



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

June 15, 2018

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Claire McCaskill
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
442 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Johnson and Ranking Member McCaskill:

The Office of Personnel Management (OPM) supports S. 2221, the Repeal Insurance Plans of the Multi-State Program Act of 2017. The Multi-State Plan (MSP) Program was established pursuant to Section 1334 of the Affordable Care Act. The statute charges the Director of the OPM to enter into contracts with health insurance issuers “to offer at least 2 multi-State qualified health plans through each Exchange in each State.” In recognition of OPM’s 50 years of experience managing the highly successful Federal Employees Health Benefits (FEHB) Program, the Director is charged with implementing the MSP Program “in a manner similar to the manner in which the Director implements the contracting provisions” of FEHB. The statute gives the Director authority to determine whether a health insurance issuer meets the requirements to offer coverage under the MSP Program and whether the issuer’s proposed health insurance options can be approved, or “certified.” Once certified by OPM, an MSP option can be offered on the Exchange. However, the MSP Program is targeted to private individuals seeking insurance through the Exchanges, which is outside of OPM’s traditional, core mission.

MSP options initially became available on the Exchanges in 32 States in 2014. The Program expanded into 36 States in 2015, but issuer participation declined significantly over the next three years. In 2018, MSP options are offered in only one State, Arkansas. Today, over 55,000 Arkansans are enrolled in MSP options offered by Arkansas Blue Cross Blue Shield through either the Exchange or the state’s Medicaid private option, Arkansas Works. Despite extensive efforts by OPM to encourage issuer participation, it has been difficult to incentivize issuers to partner with OPM to expand the Program. As issuers gained more experience with the Exchanges and the changing business conditions in the individual market, most were unable to find a compelling business case to begin or continue to offer MSP options instead of, or in addition to, Qualified Health Plans (QHPs), which are plans certified by either the Federally-facilitated Exchange run by the Centers for Medicare and Medicaid Services (CMS) or State-Based Exchanges. Consequently, OPM has concluded that it is not feasible to achieve the underlying goal to make MSP options widely available within current statutory authority under

Section 1334. As issuer participation in the Program has declined, OPM has shifted staff and budgetary resources away from the MSP Program and towards enhancing its administration of insurance programs serving Federal employees and annuitants, primarily the FEHB Program. If S. 2221 becomes law, OPM will continue its realignment of resources to critical missions, maintaining only the necessary staff and limited resources necessary to ensure an orderly phase out and termination of its responsibilities under the MSP Program. This includes processing MSP enrollee requests for external review of claims denied by issuers who currently participate or previously participated in the MSP Program. It is essential that any final legislation recognizes this important, ongoing obligation to consumers.

Repealing this statutory requirement would allow OPM to further strengthen its capacity to meet the important needs of our benefit programs serving the 2.7 million employees of the Federal workforce and over 2 million Federal workforce retirees.

Thank you for the opportunity to clarify OPM's official position on the MSP Program. If you have any additional questions, please contact Mr. Stephen Billy, Director, Congressional, Legislative and Intergovernmental Affairs at (202) 606-1300.

Sincerely,



Dr. Jeff T.H. Pon