



## **NARFE'S LEGISLATIVE PROGRAM FOR THE 112<sup>th</sup> CONGRESS (2011-2012)**

NARFE's legislative program is crafted by its members at a national convention held in the year immediately preceding the beginning of each new Congress. Through a resolution procedure originating at the local chapter level, the process culminates at the national convention with the adoption of specific legislative policy goals. Once approved, the goals become NARFE's legislative program for the next Congress.

*Under the NARFE by-laws, the National President has the authority to execute Association policy, which includes the Legislative Program. Under this authority, the National President makes the final legislative policy and strategy decisions based on guidance from the Legislative Program and counsel from the Legislative Director and considers the views of the National Executive Board and leaders and members of the Association. Such counsel and views take on particular importance when, in the absence of specific guidance from the Legislative Program, the National President must use judgment on what is in the best interest of federal workers and annuitants.*

Below is NARFE's legislative program for the 112th Congress (2011-2012) adopted by delegates at the 31st Biennial National Convention held August 29 – September 2, 2010 in Grand Rapids, Michigan.

This Legislative Program is ordered into three categories to illustrate their priority as NARFE legislative goals. The first priority is to preserve the earned retirement benefits of annuitants and employees. The second priority is legislation that would provide enhanced benefits to a significant share of NARFE's current and future membership. Ranking third are other key positions.

Legislative goals followed by a star ★ asterisk require the introduction of legislation.

Positions printed in *italics* are new to the legislative program for the 112th Congress.

### **PRESERVING EXISTING BENEFITS**

### **Economic Security: Federal Civil Service Annuities**

- ✓ NARFE shall continue efforts in strong support of cost-of-living adjustments (COLAs) for all federally administered retirement programs on a regular annual schedule, computed on the same basis and paid at the same time, regardless of age and/or income level. NARFE opposes across-the-board cuts not required in all federally administered retirement programs.
- ✓ NARFE supports, and shall continue to evaluate, a Consumer Price Index (CPI) based on the objective analyses of Bureau of Labor Statistics (BLS) professionals, and opposes any politically arbitrary changes in the CPI. The BLS should establish a research program to develop an accurate measure for retirees. NARFE shall work towards and support changing the CPI-W to the CPI-U as the standard for determining the cost-of-living adjustment. ☺
- ✓ NARFE opposes any action that erodes the solvency of the Civil Service Retirement and Disability Fund (CSRDF) and supports providing full public disclosure of the fiscal stability and financial obligations of the fund.

### **Federal Employees Pay**

- ✓ NARFE supports full implementation of federal employee pay parity as reflected in the Federal Employees Pay Comparability Act of 1990 (P.L. 101-509).

### **Health Security: the Federal Employees Health Benefits Program (FEHBP)**

NARFE supports protecting the nation's most efficiently administered and cost-effective employer-sponsored health insurance program, the FEHBP, for federal employees and annuitants. Toward that end:

- ✓ NARFE will continue to actively participate in ongoing discussions with key Office of Personnel Management (OPM) officials and staff regarding the premiums, benefits, terms, conditions and marketing of FEHBP plans. NARFE opposes increases in the enrollee copayment for purchase of prescription drugs in FEHBP by federal annuitants who participate in Medicare;
- ✓ NARFE supports legislation that would ensure that all FEHBP enrollees receive the same level of prescription drug coverage, by plan; and ☺
- ✓ NARFE supports retaining the carryover provisions in current law for Flexible Spending Accounts (FSAs) to ensure that FSAs are not used in conjunction with high deductible catastrophic health insurance to form an alternative version of a Health Savings Account. ☺

To protect the program, NARFE opposes:

- ✓ authorizing Health Savings Accounts, Medicare Savings Accounts, Medical Savings Accounts, “customer-driven”, “consumer-driven” or “patient-directed” plans in the FEHBP;
- ✓ broadening participation in FEHBP, unless separate risk pools are created;
- ✓ indexing flat payment by the U.S. Government for FEHBP premiums;
- ✓ requiring federal agencies to pre-fund the government/employer’s share of post-retirement FEHBP premiums for their current employees;
- ✓ establishing separately rated health plans for Medicare-participating retirees and survivors; and
- ✓ proposals that would encourage or force federal annuitants or workers into “cost-conscious” FEHBP plans, such as managed care and “customer-driven” options.

### **Ensuring Job Security for Federal Workers Affected by Privatization**

- ✓ NARFE opposes policies on contracting-out of federal jobs which put employees at an unfair disadvantage in the competitive process.
- ✓ NARFE opposes proposals which would privatize government functions that do not ensure the continued federal service of current employees.
- ✓ NARFE specifically opposes contracting-out the processing and maintenance of Federal personnel records.

