



## PANEL SHOWS SUPPORT FOR POSTAL RETIREE HEALTH BENEFIT CHANGES

**L**egislation that seeks to repair the finances of the United States Postal Service (USPS) garnered broad bipartisan support among leaders and members of the House Committee on Oversight and Government Reform in the face of strong opposition from NARFE.

On Jan. 31, the chairman of the committee, Rep. Jason Chafetz, R-UT, introduced H.R. 756, the Postal Reform Act of 2017, along with the cosponsorship of the ranking member, Rep. Elijah Cummings, D-MD, and Reps. Mark Meadows, R-NC; Dennis Ross, R-FL; Gerald E. Connolly, D-VA; and Stephen F. Lynch, D-MA. Following introduction, the committee held a Feb. 7 hearing to promote the bill, while ignoring the negative impact the bill would have on tens of thousands of postal retirees and their survivors.

NARFE opposes the bill due to these deleterious effects, and submitted a statement that was entered into the hearing record by Rep. Connolly. Specifically, the bill would force current

postal retirees and their survivors to enroll in Medicare Part B or forfeit their earned retiree health benefits through the Federal Employees Health Benefits Program (FEHBP). These postal retirees would be forced to pay an additional \$1,600 per year (or more) – and \$3,200 per year (or more) for couples – in Medicare Part B premiums to maintain their retiree health benefits.

In the statement, NARFE

President Richard G. Thissen argued that this provision “breaks a longstanding promise to postal retirees by removing choice as it relates to their health care.” Such a move breaks the unwritten rule of not changing the game on retirees that Thissen said “sets a dangerous precedent for all federal retirees.”

NARFE has suggested a reasonable alternative to allow many retirees to add Medicare, but to preserve choice, through an opt-out for postal retirees who do not wish to pay additional premiums for additional health coverage.

Unfortunately, members of the committee appear determined to press forward with the proposal

### ACTION ALERT! > APRIL

Utilize the new Legislative Action Center to send a letter today urging your representative to oppose the Postal Service Reform Act of 2017, H.R. 756! NARFE opposes this legislation because it requires Medicare enrollment for current postal retirees and their spouses, and would break a promise to now-retired postal workers. Visit the Action Center at [www.narfe.org/legislation/votervoice.cfm](http://www.narfe.org/legislation/votervoice.cfm).

without changes. At press time, the committee was planning a markup in early March to approve the bill for floor consideration. NARFE will continue to oppose the bill's progress, even as major stakeholders line up in support of its provisions. The mailing industry, for example, favors limits on rate increases. With Medicare and postal retirees picking up the costs that previously would have been incurred by the Postal Service, other stakeholders do not need to accept alternate means to fix postal finances that may be reasonable, but run counter to their own financial interests.

Thissen continues to advocate for other options. "This is not the only path forward," he said. "Why not allow USPS to raise the price of postage to a more reasonable amount, instead of continuing to heavily subsidize the business of bulk mailers? Why not permit USPS to ship alcohol or provide more financial services? Why not simply end the burdensome prefunding requirement?" Unfortunately, this bill ignores these options, and instead would balance the Postal Service's books on the backs of 76,000 postal retirees and their survivors."

Even as NARFE has opposed the mandatory Medicare provision of H.R. 756, it has worked to improve and support various aspects of the proposal. First, the bill waives any increased premiums for late enrollment

in Medicare for those forced in. Second, those postal retirees forced to enroll would pay less than full Medicare Part B premiums for the first three years of coverage, paying only 25, 50 and 75 percent of the standard premium in years one, two and three, respectively. Finally, NARFE also was able to ensure that those postal retirees forced to enroll in Medicare as a condition of continuing their FEHBP coverage would be automatically enrolled, to avoid complete loss of all health insurance coverage for individuals who would fail to enroll affirmatively.

NARFE also is pleased that H.R. 756 does not end six-day mail delivery. However, NARFE opposes the bill's steps to end to-the-door delivery, which would allow the Postal Service to deliver mail to neighborhood clusterboxes.

NARFE members concerned about this bill should let their member of Congress know, by calling or sending a letter or email from the NARFE Legislative Action Center.

—BY JOHN HATTON, DEPUTY LEGISLATIVE DIRECTOR

#### CORRECTION

The March 2017 *narfe* magazine article, "NARFE-PAC: Protecting Your Benefits," incorrectly stated the amount raised by NARFE-PAC during the 2015-2016 election cycle. NARFE-PAC raised \$1.45 million. The magazine regrets the error.

## MYTH VS. REALITY

**MYTH:** Voucherizing the Federal Employees Health Benefits Program (FEHBP) would enhance its long-term viability.

**REALITY:** Based on a 2011 assessment by the Congressional Budget Office (CBO), voucherizing the FEHBP would cost enrollees thousands of dollars over just a few years. The proposed voucher program wouldn't adjust the amount of the voucher with the increase in health care costs, but rather on goods as a whole, using a Consumer Price Index. The CBO assessment found that many enrollees would opt into Medicare instead of the FEHBP, increasing Medicare spending. Further, according to the CBO, comparable large private-sector companies offer health coverage similar to the FEHBP. A switch to a voucher program would make federal employment less enticing to our nation's best and brightest. Such a move would jeopardize the viability of the program and threaten federal retirees and current employees who are planning for retirement.