

SUMMARY OF H.R. 5102  
THE FEDERAL EMPLOYEES HEALTH BENEFITS  
AMENDMENTS ACT OF 1988

Source: H.R. 5102 was introduced on July 28, 1988, by Mr. Ackerman, Mrs. Morella, Ms. Oakar, Mr. Myers and Mr. Leland.

Purpose: To protect the Federal Employees' Health Benefit Program (FEHBP) and its enrollees from unfit health care providers, and providers who commit certain types of financial misconduct. To provide temporary continuation of FEHBP coverage to separated enrollees, their unmarried dependent children, and certain former spouses.

Summary: H.R. 5102 amends chapter 89 of title 5, United States Code, to empower the Office of Personnel Management (OPM) to exclude certain health care providers from participating in FEHBP. The actions for which a provider may be barred include: conviction relating to fraud, corruption, breach of fiduciary responsibility, financial misconduct, neglect or abuse of patients, obstruction or interference with an investigation, or crimes concerning a controlled substance; the revocation, suspension, restriction, or nonrenewal of a license; and the submission of fraudulent claims, claims which contain charges substantially in excess of usual charges, or claims for services which were medically unnecessary or which fail to meet professionally recognized standards. In addition, OPM is authorized to impose civil monetary penalties on providers in instances of improper claims. This provision is similar to the exclusion section in the Medicare and Medicaid programs.

In addition, H.R. 5102 amends chapter 89 to provide for the temporary continuation of FEHBP coverage for separated employees, their unmarried dependent children, and certain former spouses. Employees would be permitted to extend their health insurance coverage for up to 18 months, and their children and former spouses may extend coverage for up to 36 months. Beneficiaries would be required to pay an amount equal to the combined employee and agency contribution to continue FEHBP coverage. Additionally, the Office of Personnel Management (OPM) may charge no more than an additional 2% of the total premium to cover administrative expenses. This section is similar to the continuation coverage which was afforded to private sector employees in the Consolidated Omnibus Reconciliation Act of 1985.

Background: The Subcommittee on Compensation and Employee Benefits held oversight hearings relating to FEHBP on May 11 and May 18, 1988. H.R. 5102 incorporates two changes to FEHBP which were suggested at the May 11 hearing. On August 3, 1988, the Subcommittee approved H.R. 5102, without amendment, for full Committee consideration, by a unanimous vote.

Administration Views: During the May 11 hearing, the Director of OPM testified in support of legislation which would provide OPM with the authority to exclude certain health care providers from participating in FEHBP. In response to follow-up questions, OPM wrote that any proposal to provide continuation of FEHBP coverage should be budget-neutral.

Cost: The Subcommittee has been advised by the Congressional Budget Office that H.R. 5102 is budget-neutral.