

H.R. 2004, Ensuring FEDVIP and FLTCIP Coverage During Shutdowns Act
As ordered reported by the House Committee on Oversight and Reform on June 12, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

H.R. 2004 would prohibit plans that offer insurance through the Federal Employees Dental and Vision Insurance Program (FEDVIP) or the Federal Long Term Care Insurance Program (FLTCIP) from cancelling policies as a result of nonpayment during a government shutdown.

Under current law, individuals bear the full cost of premiums for dental, vision, and long term care coverage through payroll deductions; none of the costs are borne by the federal government. Therefore, although the premiums paid to insurers through federal payroll deduction would not occur during a government shutdown, enacting H.R. 2004 would not affect the federal budget.

H.R. 2004 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring insurance plans that offer coverage under FEDVIP and FLTCIP to continue covering federal employees during a shutdown. Although providers participate in FEDVIP and FLTCIP voluntarily, the bill would apply the duty to continue coverage to contracts that are already in effect, and affected entities would have to comply with the duty.

H.R. 2004 would establish a process for the affected insurers to receive unpaid premiums at the conclusion of the shutdown. Because CBO expects any shutdown would be of limited duration, CBO estimates the cost of the mandate—delayed premium payments and



administrative expenses related to that delay—would fall well below the private-sector threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

H.R. 2004 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Stuart Hammond (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.