

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To restore the financial solvency of the United States Postal Service in order to ensure the efficient and affordable nationwide delivery of mail, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To restore the financial solvency of the United States Postal Service in order to ensure the efficient and affordable nationwide delivery of mail, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Postal Service Reform
5 Act of 2021”.

1 **SEC. 2. SERVICE STANDARDS, PERFORMANCE TARGETS,**
2 **AND PERFORMANCE MEASUREMENTS.**

3 (a) SERVICE PERFORMANCE TARGETS, PERFORM-
4 ANCE MEASUREMENTS, AND REVIEW OF SERVICE STAND-
5 ARDS.—

6 (1) IN GENERAL.—Subchapter VII of chapter
7 36 of title 39, United States Code, is amended by
8 inserting after section 3691 the following:

9 **“§ 3692. Performance targets and measurements**

10 “(a) PERFORMANCE TARGETS, MEASUREMENTS,
11 AND PUBLICATION.—

12 “(1) PERFORMANCE TARGETS.—

13 “(A) ESTABLISHMENT.—Each year, the
14 Postal Service shall establish reasonable targets
15 for performance to ensure that mail service for
16 postal customers meets the service standards
17 for market-dominant products, established
18 under section 3691.

19 “(B) COMPLIANCE DETERMINATION.—For
20 purposes of section 3653(b)(2), the Postal Reg-
21 ulatory Commission shall evaluate the compli-
22 ance of the Postal Service with the service
23 standards for market-dominant products by ref-
24 erence to the performance targets.

25 “(2) PERFORMANCE MEASUREMENT.—

1 “(A) DEFINITIONS OF URBAN AND
2 RURAL.—For purposes of measuring perform-
3 ance under the performance targets, the Postal
4 Regulatory Commission, in consultation with
5 the Postal Service—

6 “(i) shall promulgate regulations de-
7 fining the terms—

8 “(I) rural; and

9 “(II) urban, which shall be de-
10 fined by the Commission as any geo-
11 graphic area that is not defined as
12 rural under subclause (I); and

13 “(ii) in defining the terms under
14 clause (i), shall consider—

15 “(I) existing definitions of those
16 terms that are in use by the Postal
17 Service, the Federal Government, and
18 other sources; and

19 “(II) stakeholder input.

20 “(B) PERFORMANCE REPORTING.—

21 “(i) IN GENERAL.—For purposes of
22 section 3652(a), the Postal Service shall
23 measure and report to the Commission on
24 the performance of the Postal Service with
25 respect to market-dominant products on a

1 nationwide, Area, and District basis based
2 on the performance targets, taking into
3 consideration the Commission's opinion on
4 any proposed target, and in a manner that
5 reflects separate consideration of perform-
6 ance with respect to—

7 “(I) rural customers; and

8 “(II) urban customers.

9 “(ii) COMMISSION REVIEW.—Pursuant
10 to section 3653(b) the Commission shall
11 review and comment upon the performance
12 of the Postal Service as reported under
13 clause (i).

14 “(3) PUBLICATION.—

15 “(A) IN GENERAL.—Subject to subpara-
16 graph (B), the Postal Service shall publish on
17 the website of the Postal Service the perform-
18 ance targets, the actual measurements under
19 those targets, and the comments of the Postal
20 Regulatory Commission under paragraph (2)—

21 “(i) covering a period designated by
22 the Commission, the length of which shall
23 be not less than 2 years; and

24 “(ii) categorized in accordance with
25 that paragraph.

1 “(B) COMMERCIALLY SENSITIVE OR PRO-
2 PRIETARY INFORMATION.—To the extent that
3 the Postal Service considers any information re-
4 quired to be reported under subparagraph (A)
5 to be commercially sensitive or proprietary in
6 nature, the Commission shall determine the
7 level of information that shall be publicly dis-
8 closed in accordance with section 504(g)(3)(A).

