



## UNITED STATES SENATE

December 21, 2011

The Honorable Dave Huizenga  
Acting Assistant Secretary for the Office of Environmental Management  
The Department of Energy  
Forrestal Building  
1000 Independence Avenue, SW  
Washington, DC 20585-0800

Dear Secretary Huizenga:

I understand the current Management and Operations (M&O) contractor at SRS is considering significant changes to the SRS retiree Health Benefits program. Numerous retirees have been in contact with my office, both on an individual basis and collectively as represented by the Savannah River Site Retirees Association (SRSRA). They are fearful that potential changes could lead to adverse personal financial impacts, especially for the much older retirees who have minimal pension benefits. At the same time, I understand that the increasing legacy liabilities to the government potentially have a very real impact on the important work at the Savannah River Site (SRS).

I request that you assemble a meeting to include knowledgeable personnel and the appropriate decision-makers from the Department of Energy (DOE), the SRS M&O Contractor, and the SRSRA to explore the possible benefit reform options that do not unduly burden SRS retirees, yet allows SRS to continue its important mission while reducing the financial liabilities to the United States taxpayer. All options should be put on the table including a deliberate, but tolerable, movement toward a more market-based benchmark for health care programs.

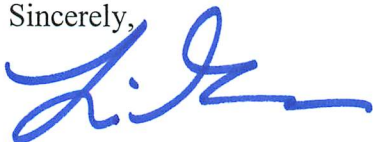
Based upon my review of the subject matter, I believe several questions need to be addressed as part of the process to reach the desired outcome of this meeting:

- Has DOE/the contractor finalized the proposed changes in the health care plan for incumbent SRS retirees? If so, what is the schedule for implementation of these changes? If not, when does the contractor expect to finalize the proposal and is there opportunity for additional input from retirees regarding plan changes?
- What do current retirees pay (both as a percentage and a dollar amount) toward their health plans versus current employees? What would this comparison look like under the proposed changes? Have changes been made in previous years that would affect the benefits of those who are retiring now and in the future? How do these benefits compare to current retirees?

- In the analysis you have conducted, how have retiree medical costs been compared to current worker medical costs? Did this analysis lead you to believe that these retirees could assume a larger responsibility for paying for their medical care? Did retirement incomes factor into this analysis? How is the Ben/Val Study consultant's recommendation to exclude incumbent retirees from comparison studies for new hires being handled by DOE?
- How does the existing health care benefit package for SRS retirees compare to other retiree health care plans in the DOE weapons complex? Have other DOE site retirees had their health care benefits adjusted in similar ways to those being proposed in this instance? How will the new benefit package compare to the plans of the retirees at the various DOE sites after it is fully implemented?
- What is the projected legacy cost of health care benefits for retirees within DOE? SRS? How are these commitments funded? Is there a projected shortfall in the ability to pay current health benefits? How do the legacy health care costs at SRS compare to other DOE facilities? How do these legacy costs impact current and future missions at the site? What are the expected reductions in legacy liabilities resulting from the proposed changes to health care benefits for SRS retirees?
- Has DOE/the contractor considered any options that would allow current retirees to maintain their current health coverage?
- DOE/the contractor has suggested moving retirees into a Medicare Advantage or Medicare supplement plan (via health reimbursement account) funded at least partially by the contractor and changing cost sharing requirements in the health plan for those who are not Medicare eligible. How would the proposals be implemented? Would they be phased in over a number of years or all at once? Are the proposed changes of a similar actuarial value to retirees' current health insurance?
- Would you please specify which benefits/costs you intend to modify as well as the retiree share of the supplemental Medicare coverage or the value of the health reimbursement account deposit? Would the deposit amount grow from year to year based on inflation?

I hope that by convening a meeting between the affected parties and other members of the delegation a reasonable outcome can be achieved. Please let my office know when this meeting can occur. I thank you for your consideration of this request.

Sincerely,



Lindsey O. Graham  
United States Senator