



National Treasury Employees Union Legislative Action

110th Congress 2nd Session

FEHBP AND HEALTH CARE AFFORDABILITY

The ever increasing costs of health care continue to confront federal employees and retirees. Once again, in 2008, premiums for the Federal Employees Health Benefits Plan (FEHBP) rose with nearly 60% of enrollees witnessing an increase of over 8%. Since 2001 premiums have increased by over 50%. Yet, the program has seen benefit and coverage cutbacks, higher co-payments and the addition of new plans that undermine the integrity of the system. NTEU will be pushing the new Congress to take a comprehensive look at FEHBP to see how costs can be held down for the 8 million enrolled federal employees, annuitants and their families.

NTEU supports legislation to increase the share of health premiums paid by the government. At the current time, the federal government pays an average of 72% of the insurance premium for its employees. Most large private sector and state and local government employers pay an average of 80% of their employees' health insurance premiums. NTEU supports H.R. 1256, a bill by Rep. Steny Hoyer (D-MD) to increase the federal share of the premium to 80%, thereby reducing costs to enrollees.

NTEU also supports requiring the Office of Personnel Management (OPM) to apply for a subsidy available under the Medicare prescription drug law to keep premium costs down. A Government Accountability Office Report (GAO-07-141) found that had OPM received the subsidy, premiums could have been lowered by an average of 2% and in some plans by 3.5% to 4%. Further, NTEU supports a government contribution towards FEDVIP, the popular dental and vision program which saw an average rise in premiums of 6.1% in 2008. Enrollees are required to pay the entire premium now.

Finally, we continue to oppose the expansion of FEHBP to encompass more high deductible plans funded through Health Savings Accounts (HSAs), which attract younger, healthier people and undermine the traditional health insurance risk pools used by plans covering most federal employees and retirees. NTEU also supports paid parental leave for federal employees to cover the birth or adoption of a child. NTEU believes this pro-family legislation, H.R. 3799, introduced by Rep. Carolyn Maloney (D-NY) will enhance the federal workforce while helping agencies retain and attract talent.

NTEU urges:

- **Cosponsorship of H.R. 1256 to increase the federal share of FEHBP premiums**
- **Support for requiring OPM to apply for the Medicare prescription drug subsidy**
- **Support for a government contribution towards FEDVIP**
- **Opposition to high deductible health plans (HDHPs) and HSAs**
- **Cosponsorship of H.R. 3799, the Federal Employees Paid Parental Leave Act**