

term care insurance to federal employees. Long-term care refers to a broad range of health, social, and environmental support services and assistance provided by paid and unpaid caregivers in institutional, home, and community settings to persons who are limited in their ability to function independently on a daily basis. The need for long-term care insurance is evidence as the population ages and older Americans need assistance for their daily living.

The number of Americans over 65 will leap from 34 million in 1995 to 60 million by 2025. Americans will find it impossible to afford nursing home care which will increase from \$40,000 today to \$97,000 by 2030. Under current law, a family would have to deplete all their financial resources to qualify for Medicaid which would only pay for a portion of needed long-term care services. By offering long-term care as a benefit option for its employees, the federal government, as the nation's largest employer, can set the example for other employers whose workforce will be facing the same long-term care needs.

The "Federal Employees Group Long-Term Care Insurance Act of 1999" would authorize the Office of Personnel Management (OPM) to purchase a policy or policies from one or more qualified private-sector contractors to make long-term care insurance available to federal employees and retirees, and family members whom OPM defines as eligible, at group rates. Coverage would be paid for entirely by those who elect it.

OPM will select a single or a very small number of carriers based on quality, service and price to offer a high-quality benefits package to eligible participants. This benefits package would be consistent with the most recent National Association of Insurance Commissioners standards. OPM will be open to various financing arrangements proposed by the carrier(s), such as the use of consortia or reinsurance arrangements to ensure the financial stability of the program. OPM would have broad flexibility to determine appropriate benefits and to contract competitively for benefits with one or more private carriers, without regard to section 5 of title 41, United States Code, or any law requiring competitive bidding. OPM needs the flexibility to capitalize on complex market factors to procure the best value for federal enrollees. OPM will ensure that resulting contracts are awarded on the basis of contractor qualifications, price, and reasonable competition to the maximum extent practicable. Qualified carriers shall: (a) be licensed to do business in all States and the District of Columbia to offer long-term care insurance; (b) agree to provide coverage for all eligible enrollees consistent with requirements for qualified long-term care insurance contracts and issuers enacted under subtitle C of Title III of the HIPAA; (c) propose rates which in OPM's judgment reasonably reflect the cost of benefits provided; (d) maintain funds associated with the federal employees contract separate and apart from the carriers' other funds; and (e) agree to all risk.

The contract or contracts would be for a duration of 5 years, unless terminated by OPM. OPM will issue regulations to provide for opportunities to enroll and benefit portability. With this statutory and regulatory authority,

OPM will have the flexibility needed to administer the program as the market for long-term care services and protection evolves over time.

The program would be available to federal employees and retirees, and other spouses; a former spouse who is entitled to annuity under a federal retirement system; parents, and parents-in-law. All participants other than active employees would be fully underwritten as is standard practice with products of this kind. Coverage made available to individuals would be guaranteed renewable and could not be canceled except for nonpayment of premium. Though each participant would be responsible for paying the full amount of premiums, based on age at time of enrollment, group rates will save an estimated 15-20 percent off the cost of individual long-term care policies.

OPM will be responsible for the administrative costs of the program, which is estimated to be \$15 million over a 5-year period. Initial year costs include developing and implementing a program to educate employees about long-term care insurance, procuring a contract or contracts, and validating the reasonableness of rate proposals. Employee and annuitant premiums would be withheld from salary or annuity and transmitted directly to respective contractors, and those enrollees could also elect withholdings for coverage of their spouses.

Any eligible enrollees shall, at the discretion of OPM, submit premiums directly to the appropriate contractor. As with the Federal Employees Health Benefits Program, the bill would require participating contractors to provide benefits when OPM finds the individual is entitled to benefits under the terms of the contract. Participating carriers would be required to reimburse OPM's expenses for adjudicating claims disputes.

The proposal would provide a substantial benefit to federal employees and retirees by providing access to quality long-term care insurance products at cost savings, group premiums. I urge members to support this important legislation.

RETIREMENT OF FORMER SATURN
CHAIRMAN RICHARD G. "SKIP"
LEFAUVE

HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. BRYANT. Mr. Speaker, as you may know, my district in Tennessee is the home of one of the most innovative automobile companies in the world—The Saturn plant of Spring Hill. Since its inception, it has changed the automobile industry enormously, from labor and management relations to how customers shop for cars on a showroom floor.

Former Saturn Chairman, Richard G. "Skip" LeFauve, has announced his retirement from the automobile industry. Mr. LeFauve was elected to a new position of senior vice president for Global Leadership Development and Global Human Resources Processes. He was also appointed president of the newly created GM University, effective April 1, 1997.

Richard G. "Skip" LeFauve was named President of Saturn, a wholly-owned subsidiary of General Motors on February 3, 1986, with additional responsibilities on October 4, 1994, when GM vice-president and group executive in charge of the North American Operations (NAO) Small Car Group, and a member of the NAO Strategy Board. He was appointed Chairman of Saturn Corporation on August 8, 1995.

Prior to joining Saturn, he was vice-president of Manufacturing Operations for GM's former Buick-Oldsmobile-Cadillac (B-O-C) Group.

He began his General Motors career in 1956 as an engineer with Packard Electric Division in Warren, Ohio. In 1957, he joined the United States Navy and earned his wings as a Naval Aviator in 1958. Following six years of active duty, he rejoined the Packard Electric Division of GM, becoming plant manager in 1968. He was appointed manager of Production Engineering for the division in 1969. Two years later, Mr. LeFauve became director of manufacturing engineering and was promoted to general manufacturing manager in 1978.

Mr. LeFauve was appointed general manager for the former Diesel Equipment Division, Grand Rapids, Michigan, in 1980 and in the following year, he was named general manager for the former Rochester Products Division (now AC Rochester), Rochester, New York.

In 1983, he was named general manufacturing manager for Chevrolet Motor Division. He joined the former B-O-C Group the following year, and was named a GM vice-president in 1985.

A native of Orchard Park, New York, LeFauve was born November 30, 1934. He earned a bachelor of science degree in mechanical engineering from Case Institute of Technology in Cleveland in 1956 and attended the Senior Executive Program at the Massachusetts Institute of Technology (MIT).

LeFauve is a board member of the International Student Exchange Program—University of Illinois at Chicago, the Council of Competitiveness, and the Harley Davidson Board of Directors.

THE BANK EXAMINATION REPORT
PROTECTION ACT

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. McCOLLUM. Mr. Speaker, I rise today in support of legislation I am introducing, the Bank Examination Report Protection Act [BERPA] of 1999. This bill would establish that all confidential supervisory information shall be the property of the Federal banking agency that created or requested the information and shall be privileged from disclosure to any other person. The Federal banking agency may waive this privilege at its discretion. There are other appropriate exceptions in the bill, such as for the Comptroller General of the United States and for law enforcement.

Essentially, the issue of privilege is one that must be addressed. The fact that financial institutions may lose their privilege on information turned over to a regulator has made them