9 “(b) NONCOMPLIANCE WITH PERFORMANCE TAR-
10 GETS.—

11 “(1) IN GENERAL.—If the Commission deter-
12 mines that Postal Service has failed to meet 1 or
13 more performance targets—

14 “(A) subject to subparagraph (B), the
15 Postal Service shall develop a plan to make spe-
16 cific operational corrections under the control of
17 the Postal Service that will cause the perform-
18 ance targets to be met as soon as is reasonably
19 practicable, as determined by the Postal Serv-
20 ice; and

21 “(B) if the Postal Service makes best ef-
22 forts to develop a plan described in subpara-
23 graph (A) and determines that achieving com-
24 pliance with the performance targets through
25 such a plan would be impractical, would not be

1 cost effective, and would not be in the best
2 long-term interest of the Postal Service and its
3 customers, the Postal Service shall make ad-
4 justments to the service standards or perform-
5 ance targets.

6 “(2) POSTAL SERVICE SUBMISSION OF PLAN.—
7 Not later than 180 days after the date of the deter-
8 mination of noncompliance with a performance tar-
9 get, the Postal Service shall submit to the Postal
10 Regulatory Commission—

11 “(A) the plan required under paragraph
12 (1)(A); or

13 “(B) a report explaining why the Postal
14 Service is making an adjustment described in
15 paragraph (1)(B).

16 “(3) COMMISSION CONSIDERATION OF POSTAL
17 SERVICE PLAN.—

18 “(A) IN GENERAL.—Not later than 30
19 days after the date of submission of a plan or
20 report under paragraph (2), the Commission—

21 “(i) shall review such plan or report
22 (2); and

23 “(ii) may make such recommendations
24 as the Commission considers appropriate.

1 “(B) POSTAL SERVICE RESPONSE.—If the
2 Commission provides recommendations regard-
3 ing a plan or report to the Postal Service under
4 subparagraph (A)(ii), the Postal Service shall—

5 “(i) consider the recommendations;
6 and

7 “(ii) not later than 30 days after the
8 date on which the Postal Service receives
9 the recommendations, submit a response to
10 the Commission explaining the bases for
11 any decision to accept or reject a rec-
12 ommendation.

13 “(4) POSTAL SERVICE IMPLEMENTATION OF
14 PLAN.—After developing a plan under paragraph
15 (1)(A), the Postal Service shall—

16 “(A) implement the plan; and

17 “(B) in each report provided under section
18 3652, discuss—

19 “(i) the implementation of the plan;

20 “(ii) the extent to which the Postal
21 Service is improving performance to meet
22 the performance targets; and

23 “(iii) if the performance targets sub-
24 ject to the plan are still not being met,
25 whether—

1 “(I) the plan remains sufficient
2 to achieve compliance within a reason-
3 ably practicable period of time, and is
4 therefore being maintained;

5 “(II) the plan is being revised; or

6 “(III) the Postal Service has de-
7 termined to make adjustments de-
8 scribed in paragraph (1)(B) rather
9 than continue with the plan.

10 “(5) COMMISSION REVIEW OF IMPLEMENTA-
11 TION.—

12 “(A) IN GENERAL.—In making the deter-
13 mination required under section 3653, the Com-
14 mission shall—

15 “(i) review the implementation of each
16 plan developed under paragraph (1)(A);
17 and

18 “(ii) make such recommendations as
19 the Commission considers appropriate.

20 “(B) CONSIDERATION.—The Postal Serv-
21 ice shall consider any recommendations under
22 subparagraph (A)(ii) in the same manner as
23 provided under paragraph (3).

24 “(c) PERIODIC REVIEW OF SERVICE STANDARDS.—
25 The Commission shall periodically—

1 “(1) review the appropriateness of the service
2 standards; and

3 “(2) submit to Congress and the Postal Service
4 a report on the review conducted under paragraph
5 (1).”.

6 (3) TECHNICAL AND CONFORMING AMEND-
7 MENT.—The table of sections for chapter 36 of title
8 39, United States Code, is amended by inserting the
9 following:

“3692. Performance targets and measurements.”.

