

Your union health plan keeps sights set high for 2010



The cover of the special insert on the NALC Health Benefit Plan, which can be found in this issue of *The Postal Record*.

As NALC members examine the cost of enrolling in a good health benefit plan for 2010, one thing will quickly become clear. Recession or not, medical costs are still skyrocketing—and everyone is feeling the pain. In fact, when the U.S. Office of Personnel Management (OPM) announced the rates for 2010 for Federal Employees Health Benefit programs, it said the average premium increase was 8.8 percent.

The NALC Health Benefit Plan, your union-owned and union-operated plan, is no exception. Its rates are going up, too. But it is important for active and retired letter carriers to maintain their perspective as they and other postal and federal employees consider their choices during this year's Open Season, November 9 through December 14.

Fortunately, the NALC Health Benefit Plan—guided by your elected union officers—was able to keep the increase to a minimum while offsetting much of the cost with enhanced benefits. Check the special six-page insert in this issue of *The Postal Record* and the official brochure to get all the details.

“Everyone knows what’s happening to medical costs in this country, and we are no more immune to it than any other program,” said NALC President Fredric V. Rolando. “What we can do, and did do for 2010, is make valuable changes in the benefits to give our enrollees the best plan possible.”

Health Benefit Plan Director Timothy O’Malley said, “NALC offers great competitive premiums along with quality benefits and outstanding customer service to letter carriers.” And he proudly noted the NALC plan is not only union-owned, its employees are union members, too.

So, by all means, take some time and compare the benefits and the costs of the various plans, including the NALC HBP—the not-for-profit union plan created 60 years ago specifically for letter carriers and their families.

History backs up your plan

For those not currently in the NALC plan, there is a page in the special insert to help you compare some of its features with the coverage offered in 2010 by your current plan. But it is especially important to remember what this NALC Health Benefit Plan is all about. Why is there such a plan? How does it operate? Who keeps an eye on it, seeing that NALC members get excellent coverage and top-notch service?

Think about it: Sixty years of serving our nation’s letter carriers with the best possible health insurance available and the best customer service. That’s an enviable record.

Back in 1950, federal and postal employees did not have any health benefit plans. So, the National Association of Letter Carriers set up its own health insurance (called a “hospitalization plan” back then).

In 1963, the NALC added an eight-story annex to the NALC Headquarters Building in Washington, DC, to accommodate the growing needs of the Health Benefit Plan.



With \$5,000 borrowed from the union's treasury and two clerks on loan from NALC Headquarters, the plan set up shop in one small room in a downtown Washington office building.

Letter carriers paid 100 percent of the premium out of their own pockets. At the close of the initial enrollment period in April 1950, membership was 4,116. The "top of the line" family plan included a \$10 daily hospital room payment, \$200 in miscellaneous benefits (X-rays, lab fees, etc.), and a surgical schedule with a \$200 limit. Total maternity benefits were \$50.

NALC moved into its own building at the foot of Capitol Hill later that year, and the union successfully operated its independent health insurance program there for 10 years. Membership grew to 30,000 by 1960 and the staff reached 26 full-time employees.

A sudden surge

In 1960, the NALC Health Benefit Plan became part of the new Federal Employees Health Benefit Program (FEHBP) and letter carriers clamored to join "their" plan. Enrollment erupted to 101,503 members.

As membership climbed, so did staff requirements and the plan soon soaked up every square foot of unused space at NALC Headquarters. In 1963, the NALC added an eight-story annex—the HBP occupied four floors of the addition, plus space in the main building.

During the 1970s, the plan continued to grow, matured and took its place as one of the most respected plans in the federal program. Of course, success meant running out of space once again. By early 1972, plans were underway to move the plan to suburban Reston, Virginia, and by the end of the year the entire staff of 229 employees relocated there.

Advances in data processing dramatically changed claims processing in the 1980s and expansion was essential as new record-keeping and monitoring demands were placed on computer systems. With 520 employees and a membership of 220,000 by 1990, the Reston building was inadequate, and on June 18, 1990, the plan moved to a specially designed building in Ashburn, Virginia, its current location.

The 1990s brought spiraling health care costs and a rush of health maintenance organizations (HMOs) that touted "excellent" health care for low premiums. Those claims, combined with a rate increase demanded by OPM, led to a sharp drop in enrollment during the 1997 Open Season that forced the plan to cut its workforce.

However, at the 1998 NALC National Convention, solidarity got in the driver's seat and the plan began a determined rebuilding process, a process that continues today.

After a successful Open Season last year, total enrollment in the plan stood at 119,376 this summer. With numerous enhancements for 2010, officials hope to continue that trend, as well as meet the plan's primary goal—providing the best possible health care for all carriers. ☒

Spending pre-tax dollars can save you money

The open season for letter carriers and other postal employees to enroll in or modify their Flexible Spending Accounts (FSAs) begins later this month and runs to mid-December.

Two types of FSAs are available to all postal employees—one for health care and one for dependent care.

The health care FSA covers out-of-pocket costs such as prescriptions and prescription co-pays, vision care, over-the-counter medical items like aspirin and bandages, as well as health plan deductibles and some dental or vision procedures. Dependent care covers daycare expenses.

Of course, one big advantage to using FSAs is the break on taxes they bring—funds you set aside in an FSA are deducted from each paycheck "pre-tax," meaning the money doesn't show up as taxable income on your W-2 taxable wages form at the end of the year.

Employees can contribute up to \$5,000 to each account, with equal deductions from each paycheck spread over the year—but, in another great plus, the full amount is available to cover eligible expenses beginning January 1.

There are several ways to enroll:

- * On the web at liteblue.usps.gov. Under Employee Self Service, select PostalEASE.
- * At an employee self-service kiosk.
- * On the employee intranet at blue.usps.gov. Under Employee Resources, select Employee Self Service and then PostalEASE.
- * By phone at 877-4PS-EASE (877-477-3273), option 1, or with help from the Human Resources Shared Service Center.

A leaflet and brochure outlining your FSA options should arrive in your mailbox sometime this month. ☒