

STATEMENT OF ABBY L. BLOCK
DEPUTY ASSOCIATE DIRECTOR
FOR EMPLOYEE & FAMILY SUPPORT POLICY
OFFICE OF PERSONNEL MANAGEMENT

at a hearing of the

SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

on

H.R. 3751 AND DENTAL AND VISION BENEFITS
IN THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

FEBRUARY 24, 2004

MADAM CHAIRMAN AND THE MEMBERS OF THE SUBCOMMITTEE:

I AM PLEASED TO APPEAR BEFORE YOU TODAY ON BEHALF OF DIRECTOR
KAY COLES JAMES TO DISCUSS THE VIEWS OF THE OFFICE OF PERSONNEL
MANAGEMENT (OPM) ON DENTAL AND VISION BENEFITS UNDER THE
FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB) PROGRAM.

DIRECTOR JAMES HAS ALWAYS EXPRESSED A WILLINGNESS TO REVIEW
THE POLICIES AND PROGRAMS AFFECTING THE PAY AND BENEFITS OF
FEDERAL EMPLOYEES IN ORDER TO ENSURE THEIR EFFECTIVENESS FOR
EMPLOYEES, THE GOVERNMENT, AND THE TAXPAYER. AS YOU KNOW, THIS
YEAR, FOR THE FIRST TIME, WE MADE FLEXIBLE SPENDING ACCOUNTS
AVAILABLE TO FEDERAL EMPLOYEES. PRE-TAX DOLLARS DEPOSITED

INTO THOSE ACCOUNTS CAN BE USED TO COVER THE COST OF DEDUCTIBLES AND COPAYMENTS AND OTHER HEALTH CARE COSTS THAT ARE NOT COVERED BY FEHB PLANS AND ALSO TO PAY ELIGIBLE DEPENDENT CARE COSTS. DIRECTOR JAMES IS FIRMLY COMMITTED TO THE ONGOING REVIEW OF ALL THE BENEFITS OFFERED UNDER THE FEHB PROGRAM.

OF COURSE, GIVEN THE EVER INCREASING COST OF PROVIDING HEALTH BENEFITS COVERAGE THROUGHOUT THE NATION, WE MUST BE MINDFUL OF THE EFFECTS OF ANY CHANGES ON THE COST OF COVERAGE FOR FEDERAL EMPLOYEES, RETIREES, AND THEIR FAMILIES. UNDER THE LEADERSHIP OF DIRECTOR JAMES, AND THROUGH A COMBINATION OF TOUGH NEGOTIATING AND CAREFUL SCRUTINY, WE HAVE MANAGED TO RESTRAIN THE COST INCREASES FOR OUR PROGRAM IN RECENT YEARS BELOW THE LEVEL FOR THE ECONOMY GENERALLY. WE WOULD NOT WANT TO DO ANYTHING THAT WOULD NOT REFLECT THE SAME LEVEL OF DUE DILIGENCE AND CAREFUL CONCERN.

WITH REGARD TO YOUR BILL, H.R. 3751, IT WOULD, OF COURSE, REQUIRE OPM TO STUDY AND PRESENT RECOMMENDATIONS UNDER WHICH DENTAL AND VISION BENEFITS COULD BE MADE AVAILABLE TO FEDERAL EMPLOYEES AND RETIREES AND OTHER APPROPRIATE CLASSES OF INDIVIDUALS. REGRETTABLY, SINCE THE BILL WAS INTRODUCED SO

RECENTLY, THE ADMINISTRATION HAS NOT YET DEVELOPED A POSITION. THEREFORE, I AM NOT ABLE TO EXPRESS A VIEW ON IT AT THIS TIME. I CAN SAY, HOWEVER, THAT EVEN WHERE THERE IS NO OBJECTION TO CONDUCTING A STUDY OR REVIEW, TRADITIONALLY THE ADMINISTRATION HAS OBJECTED TO ANY STATUTORY REQUIREMENT TO MAKE RECOMMENDATIONS.

I WILL, OF COURSE, BE HAPPY TO DISCUSS THE EXTENT OF DENTAL AND VISION COVERAGE UNDER THE CURRENT FEHB PROGRAM. AT DIRECTOR JAMES' REQUEST, WE HAVE BEEN GATHERING INFORMATION ON DENTAL AND VISION CARE PROGRAMS SO WE CAN BE AWARE OF THE PRACTICES OF OTHER EMPLOYERS AND COGNIZANT OF INDUSTRY TRENDS. I ALSO WOULD BE HAPPY TO OFFER ANY INFORMATION I HAVE ABOUT HOW SUCH PROGRAMS ARE STRUCTURED AND ADMINISTERED BY THE INDUSTRY FOR OTHER PURCHASERS.

I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU MIGHT HAVE IN THAT REGARD.