, and avoid access barriers. Carriers should periodically evaluate SOC and related cost containment strategies to ensure they produce optimized outcomes for medical services without creating unnecessary barriers to member access or reduced member satisfaction. Initial expectations are outlined in the technical guidance and OPM will establish forthcoming SOC reporting guidance in future contracting years. Associated costs will be made

[32] 2025 Consolidated Pharmacy Benefits Guidance (FEHB Program Carrier Letter 2025-07): Section IV, p.12

an allowable administrative expense under the contract for experience-rated Carriers.

Additional details are provided in the associated Technical Guidance.

Educating Members about TrumpRx Drug Initiative

The Administration's TrumpRx initiative, announced under Executive Order 14297, aims to make select prescription drugs available directly from manufacturers at prices tied to international and federal benchmarks. This program began in 2026 and reflects the federal government's commitment to aligning U.S. drug prices with global standards. While TrumpRx is a cash pay mechanism that expects to be most helpful when a drug isn't covered by insurance, OPM plans to work towards pharmaceutical cost reductions in line with the President's mandates to lower drug costs. Carriers should anticipate additional guidance on actions they can take to lower pharmaceutical costs.

OPM encourages Carriers to educate members about the TrumpRx initiative in alignment with prior Carrier Letters on price transparency.

Digital Therapeutics

Digital therapeutics (DTx) may offer evidence-based, clinically backed solutions to manage and/or improve health conditions via software and/or other digital health technologies that complement traditional treatment regimes.[33]

OPM encourages Carriers to make proven, cost-effective DTx available to members, to include those for pregnancy and post-partum. In this quickly evolving field, Carriers exploring DTx must ensure that any functionality made available to members is approved by the Food and Drug Administration; is compliant with HIPAA; has integration ability with provider and clinical workflows; and has peer-reviewed studies or real-world outcome data showing improvement in health outcomes or cost offsets. For example, use of an Evidence-Based Digital Mental Health Intervention (DHI)[34] as an integrated

[33] Digital Therapeutic Alliance
[34] Digital interventions in mental health: An overview and future perspectives - PMC

component of a therapy. Carriers must evaluate vendor business models (licensing, outcome-based contracts, data rights) and ensure the vendor has the capacity to engage at scale. Carriers must consider outcomes-based contracting with DTx vendors with verified improvement in the patient's condition.

Carriers must also require appropriate metrics to be collected such as member uptake (percentage who have access compared to the percentage who activate), engagement (e.g., percentage completing modules), clinical outcomes (e.g., percentage of members achieving target), and cost metrics (e.g., cost of DTx compared to avoidance of more expensive services).

OPM is interested in how Carriers may be covering DTx for members. Therefore, plan proposals must address if or how the Carrier is making DTx available to members.

Physician-Assisted Suicide

In accordance with 5 USC 8902(o), Carriers cannot cover physician-assisted suicide or any form of medically assisted suicide.

Sex Rejection Treatments

Beginning in the 2027 Plan Year, Carriers must remove any exceptions process (as previously identified in Carrier Letter 2025-01b) for coverage of excluded services for members who are mid-treatment within a surgical and/or hormonal regimen for diagnosed gender dysphoria. Counseling services for possible or diagnosed gender dysphoria must still be covered. Covered counseling services must be provided by a licensed mental health provider.

III. Technical Guidance

The 2026 Technical Guidance provides additional details for Carriers on the initiatives described in this Call Letter, as well as guidance on submission of benefit and rate proposals. Guidance on the submissions of benefit and rate proposals and plan brochures will be available in Carrier Connect and the

Brochure Creation Tool. Please follow the instructions carefully, as the rules for submission for FEHB plans may differ from PSHB plans.

IV. Conclusion

OPM's goal for both the FEHB and PSHB Programs is to offer quality and affordable health benefits that provide and empower members with access to health and lifestyle intervention options to proactively prevent costly conditions. Continuous open and effective communication between OPM contracting staff and Carriers should ensure a smooth and successful negotiation cycle. Carriers should discuss all proposed benefit changes with their FEHB and PSHB Health Insurance Specialists.

OPM looks forward to the negotiations for the upcoming contract year, and thanks all Carriers for their commitment to the FEHB and PSHB Programs.

Sincerely,

D. Shane Stevens

Digitally signed by D. Shane Stevens
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D. Shane Stevens
Associate Director
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