



Congress of the United States  
House of Representatives  
Washington, DC 20515

July 28, 2016

The Honorable Jason Chaffetz  
Chairman  
House Oversight and Government  
Reform Committee  
2157 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mark Meadows  
Chairman  
Subcommittee on Government Operations  
2157 Rayburn House Office Building  
Washington, DC 20515

The Honorable Elijah Cummings  
Ranking Member  
House Oversight and Government  
Reform Committee  
2471 Rayburn House Office Building  
Washington, DC 20515

The Honorable Gerry Connolly  
Ranking Member  
Subcommittee on Government Operations  
2471 Rayburn House Office Building  
Washington, DC 20515

RE: OPM Contract Renewal for FLTCIP

Dear Chairman Chaffetz, Chairman Meadows, Ranking Member Cummings, and Ranking Member Connolly:

On July 15, the Office of Personnel Management (OPM) announced that it had awarded a new seven-year contract to John Hancock Life and Health Insurance Company (John Hancock) for the Federal Long Term Care Insurance Program (FLTCIP). It was also announced that Long Term Care Partners, LLC, (LTCP), a wholly-owned subsidiary of John Hancock, will continue to administer the program. As you know, John Hancock was also the previous contract holder for these services. The announcement went on to say that the contract was negotiated to include rate increases that would yield higher premiums, which will begin November 1, 2016, and will increase most of FLTCIP's 274,000 enrollees. Finally, the announcement states that the rate changes could vary widely, with premiums remaining flat or increasing as high as 126%.

This news comes as a shock to many of my constituents who are active and retired federal employees, as well as their dependents. They are unsurprisingly outraged at this sudden and dramatic spike, as they will now be faced with extremely difficult household budget decisions. The top-end of the estimated spike in premiums (126%) already seems to be a trend rather than an outlier. I have received numerous constituent letters informing me that they have received their notice from the insurer citing their rate hikes, many of which reach the top-end estimate of 126%—a massive increase, especially for those on a fixed income and with little to no cost-of-living adjustment (COLA). I have also received word that another constituent of mine—a veteran, no less—was cited a 117% premium increase. Needless to say, this individual feels betrayed by the government he served.

In light of these developments, I respectfully request that the House Oversight and Government Reform Committee, perhaps through the Subcommittee on Government Operations, consider holding a hearing to investigate the circumstances surrounding this contract award, and to dive a little deeper into the analysis performed by the insurer which led them to increase premiums so drastically in one year, with limited notice. The hearing could cover topics including, but not limited to:

- What was the projected shortfall cited by the insurer in the contract negotiations?
- If such increases are necessary, is there a reason the increases cannot be amortized over a longer period of time to soften the impact on enrollees?
- Earlier estimates were evidently significantly off the mark. What new or better information does OPM have to justify this increase? How would any such information reduce the risk of such a sharp rise in premiums in the future?
- Despite this contracting process being "open-bid", there was only one bidder. What factors does OPM contribute to the lack of applications from other insurers?

This is a serious matter that affects over a quarter-million federal employees. These civil servants and uniformed personnel deserve answers, not empty assurances.

Thank you for your thoughtful consideration of this request, and for your leadership on the Oversight and Government Reform Committee. Should you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,



Barbara Comstock  
Member of Congress  
Virginia's Tenth District