

WASHINGTON – House Majority Leader Steny Hoyer (D-MD) reintroduced bipartisan legislation (H.R. 1256.) today to increase the government's share of Federal Employee Health Care Benefit Plan (FEHBP) premiums from 72 percent to 80 percent. Congressman Frank Wolf (R-VA) joined Rep. Hoyer as an original cosponsor. Hoyer first announced he would reintroduce the bill earlier this week in remarks he made before members of two of the largest federal government employee unions, the National Treasury Employees Union (NTEU) and the American Federation of Government Employees (AFGE). “As the cost of health care has exploded, the strain on every federal employee's pocket has gotten worse,” said Congressman Hoyer. “This strain has been further exacerbated in recent years by inadequate pay adjustments for the federal workforce, including last year’s insufficient increase of 2.2 percent—the lowest in 20 years. This legislation will help take the bite out of rising health care costs and make it easier for federal employees to afford quality health care for themselves and their families.” By increasing the government's share of premiums, the share the federal government pays will be brought more in line with what most private and state employers pay, which is 84 percent for single health coverage and 73 percent for family coverage, according a 2006 employer health benefits study by the Kaiser Family Foundation. As calculated by the Office of Personnel Management, the average employee would save approximately \$509.08 per year under this legislation. “Federal employees are the lifeblood of this nation, and affordable health benefits are vital to recruiting and retaining the best and the brightest workforce to keep our government running efficiently,” stated Congressman Wolf. “This legislation will make the government more competitive in the marketplace for employees by bringing the federal government’s premium contribution closer to what is offered in the private sector. This is critically important, now more than ever, given the crucial role federal employees have in combating terrorism and in providing other essential services.” John Gage, President of AFGE, representing hundreds of thousands federal employees, stated “AFGE commends the Majority Leader for introducing legislation that will go a long way toward addressing the affordability problem faced by federal workers, retirees and their families when choosing FEHBP plans. The additional benefit will be to the government, because this change will greatly improve agency prospects for recruiting and retaining the next generation of federal employees.” In 1959, Congress enacted the FEHBP as a recruitment and retention tool for the federal government to compete in the job market. For over 40 years, the FEHBP has fulfilled its mission and presently insures over 9 million employees, their dependants, and annuitants. Unfortunately, the FEHBP has not been immune to sharp healthcare premium increases. Since 2001, federal employees have seen their health care premiums increase by more than 50 percent, while salaries adjustments have been much smaller. FEHBP premiums increased this year by 6.2 percent and by as much as 13 percent in 2002. In those years, federal employee pay adjustments have increased by 2.2 percent and 4.6 percent respectively. The President of NTEU, representing 150,000 federal employees, Colleen M. Kelly stated, “NTEU strongly supports Majority Leader Hoyer’s bill to make health insurance more affordable for federal enrollees by increasing the government’s share of the premium. Like all Americans, federal employees and retirees continue to face ever-increasing health care costs,” said NTEU President Colleen M. Kelley. “This bill would expand the number of federal families that can afford health insurance, and provide government agencies with another important tool in their recruiting competition with the private sector. If federal workers who serve our country in so many vital ways cannot afford health insurance, shame on us.” ###