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July 14, 2005

The Honorable Linda M. Springer
Director
U.S. Office of Personnel Management
Theodore Roosevelt Building
1900 E Streets, NW
Washington, D.C. 20415

Dear Director Springer:

Congratulations on your confirmation as Director of the Office of Personnel Management; we look forward to working closely with you on Federal human resource issues.

As you are aware, the Federal Employees Dental and Vision Benefits Enhancement Act of 2004 requires the Office of Personnel Management (OPM) to establish a new program under which supplemental dental and vision insurance is made available to federal employees, annuitants, and their dependents. The successful implementation of this new benefit will assist in making the health benefit package for Federal employees a model for the private sector, and will assist the Federal government in the recruitment and retention of the best and the brightest Federal workforce available.

It is our strong belief that in order for the new benefit to be successful it must embody the two strongest tenets of the Federal Employees Health Benefit (FEHB) program: competition and choice. Our Committee, working with our Senate counterparts, crafted language that would allow for a fair and open process, giving each enrollee a broad choice of benefits and plan types including indemnity, dental health maintenance organizations (DHMO), and preferred provider option (PPO) programs.

We encourage OPM to look favorably toward providing a request for proposal (RFP) process that will take into account the need for competition and a number of choices to enrollees. It does not seem to be in the Federal employees or retirees' interest to exclude many of the Nation's regional plans that provide the largest provider networks and multiple plan types (DHMO, PPO, traditional indemnity) in a geographic region. In addition, some regional plans have years and years of experience in providing voluntary dental benefits -- often to Federal employees.

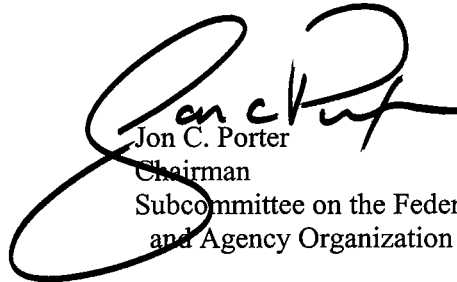
This choice of programs, similar to OPM's health benefit options, can offer employees significantly better value for their premium dollar with a DHMO, or a more limited benefit that allows the selection of any dentist. A study conducted by one regional carrier found that the DHMO option has proven to be dramatically more popular than the PPO when offered on a voluntary, employee pay all, basis. The study found that 87.6 percent of the enrolled members are participating in the DHMO, while only 13.4 percent are participating in the PPO. This disparity can be attributed to the significantly higher benefit dollar return enrollees received for their premium dollar in the DHMO.

Again, the annuitants will be best served by a reasonable amount of programs offering a multitude of plan types and benefits. It would seem that excluding regional plans from the RFP process would undermine our efforts to ensure this important and necessary principle. We appreciate your consideration of this issue and look forward to your prompt response.

Sincerely,



Tom Davis
Chairman
Committee on Government Reform



Jon C. Porter
Chairman
Subcommittee on the Federal Workforce
and Agency Organization