



POSTAL NEWS

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Contact: Sue Brennan
sue.brennan@usps.gov
202.268.6363
usps.com/news
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Postal Service Delivers New Health Benefits Plan

Contract Awarded to Provide Health Benefits to Select Non-Career Employees

WASHINGTON — In a move to comply with the Patient Protection and Affordable Care Act (PPACA), the U.S. Postal Service today awarded UnitedHealthcare a contract to support a Postal Service health plan for all eligible non-career employees.

The contract period begins April 30, 2013 and provides coverage for years 2014 through 2016. Three additional terms of two years each may be negotiated for a total possible contract life of over nine (9) years. The estimated contract value is \$239 million annually assuming 35,000 participants, but may vary significantly depending on actual non-career employee plan participation.

After conducting a highly competitive and rigorous evaluation of technical aspects, pricing, and other factors in the proposals, the Postal Service determined that the UnitedHealthcare proposal represented the best value. The new contract ensures the Postal Service's compliance with PPACA while providing non-career employees affordable essential health plan coverage at group rates provided through the Postal Service. The Postal Service has a long history of being a responsible employer and today's announcement builds on that history.

Approved by Congress in 2010, the PPACA requires employers with more than 50 employees to offer qualifying employees specified levels of coverage at an affordable cost by January 2014. The Act extends coverage to employees who are paid for an average of 30 hours per week for a specified period of time. (No change is required for Postal Service career employees since the coverage provided under the Federal Employees Health Benefits (FEHB) Program satisfies PPACA requirements.) Coverage becomes effective in January 2014.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation: 152 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. With more than 31,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private-sector company, the U.S. Postal Service would rank 42nd in the 2012 Fortune 500. The Postal Service has been named the Most Trusted Government Agency for seven years and the fourth Most Trusted Business in the nation by the Ponemon Institute.

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