10 (b) REVIEW OF NATIONWIDE SERVICE STANDARD
11 CHANGES.—Section 3661 of title 39, United States Code,
12 is amended by adding at the end the following:

13 “(d)(1) Upon a request by the Postal Service for an
14 advisory opinion from the Commission under subsection
15 (b) relating to a nationwide or substantially nationwide
16 change in service standards for the delivery of market-
17 dominant products, including when the Postal Service es-
18 tablishes new performance targets under section 3692, the
19 Inspector General shall, not later than 90 days after the
20 submission of the request—

21 “(A) conduct a review of the proposal to deter-
22 mine whether—

23 “(i) the Postal Service formulated the pro-
24 posal based on accurate data;

1 “(ii) the Postal Service followed appro-
2 priate policies and procedures of the Postal
3 Service in formulating the proposal; and

4 “(iii) the proposal prioritizes the needs of
5 the postal customer; and

6 “(B) submit a report on the review conducted
7 under subparagraph (A) to—

8 “(i) the Postal Service;

9 “(ii) the Commission;

10 “(iii) the Committee on Homeland Security
11 and Governmental Affairs of the Senate; and

12 “(iv) the Committee on Oversight and Re-
13 form of the House of Representatives.

14 “(2) Not earlier than 30 days after the date on which
15 the Inspector General submits a report on a proposal to
16 the Commission under paragraph (1), the Commission
17 shall issue its opinion on the proposal.”.

18 (c) REPORT TO CONGRESS.—Not later than 180 days
19 after the date of enactment of this Act, the Postal Regu-
20 latory Commission shall submit to Congress a report that
21 includes—

22 (1) a determination as to whether the service
23 standards for market-dominant products in effect on
24 the day before the date of enactment of this Act
25 achieve the objectives and factors set forth under

1 section 3692 of title 39, United States Code, as
2 amended by this section; and

3 (2) recommendations as to how delivery service
4 to postal customers could be improved based on the
5 financial condition of the Postal Service.

6 (d) TEMPORARY FLOOR FOR SERVICE STAND-
7 ARDS.—The United States Postal Service may not revise
8 the service standards for market-dominant products in ef-
9 fect on the day before the date of enactment of this Act
10 in a manner that lengthens delivery times before the date
11 on which the report required by subsection (c) is sub-
12 mitted to Congress.

13 **SEC. 3. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

14 (a) ESTABLISHMENT.—

15 (1) IN GENERAL.—Chapter 89 of title 5, United
16 States Code, is amended by inserting after section
17 8903b the following:

18 **“§ 8903c. Postal Service Health Benefits Program**

19 “(a) DEFINITIONS.—In this section—

20 “(1) the term ‘covered Medicare individual’
21 means an individual who is entitled to benefits under
22 part A of title XVIII of the Social Security Act (42
23 U.S.C. 1395c et seq.), but excluding an individual
24 who is eligible to enroll under such part under sec-

1 tion 1818 or 1818A of the Social Security Act (42
2 U.S.C. 1395i–2, 1395i–2a);

3 “(2) the term ‘initial contract year’ means the
4 contract year beginning in January of 2023;

5 “(3) the term ‘initial participating carrier’
6 means a carrier that enters into a contract with the
7 Office to participate in the Postal Service Health
8 Benefits Program during the initial contract year;

9 “(4) the term ‘Office’ means the Office of Per-
10 sonnel Management;

11 “(5) the term ‘Postal Service’ means the United
12 States Postal Service;

13 “(6) the term ‘Postal Service annuitant’ means
14 an annuitant enrolled in a health benefits plan under
15 this chapter whose Government contribution is paid
16 pursuant to the requirements of section 8906(g)(2);

17 “(7) the term ‘Postal Service employee’ means
18 an employee of the Postal Service enrolled in a
19 health benefits plan under this chapter whose Gov-
20 ernment contribution is paid by the Postal Service;

21 “(8) the term ‘Postal Service Medicare covered
22 annuitant’ means an individual who—

23 “(A) is a Postal Service annuitant; and

24 “(B) is a covered Medicare individual;

1 “(9) the term ‘Program’ means the Postal Serv-
2 ice Health Benefits Program established under sub-
3 section (c) within the Federal Employees Health
4 Benefit Program;

5 “(10) the term ‘Program plan’ means a health
6 benefits plan offered under the Program; and

7 “(11) the terms set forth in section 8901 shall
8 apply.

