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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

February 6, 2020

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The Honorable Gene L. Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street NW  
Washington, DC 20548

Dear Comptroller General Dodaro:

The Federal Employee Health Benefit (FEHB) Program, the largest employer-sponsored health insurance program, covers more than eight million Federal employees, retirees, and dependents, at an annual cost of over \$53 billion a year.<sup>1</sup> The risk of significant waste and fraud is heightened with a program as large and complex as FEHB, so it is incumbent on lawmakers to make sure that taxpayer dollars are spent wisely and the program maintains its integrity.

The state of Florida provides a similar program for state employees, the State Group Insurance Program, that covers 287,382 employees and dependents and costs about \$2.5 billion each year.<sup>2</sup> In 2018, the Florida Department of Management Services conducted an audit of dependent eligibility in the State Group Insurance Program that identified 5,819 ineligible dependents in the program, which is 3 percent of all dependents enrolled in the program.<sup>3</sup> By removing these ineligible dependents, the State Group Insurance Program saved Florida taxpayers an estimated \$20.4 million each year.<sup>4</sup>

According to the U.S. Office of Personnel Management (OPM) Office of Inspector General and the Government Accountability Office (GAO), there has never been a similar audit to authenticate the eligibility of FEHB enrollees.<sup>5</sup> In April 2014, OPM announced it would conduct an audit of FEHB for family member eligibility determinations.<sup>6</sup> In its Fiscal Year 2017 Congressional Budget Justification, OPM informed that this audit was “on hiatus” but

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<sup>1</sup> OFF. OF PERSONNEL MGMT., FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM PLAN PERFORMANCE ASSESSMENT, 1 (June 14, 2018), *available at* <https://www.opm.gov/healthcare-insurance/healthcare/carriers/reference/fehb-plan-performance-assessment-highlights-of-2017-clinical-quality-customer-service-and-resource-useqcr-measures.pdf>.

<sup>2</sup> FLORIDA DEPT. OF MGMT. SERV., STATE GROUP INSURANCE: 2018 DEPENDENT ELIGIBILITY VERIFICATION AUDIT REPORT, 3 (Nov. 1, 2018).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 10.

<sup>5</sup> Information provided from the Off. of Personnel Mgmt. Off. of Inspector Gen. staff and Gov't Accountability Off. staff to staff of Senator Rick Scott.

<sup>6</sup> OFF. OF PERSONNEL MGMT., Benefits Administration Letter: Federal Employees Health Benefits (FEHB) Program: Family Member Audit (Apr. 14, 2014), *available at* <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2014/14-205.pdf>.

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anticipated completion by the first quarter of the fiscal year.<sup>7</sup> In 2018, OPM finalized two rules to allow the removal of ineligible dependents from FEHB,<sup>8</sup> however, the audit announced in 2014 has not yet been completed.

Similar to the authentication review in Florida, there needs to be an in-depth review of FEHB to ensure that it has been a good steward of U.S. taxpayer dollars and is not subject to waste and fraud. To safeguard the integrity of FEHB, we respectfully request that GAO review the program to verify the eligibility of program enrollees and their dependents, including:

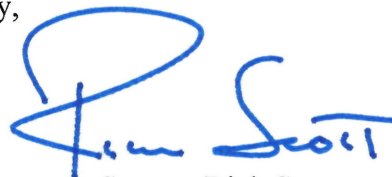
1. the number (and/or percentage) of FEHB dependents who are potentially ineligible to participate;
2. any potential savings that could be realized from a retrospective review of FEHB family contracts and the removal of ineligible individuals; and
3. any recommendations for best practices by which OPM can collect and verify the necessary documentation to evidence eligibility as a dependent under FEHB.

Thank you for continuing to make Washington work better for all families, and I look forward to hearing from you. Please contact Thomas Power in my office at 202-224-5274 or Courtney Rutland in Chairman Johnson's office at (202) 224-4751 should you have any questions about this request.

Sincerely,



Senator Ron Johnson  
Chairman  
Senate Committee on Homeland Security  
and Governmental Affairs



Senator Rick Scott  
United States Senator

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<sup>7</sup> OFF. OF PERSONNEL MGMT., CONGRESSIONAL BUDGET JUSTIFICATION FISCAL YEAR 2017, 178 (Feb. 2016), available at <https://www.opm.gov/about-us/budget-performance/budgets/congressional-budget-justification-fy2017.pdf>.

<sup>8</sup> See 5 C.F.R. § 890.308; See also Federal Employees Health Benefits Program: Removal of Ineligible Individuals from Existing Enrollments, 81 Fed. Reg. 86902 (proposed Dec. 1, 2016) (to be codified at 5 C.F.R. pt. 890); Removal of Eligible Family Members From Existing Self and Family Enrollments, 81 Fed. Reg. 86898 (proposed Dec. 1, 2016) (to be codified at 5 C.F.R. pt. 890).