



PMG Seeks to Take Us Out of Federal Healthcare Plan

Share this article



(This article appeared in the September-October 2013 edition of The American Postal Worker.)

Postmaster General Patrick Donahoe renewed his call to remove postal employees and retirees from the Federal Employee Health Benefits Program (FEHBP) in testimony before the House Oversight and Government Reform Committee on July 17.

“Now is the time for bold and sweeping action,” the Postmaster General (PMG) told lawmakers. “We’re seeking the authority under law to control our healthcare and retirement costs,” he said.

Where have we heard this before?

Donahoe first urged lawmakers to take postal employees and retirees out of the FEHBP at a House hearing on March 27,

2012, claiming such a move would save the USPS \$7 billion annually. (Now he claims savings would reach \$8 billion per year.)

Despite the fact that the FEHBP is one of the best health insurance programs in the nation, the PMG seems determined to continue his quest.

We are equally determined to make sure that it doesn't happen.

Just the Facts, Please

The USPS claims it can run a postal-only health plan more efficiently than the OPM (Office of Personnel Management) runs the FEHBP, and that a USPS-only health plan would save the Postal Service money. He also says postal employees and retirees would benefit from lower premiums and still receive the same or better health benefits.

Really? There is no factual basis for any of these assertions.

In testimony before the House Oversight Committee in March 2012, Walton Francis, the nation's leading independent expert on the FEHBP, flatly rejected Donahoe's claims. "Their proposal isn't going to save money. It's going to cost money," he said.

The PMG's plan also would "massively disrupt or destroy the FEHBP, the single most successful health insurance program ever operated by the United States government," by pulling out one fourth of its enrollees, he said. "In destroying the FEHBP, the USPS would disrupt the health insurance of 8 million Americans, and breach statutory entitlement promises made to millions of federal retirees," Francis testified.

“It hardly seems inappropriate to ask how, of all those insurance experts of both parties and both houses of Congress who have looked to the FEHBP as a model, only the USPS sees it as an albatross to be abolished,” he told lawmakers.

Francis also pointed out, “The USPS claims that FEHBP plan designs are somehow obsolete and do not match ‘best practices’ in the private sector or align ‘cost to value.’ This naturally raises the question as to how all those congressional leaders and experts of both parties could have been so badly fooled all these years. How is it that only the USPS has been able to detect that the FEHBP plans fail to provide health promotion and wellness benefits, and chronic condition and disease management programs? And of course the truth is that the FEHBP provides all these things and many more,” he said.

“The USPS has no professional or historical competence in insurance design or in analysis of health insurance reform models, and probably no real desire to gain these,” Francis pointed out.

It’s obvious that the PMG won’t let facts get in his way.

Doubts in Congress

Members of the House Committee on Oversight and Government Reform also expressed doubts about the claims made by the PMG.

Rep. Elijah Cummings (D-MD), the ranking Democrat on the panel, said at the March 2012 hearing, “I am quite skeptical that the Postal Service can or should manage its own health insurance system.

“I suspect that the achievable cost savings would come not from shrinking healthcare costs, but from shifting them onto employees. Postal employees would likely receive less coverage under a Postal Service plan and they would pay a greater share of their health bills. Postal annuitants would also pay more, as they would be faced with paying an increasing share of their healthcare from their fixed retirement incomes.”

Even committee Chairman Darrell Issa (R-CA), who said he would probably support Donahoe’s proposal, told the postmaster general, “Let’s have no illusion. You’re just cost-shifting.” Rep. Issa is considered an ardent foe of postal workers, and has called for pay cuts, benefit reductions, limits on employees’ collective bargaining rights, and \$3 billion worth of plant and post office closings.

Beware

But shifting costs on to postal employees wouldn’t be the only fallout from removing postal employees from the FEHBP.

Withdrawing postal employees from the FEHBP also would put the Postal Service another step closer to privatization.

Even though there is little support for removing postal workers and retirees from FEHBP as part of a postal reform bill, we must not fall into a false sense of security.

The APWU will vehemently oppose any plan to take postal employees or retirees out of FEHBP. Delegates to the APWU’s 2010 National Convention adopted a resolution that identified retaining the right to health benefits in the Federal Employee Health Benefits Program as a top priority.

We will continue to work with other postal and federal unions and associations, along with our friends in Congress and other allies to ensure that it never happens.

Legislation Legislation

Share this article   

RELATED ARTICLES



[Bipartisan Postal Reform Legislation Introduced in the Senate](#)

[Biden signs \\$1.9 Trillion COVID-19 Relief Bill Into Law](#)



STAY IN TOUCH WITH YOUR UNION

Subscribe to receive important information from your union.

CONTINUE ›



[APWU Store](#) [Events](#) [Members Only](#) [Contact](#)

American Postal Workers Union, AFL-CIO
1300 L Street NW
Washington DC 20005

© Copyright 2021

[Privacy Policy](#)