9 “(b) APPLICATION.—The requirements under this
10 section shall—

11 “(1) apply to the initial contract year and each
12 contract year thereafter; and

13 “(2) supersede any other provision of this chap-
14 ter inconsistent with such requirements, as deter-
15 mined by the Office.

16 “(c) ESTABLISHMENT OF THE POSTAL SERVICE
17 HEALTH BENEFITS PROGRAM.—

18 “(1) IN GENERAL.—The Office shall establish
19 the Postal Service Health Benefits Program under
20 which the Office contracts with carriers to offer
21 health benefits plans as described under this section.
22 Except as otherwise provided under this section, any
23 such contract shall be consistent with the require-
24 ments of this chapter for contracts under section

1 8902 with carriers to offer health benefits plans
2 other than under this section. The Program shall—

3 “(A) to the greatest extent practicable, in-
4 clude plans offered by—

5 “(i) each carrier for which the total
6 enrollment in the plans provided under this
7 chapter includes, in the contract year be-
8 ginning in January 2022, 1,500 or more
9 enrollees who are Postal Service employees
10 or Postal Service annuitants; and

11 “(ii) any other carrier determined ap-
12 propriate by the Office;

13 “(B) be available for participation by all
14 Postal Service employees and Postal Service an-
15 nuitants, in accordance with subsection (d);

16 “(C) provide for enrollment in a plan as an
17 individual, for self plus one, or for self and fam-
18 ily; and

19 “(D) not be available for participation by
20 an individual who is not a Postal Service em-
21 ployee or Postal Service annuitant (except as a
22 member of family of such an employee or annu-
23 itant or as provided under paragraph (5)).

24 “(2) SEPARATE POSTAL SERVICE RISK POOL.—

25 The Office shall ensure that each Program plan in-

1 includes rates that reasonably and equitably reflect the
2 cost of benefits provided to a risk pool consisting
3 solely of Postal Service employees and Postal Service
4 annuitants (and covered members of family of such
5 employees and annuitants), taking into specific ac-
6 count the reduction in benefits cost for the Program
7 plan due to the Medicare enrollment requirements
8 under subsection (e) and any savings or subsidies re-
9 sulting from subsection (f)(1).

10 “(3) ACTUARIALLY EQUIVALENT COVERAGE.—
11 The Office shall ensure that each carrier partici-
12 pating in the Postal Service Health Benefits Pro-
13 gram provides coverage under the Program plans of-
14 fered by the carrier that is actuarially equivalent, as
15 determined by the Office, to the coverage that the
16 carrier provides under the health benefits plans of-
17 fered by the carrier under this chapter that are not
18 Program plans.

19 “(4) APPLICABILITY OF FEDERAL EMPLOYEES
20 HEALTH BENEFITS PROGRAM REQUIREMENTS.—Ex-
21 cept as otherwise set forth in this section, all provi-
22 sions of this chapter applicable to health benefits
23 plans offered by the carrier under section 8903 or
24 8903a shall also apply to plans offered under the
25 Program.

1 “(5) APPLICATION OF CONTINUATION COV-
2 ERAGE.—In accordance with rules established by the
3 Office, section 8905a shall apply to health benefits
4 plans offered under this section in the same manner
5 as such section applies to other health benefits plans
6 offered under this chapter.

7 “(d) ELECTION OF COVERAGE.—

8 “(1) IN GENERAL.—Except as provided in para-
9 graphs (2) and (3), each Postal Service employee
10 and Postal Service annuitant who elects to receive
11 health benefits coverage under this chapter—

12 “(A) shall be subject to the requirements
13 of this section; and

14 “(B) may not enroll in any other health
15 benefits plan offered under any other section of
16 this chapter.