### **Providing Long-Term Care**

- ✓ NARFE shall actively participate in the ongoing development of the federal long-term care insurance program, including use of the plan's economy of scale to make premiums and underwriting requirements more reasonable than similar products sold in the private market.
- ✓ NARFE supports the guarantee of long-term care benefits for individuals presently eligible for Medicaid, adequate state and federal contributions to Medicaid to finance current and future program needs, standards of care and safety that all nursing homes must follow in order to receive reimbursement for any patient in their care, and current Medicaid law which protects spouses of nursing home residents from becoming impoverished. NARFE opposes further limitations on, and supports easing, asset rules which prevent severely disabled persons from qualifying and receiving Medicaid long-term care benefits. ☺

## **Guaranteeing Medicare for Current and Future Generations**

NARFE supports:

- ✓ protecting Medicare's guarantee of basic health security for older Americans at affordable and predictable prices;
- ✓ preserving the current Medicare fee-for-service program, including the ability to select the physician of your choice; and
- ✓ ensuring that the Medicare drug program does not require beneficiaries who receive such coverage through other insurance to pay additional premiums. ☺

NARFE opposes:

- ✓ means-testing cost-sharing requirements;
- ✓ increasing the Medicare eligibility age;
- ✓ requiring home health care copayments;
- ✓ proposals that would give private Medicare plans an unfair competitive advantage over the current Medicare fee-for-service program and undermine the present program's ability to share health care costs over a wide community of coverage, including the premium support demonstration program; ☺ and
- ✓ schemes that limit the government portion or reduce its proportional share of Medicare premiums through a formula that does not accurately reflect the updated costs of providing health care to eligible beneficiaries.

## **Guaranteeing Social Security for Current and Future Retirees**

- ✓ NARFE opposes investment of the Social Security reserves in investments other than Treasury securities.
- ✓ NARFE opposes replacing any portion of Social Security benefits with private individual accounts.
- ✓ In addition, NARFE should be guided by the following seven Social Security principles to provide:
  - 1) a benefit people can depend on;
  - 2) financial security for the disabled, survivors, and dependents (i.e., social insurance);
  - 3) universal and fair coverage;

- 4) deliberate redistribution of benefits to lower income beneficiaries;
- 5) efficient administration of the program (less than one percent overhead costs);
- 6) benefits at no risk to the beneficiaries; and
- 7) full cost-of-living adjustments (COLAs).

### **Preservation of Employer Sponsored Health Insurance**

- ✓ NARFE supports enforcement of provisions in the Age Discrimination in Employment Act to ensure that, when provided, the same level of employer-sponsored health coverage be given to all retirees regardless of age.

## **ENHANCING EXISTING BENEFITS**

### **Making Health Care More Affordable**

The Association shall actively participate in efforts by the Administration and Congress to contain FEHBP costs, including the development and implementation of initiatives to rein in skyrocketing prescription drug expenses, particularly the use of the Federal Supply Schedule by FEHBP plans to purchase prescription drugs on behalf of enrollees.

- ✓ The Association will educate its members on the effect of adding to or changing coverage and the costs and benefits of requiring such benefit changes.
- ✓ NARFE opposes the Office of Personnel Management's decision to forgo the Medicare employer subsidy to which the FEHBP is entitled since plans provide annuitants age 65 and older with drug coverage that is greater in value than the Medicare Part D prescription drug program and will actively pursue the subsidy for the purpose of offsetting FEHBP premiums charged to the government/employer and all enrollees.

### **Ensuring Fair Social Security Benefits for Government Retirees**

- ✓ NARFE supports the repeal or reform of the Social Security Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).<sup>9</sup>

- ✓ NARFE supports legislation that would require the Social Security Administration to annually report the amount of WEP penalty to affected individuals. ☺

## **ADDITIONAL PRIORITIES**

### **Perfecting Federal Retirement**

- ✓ NARFE supports legislation to provide retiring federal employees the option of electing and paying the actuarial cost of additional survivor annuity amounts in five (5) percent increments, up to 75 percent of an unreduced annuity. ☺
- ✓ NARFE shall advocate and support legislation that permits civilian federal employees to deposit bonuses and performance awards in any form into the TSP on a tax-deferred basis. ☺ NARFE supports legislation to conform the TSP regulations with IRS regulations on other qualified retirement savings plans. ☺ NARFE supports legislation to authorize the Federal Retirement Thrift Investment Board to take legal action to protect the interests of TSP account holders in accordance with its fiduciary responsibilities. ☺
- ✓ NARFE supports legislation on behalf of the diminishing number of Filipino federal annuitants to provide for increased and adequate compensation for services rendered to the Government of the United States. ☺
- ✓ NARFE supports legislation to prevent the erosion of deferred federal annuitant retirement benefits. ☺
- ✓ NARFE supports legislation to correct the calculation of annuities of federal retirees who worked part-time in the final years of their careers, and whose annuities are reduced as a result of the interpretation of federal deficit law [Section 15204 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) (P.L. 99-272)]. ☺
- ✓ NARFE supports legislation which would allow the recalculation of retirement annuities for federal employees who have retired since 1994, and worked in Hawaii, Alaska or the U.S. Territories, and who pay contributions to the Civil Service Retirement and Disability Fund and income taxes that they would have paid had locality pay been available to them prior to their retirement. ☺

### **Enhancing Long Term Care**

- ✓ NARFE supports proposals to develop and coordinate a comprehensive long-term care policy that would include public and private initiatives that address financing, choices and quality service.

