

Medicare Maladies

A Series that Exposes the Dangerous Elements of the Medicare Bill currently in Committee

MM #48: FEHBP To The Rescue

A health-insurance plan available to all federal workers and retirees has once again proven itself to be the model of Medicare reform.

As *The Washington Post* reported Sept. 21, insurance premiums are rising for government employees because, among other things, the federal workforce is aging. Indeed, the *Post* says typical federal workers are at an age “when health care begins to play a bigger role in people’s lives.”

But thanks to the Federal Employee Health Benefits Program, their premium increases will be among the lowest in the nation next year. FEHBP was able to ease the pressure from rising rates because of competition, negotiations with health plans and good financial reserves.

As The Heritage Foundation has shown, what’s happening with the federal workforce could benefit the next generation of seniors. In the next decade, 77 million baby boomers are expected to retire. And Medicare, designed in 1965, won’t absorb the shock so easily. Serious reforms must be done now before it’s politically impossible to do so.

That’s why Heritage and the House advocate using FEHBP as a model for Medicare reform. Since 1960, it has met the needs of workers and retirees who dedicated their lives to public service. That model can work for the rest of us, too.

Read more about FEHBP and other Heritage Medicare research at heritage.org.

For more information or to receive an e-mail version of “Medicare Maladies,” contact medicaremaladies@heritage.org or call Heritage Media Services at (202) 675-1761.

(“Medicare Maladies” is a regular feature, launched 7/14/03, from The Heritage Foundation. Sad to say, there’s another malady coming your way tomorrow. Daily “maladies” are also available on heritage.org.)