17 “(2) ANNUITANTS.—

18 “(A) APPLICATION.—A Postal Service an-
19 nuitant shall not be subject to the requirements
20 of this section if the Postal Service annuitant—

21 “(i) is enrolled in a health benefits
22 plan under this chapter for the contract
23 year immediately preceding the initial con-
24 tract year that is not a health benefits plan

1 offered by an initial participating carrier,
2 unless—

3 “(I) the Postal Service annuitant
4 voluntarily enrolls in a Program plan;

5 “(II) the health benefits plan in
6 which such annuitant is enrolled for
7 such contract year ceases to be avail-
8 able; or

9 “(III) the health benefits plan in
10 which such annuitant is enrolled for
11 such contract year becomes available
12 as a Program plan; or

13 “(ii) resides in a geographic area for
14 which there is not a Program plan in
15 which the Postal Service annuitant may
16 enroll.

17 “(B) CHANGED ENROLLMENT.—If a Post-
18 al Service annuitant changes enrollment to a
19 health benefits plan under this chapter provided
20 by a different carrier than the health benefits
21 plan in which such annuitant is enrolled during
22 the previous contract year, the Postal Service
23 annuitant may only enroll in a Program plan.

24 “(3) EMPLOYEES.—A Postal Service employee
25 who is enrolled in a health benefits plan under this

1 chapter for the contract year immediately preceding
2 the initial contract year that is not a health benefits
3 plan offered by an initial participating carrier shall
4 not be subject to the requirements of this section,
5 except that—

6 “(A) if the Postal Service employee
7 changes enrollment to a different health bene-
8 fits plan under this chapter during the open
9 season for the initial contract year, or after the
10 start of the initial contract year, the Postal
11 Service employee may only enroll in a Program
12 plan;

13 “(B) if the health benefits plan in which
14 such employee is enrolled for such contract year
15 becomes available as a Program plan, the Post-
16 al Service employee may only enroll in a Pro-
17 gram plan;

18 “(C) upon becoming a Postal Service an-
19 nuitant, if the Postal Service employee elects to
20 continue coverage under this chapter, the Post-
21 al Service employee shall enroll in a Program
22 plan during the open season that is—

23 “(i) being held when the Postal Serv-
24 ice employee becomes a Postal Service an-
25 nuitant; or

1 “(ii) if the date on which the Postal
2 Service employee becomes a Postal Service
3 annuitant falls outside of an open season,
4 the first open season following that date;
5 and

6 “(D) subparagraphs (A), (B), and (C)
7 shall not apply to an employee who resides in
8 a geographic area for which there is not a Pro-
9 gram plan in which the employee may enroll.

10 “(e) REQUIREMENT OF MEDICARE ENROLLMENT
11 FOR CERTAIN ANNUITANTS AND THEIR FAMILY MEM-
12 BERS.—

13 “(1) POSTAL SERVICE MEDICARE COVERED AN-
14 NUITANTS.—

15 “(A) IN GENERAL.—Subject to subpara-
16 graph (B), a Postal Service Medicare covered
17 annuitant subject to the requirements of this
18 section may not obtain coverage under this
19 chapter unless the annuitant is enrolled in part
20 B of title XVIII of the Social Security Act (42
21 U.S.C. 1395j et seq.).

22 “(B) EXCEPTIONS.—Subparagraph (A)
23 shall not apply to an individual who—

24 “(i) as of January 1, 2023, is—

1 “(I) a Postal Service Medicare
2 covered annuitant described in para-
3 graph (1)(A)(i) of section 1837(m) of
4 the Social Security Act; or

5 “(II) an individual described in
6 paragraph (2)(A)(i) of such section, if
7 during the 3-month period beginning
8 on the date on which such individual
9 becomes a Postal Service Medicare
10 covered annuitant the individual
11 under the process established pursu-
12 ant to paragraph (2) of such section
13 1837(m) makes an election not to be
14 enrolled in part B of such title; or

15 “(ii) on or after January 1, 2023, be-
16 comes a Postal Service Medicare covered
17 annuitant and with respect to whom a
18 waiver is granted under paragraph (4).

19 “(2) MEDICARE COVERED FAMILY MEMBERS.—
20 If a member of family of a Postal Service annuitant
21 to whom paragraph (1)(A) applies is a covered Medi-
22 care individual, that member of family may not be
23 covered under the Program as a member of family
24 of the Postal Service annuitant unless that member

1 of family is enrolled in part B of title XVIII of the
2 Social Security Act.