- ✓ The Association supports tax relief for the purchase of long-term care insurance, family caregiving and other long-term care expenses. ☺ NARFE supports proposals that would help individuals who cannot afford long-term care insurance or have an immediate or likely need for long-term care to receive such services without impoverishing themselves. ☺
- ✓ NARFE supports nursing home reform, including efforts to ensure that long term care facilities are adequately staffed with experienced professionals in the medical disciplines of gerontology and nursing and that such individuals continue to receive training and are adequately compensated. ☺

### **Improving the Federal Employees Health Benefits Program (FEHBP)**

- ✓ NARFE will encourage the Office of Personnel Management to increase the number of health care providers who are board certified in, or have training in, geriatrics in FEHBP plans.

### **Providing Tax Relief for Health Care Expenses**

- ✓ NARFE supports legislation to amend section 125 of the tax code to allow federal retirees and survivors, and all other retirees, to pay:
  - 1) their share of FEHBP and other employer-sponsored health insurance premiums with pre-tax annuities; ☺ and
  - 2) health care costs not covered by traditional health insurance and child and adult dependent care with pre-tax annuities deposited by annuitants in “Flexible Spending Accounts” (FSAs). ☺

### **Ensuring the Long-Term Viability of the Postal Service**

- ✓ *NARFE supports legislation to allow the Office of Personnel Management to make payments from any refund due to the United States Postal Service (USPS) from the Civil Service Retirement and Disability Fund (CSRDF), on the condition that such payments would not result in the reduction of federal annuities paid to retirees and survivors.* ☺

### **Improving Medicare**

NARFE supports efforts to:

- ✓ Repeal means-testing of Medicare premiums; ☺
- ✓ Reduce the penalty imposed on those who do not enroll in Medicare Part B at the time they become eligible; ☺

- ✓ Enhance Medicare prescription drug coverage, including authority for the federal government to negotiate drug prices for the entire program; simplifying and stabilizing coverage; and provide equal coverage throughout the United States and its territories;☺ and,
- ✓ Place a greater emphasis on gerontological studies and training in medical education programs financed by Medicare.

### **Controlling Prescription Drug Costs**

NARFE supports legislation to:

- ✓ allow pharmacies to buy prescription drugs from pharmaceutical manufacturers for Medicare beneficiaries at the same average discount available in industrialized countries;☺
- ✓ permit drugs made in the United States or other industrialized countries, and exported to third party industrialized countries, to be reimported, or imported, to the U.S.; ☺
- ✓ prevent pharmaceutical manufacturers from limiting the sale of drugs to other countries for the purpose of discouraging reimportation; and, ☺
- ✓ speed the approval of less expensive generic drugs. ☺
- ✓ NARFE supports compliance with current law that directs the Food and Drug Administration (FDA) to approve new drugs through evidence-based evaluation.

### **Providing Comprehensive Patient Protections**

- ✓ NARFE supports legislation that would provide comprehensive patient protections to consumers enrolled in health plans regulated by federal and state law and would also allow such individuals to sue their plans for wrongful denials of care.☺

### **Securing Universal Access to Comprehensive Health Care**

- ✓ NARFE supports access to comprehensive health care for all Americans.☺

### **Preventing Medical Errors**

- ✓ NARFE supports legislation which would create a system to monitor, analyze and prevent medical errors.☺

### **Establishing Tax Equity**

- ✓ NARFE supports legislation to provide equitable tax treatment of government retirement benefits comparable with Social Security. ☺
- ✓ NARFE supports indexing the income threshold on taxable Social Security benefits. ☺

### **Supporting Community Services for Older Americans**

- ✓ NARFE supports the reauthorization of, and adequate annual appropriations for, the Older Americans Act to ensure the continuation and enhancement of community services for senior citizens of all income levels. ☺

### **Improving Response Plans for Older Americans**

- ✓ NARFE supports the development of a coordinated federal, state and local emergency response plan for seniors in the event of public health emergencies or natural disasters. ☺

### **District of Columbia Statehood and Delegate Voting Rights**

- ✓ NARFE supports legislation that would grant statehood to the District of Columbia. ☺
  - ✓ NARFE supports legislation and other changes necessary to extend to the Delegate from the District of Columbia the same right to vote on the floor of the U.S. House of Representatives as is afforded to all other Members of Congress. ☺
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