

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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WASHINGTON, DC 20515-6143

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Minority (202) 225-5074

July 20, 2009

The Honorable Darrell Issa
Ranking Minority Member
Oversight and Government Reform Committee
B350-A Rayburn House Building
Washington, D.C. 20515

Dear Ranking Member Issa:

Thank you for your letter concerning H.R. 3200, the “America’s Affordable Health Choices Act.” My staff has been reviewing the legislation to determine the effect this bill will have on the Federal Employee Health Benefits Plan (FEHBP) if signed into law.

I should note initially that the legislation establishes a 5-year grace period for employment-based health plans, which explicitly includes FEHBP. During this period, no substantial changes to the FEHBP would be required. This 5-year period would begin in 2013, providing the Office of Personnel Management and this Committee until 2018 – nearly a decade – to make any necessary changes to the FEHBP. During this period, all other group and employment-based health plans will be conducting similar reviews to determine necessary changes.

As for changes to FEHBP, I understand that some administrative and a small number of benefits-related adjustments would be necessary in 2018 in order for all of the individual plans offered under FEHBP to satisfy the applicable requirements of a “qualified health benefits plan.” However, there will not be a need for a significant overhaul of FEHBP, and there likely will not be a need to amend title 5 of the United States Code to either alter the structure of FEHBP or to provide OPM with additional authority. My staff is available to discuss any of the potential changes to FEHBP in detail with your staff.

In addition, I am working with the Committees of primary jurisdiction on other issues within H.R. 3200 that fall within the jurisdiction of the Committee on Oversight and Government

Reform, including the establishment of a new inspector general, the Federal Acquisition Regulations, the Federal Advisory Committee Act, and proper coordination between the new Health Choices Administration and OPM.

Given the cooperation we have received so far, the limited impact the legislation will have on FEHBP, and the expedited manner in which H.R. 3200 is moving through the House of Representatives, I think the best approach is for our staffs to work with the Committees of primary jurisdiction on any needed changes. Therefore, I do not intend to hold a hearing on the bill at this time.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edolphus Towns". The signature is fluid and cursive, with a large initial "E" and a long, sweeping tail.

Edolphus Towns
Chairman