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# Congress of the United States

## House of Representatives

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### Opening Statement

#### Rep. Elijah E. Cummings, Ranking Member

#### Committee on Oversight and Government Reform

#### Subcommittee on Federal Workforce, U.S. Postal Service and Labor Policy

#### Hearing on "Can a USPS-run Health Plan Solve Its Financial Crisis?"

March 27, 2012

Thank you Mr. Chairman. The Postal Service recently issued its five-year "Plan to Profitability," in which it proposes achieving \$20 billion in savings by 2015. The Postal Service estimates that it can achieve \$10 billion in cost savings without legislation, but it will require Congressional action to realize the remaining \$10 billion in savings. According to the Postal Service's plan, the bulk of those savings—\$7 billion—would be realized if Congress authorized the Postal Service to take its employees and retirees out of the Federal Employee Health Benefits Plan (FEHBP) and put them into its own health care plan.

Currently, FEHBP covers more than 9 million federal employees and their families nationwide. Employees enrolled in FEHBP can choose from among 200 different health care plans. The Postal Service contends that it could manage employee health insurance better than the federal government as a whole.

I want the Postal Service to succeed in the long run. I believe the Postal Service serves a unique and irreplaceable function in our society, and that it is a necessary part of our nation's economic and social future.

But I am skeptical that the Postal Service can or should manage its own health insurance. I suspect that the achievable cost savings would come not from shrinking health care 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 health care from their fixed retirement incomes.

I look forward to hearing from the Postmaster General today about this proposal and about these concerns. I also want to hear from him how he is going to grow the Postal Service's business, and what new authority he needs from Congress in order to make the Postal Service as relevant to America's future as it was to our past.

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