

NTEU

The National Treasury Employees Union

December 7, 2009

Dear Senator:

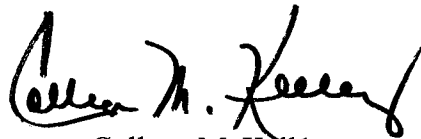
On behalf of the National Treasury Employees Union (NTEU) and the 150,000 federal employees and retirees in 31 federal agencies we represent around the country, I am writing to support the continued integrity of the Federal Employees Health Benefit Program (FEHBP) during consideration of the Senate's comprehensive health care reform legislation (H.R. 3590). Approximately eight million federal employees, retirees and their families currently participate in FEHBP, an employer sponsored plan administered by the Office of Personnel Management (OPM).

Media reports this weekend and today suggest the Senate health care reform bill might assign responsibility to OPM to operate any public option the legislation might create. If such new responsibilities were given to OPM, the agency would require considerable additional resources to meet the added new responsibilities. While NTEU takes no position at this time on that proposal, we want to emphasize our position in favor of maintaining the current FEHBP, with its own risk pool, as a program designed principally for federal and postal employees and retirees. Any merging — or opening up — of FEHBP now or in the future to additional groups of enrollees would amount to one employer sponsored plan essentially subsidizing other groups of employees. NTEU would oppose opening up FEHBP to additional groups without separate risk pools.

The FEHBP sets premiums based on usage. Introducing a large new group of individuals into the system would very likely increase usage and, therefore, the cost of premiums for federal enrollees with no accompanying increase in benefits. While we strongly support efforts to provide health coverage to all Americans, federal employees and retirees should not be singled out to subsidize that effort. The cost of increased coverage should be broadly and fairly distributed.

As the Senate moves forward on negotiations on its comprehensive health insurance reform bill, NTEU urges you to maintain the integrity of FEHBP.

Sincerely,



Colleen M. Kellef
National President