GOVERNMENT MANAGERS COALITION

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April 11, 2013

The Honorable Blake Farenthold Chairman, Subcommittee on Federal Workforce, U.S. Postal Service and the Census 2175 Rayburn House Office Building Washington, D.C. 20515

The Honorable Stephen Lynch Ranking Member, Subcommittee on Federal Workforce, U.S. Postal Service and the Census 2471 Rayburn House Office Building Washington, D.C. 20515

Dear Chairman Farenthold and Ranking Member Lynch:

On behalf of the five major federal sector executive and management professional associations comprising the Government Managers Coalition (GMC), we are writing to express our thanks to the Subcommittee for holding a hearing today to review the Federal Employees Health Benefit Program (FEHBP) in order to make it more cost effective. While you consider the costs and benefits of FEHBP, GMC would like to express our support for Congress to establish a FEHBP enrollment type of "Self Plus One," providing insurance coverage for an enrolled federal employee or retiree plus one eligible family member.

The Government Managers Coalition collectively represents the interests of over 200,000 supervisors, managers and executives throughout the federal government. The focus of the Coalition is to promote good government initiatives, including the assurance that federal employees' benefits are cost efficient. Many federal employees face unnecessary health care costs because they require insurance coverage for only themselves plus their spouse or dependent child, yet are forced to purchase FEHBP "Self Plus Family" coverage, where they incur the same health care premiums as large families. Members of Congress saw value in adding the plus one option to the Federal Employees Dental and Vision Insurance Program (FEDVIP) in 2004, and we encourage lawmakers to pursue establishment of the same health insurance flexibility options in the FEHBP.

GMC understands actuaries from the Office of Personnel Management completed a cost and premium projection of "Self Plus One" and found offering this to retirees would cost almost twice as much as providing coverage to younger enrollees and their families. However, this does not take into account that Medicare would be the primary insurance provider for retirees in most cases, thus almost negating the cost to the federal government.

We encourage the House Subcommittee on the Federal Workforce, U.S. Postal Service and the Census to consider all avenues to promote efficient spending on federal benefits. A "Self Plus One" option with FEHBP offers an equitable and affordable solution to those enrolled that need more coverage than just "Self," but less than "Self Plus Family." It is important to note that premiums are paid by both the

enrolled employee and the agency. Both are currently being overcharged by paying for insurance coverage for a family when only two individuals are being insured. Offering a "Self Plus One" option would reduce federal spending and provide an affordable health care option to these enrolled employees.

We appreciate your attention to federal health care coverage. As you consider ways to strengthen the FEHB system, we encourage you to support those policies that promote smart spending while also providing the most benefits to federal employees. Should you have any questions, please contact Greg Stanford, Director of Government Affairs, at the Federal Managers Association at <u>gstanford@fedmanagers.org</u> or (703) 683-8700, ext. 104. Thank you for your time and consideration of our views.

Sincerely yours,

DAVID S. CONLEY President FAA Managers Association

PATRICIA J. NIEHAUS President Federal Managers Association

STEVE CLIFTON

President National Council of Social Security Management Associations

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