3 “(3) PROCESS FOR COORDINATED ELECTION OF
4 ENROLLMENT UNDER MEDICARE PART B.—The Of-
5 fice shall establish a process under which—

6 “(A) Postal Service annuitants and mem-
7 bers of family who are subject to the require-
8 ments of paragraph (1) or (2)—

9 “(i) are informed, at the time of en-
10 rollment under this chapter, of such re-
11 quirement;

12 “(ii) receive requests for any addi-
13 tional information necessary for enrollment
14 in writing; and

15 “(iii) as a consequence of such enroll-
16 ment are deemed, if applicable under sec-
17 tion 1837(m) of the Social Security Act,
18 for such continuous period as such annu-
19 itant or member of family involved other-
20 wise maintains eligibility for enrollment
21 under Medicare part B, to have elected to
22 be enrolled under Medicare part B (in ac-
23 cordance with such section) in connection
24 with the enrollment in a Program plan
25 under this chapter; and

1 “(B) the Office provides the Secretary of
2 Health and Human Services and the Commis-
3 sioner of Social Security in a timely manner
4 with such information respecting such annu-
5 uitants and members of family and such election
6 as may be required to effect their enrollment
7 and coverage under Medicare part B and this
8 section in a timely manner.

9 “(4) WAIVER FOR EXTREME FINANCIAL HARD-
10 SHIP.—The Postal Service, in consultation with
11 postal labor organizations and management organi-
12 zations, shall establish a waiver program under
13 which the Postal Service may waive the application
14 of paragraph (1)(A) with respect to an individual
15 who becomes a Postal Service Medicare covered an-
16 nuitant on or after January 1, 2023, and a member
17 of family of such annuitant, if the Postal Service de-
18 termines that the application of such paragraph
19 would result in extreme financial hardship to such
20 individual. If a waiver is granted under such pro-
21 gram, the Postal Service shall notify the Office of
22 Personnel Management of the waiver.

23 “(f) MEDICARE PART D PRESCRIPTION DRUG BENE-
24 FITS.—The Office shall require each Program plan to pro-
25 vide prescription drug benefits for Postal Service annu-

1 itants and members of family who are eligible individuals
2 (as defined in section 1860D–1(a)(3)(A) of the Social Se-
3 curity Act) through an employer group waiver plan offered
4 under subsection (b) of section 1860D–22 of the Social
5 Security Act.

6 “(g) POSTAL SERVICE CONTRIBUTION.—

7 “(1) IN GENERAL.—Subject to subsection (i),
8 for purposes of applying section 8906(b) to the
9 Postal Service, the weighted average shall be cal-
10 culated in accordance with paragraphs (2) and (3).

11 “(2) WEIGHTED AVERAGE CALCULATION.—Not
12 later than October 1 of each year (beginning with
13 2021), the Office shall determine the weighted aver-
14 age of the rates established pursuant to subsection
15 (c)(2) for Program plans that will be in effect dur-
16 ing the following contract year with respect to—

17 “(A) enrollments for self only;

18 “(B) enrollments for self plus one; and

19 “(C) enrollments for self and family.

20 “(3) WEIGHTING IN COMPUTING RATES FOR
21 INITIAL CONTRACT YEAR.—In determining such
22 weighted average of the rates for the initial contract
23 year, the Office shall take into account (for purposes
24 of section 8906(a)(2)) the enrollment of Postal Serv-
25 ice employees and annuitants in the health benefits

1 plans offered by the initial participating carriers as
2 of March 31, 2021.

3 “(h) RESERVES.—

4 “(1) SEPARATE RESERVES.—

5 “(A) IN GENERAL.—The Office shall en-
6 sure that each Program plan maintains sepa-
7 rate reserves (including a separate contingency
8 reserve) with respect to the enrollees in the
9 Program plan in accordance with section 8909.

10 “(B) REFERENCES.—For purposes of the
11 Program, each reference to ‘the Government’ in
12 section 8909 shall be deemed to be a reference
13 to the Postal Service.

14 “(C) AMOUNTS TO BE CREDITED.—The re-
15 serves (including the separate contingency re-
16 serve) maintained by each Program plan shall
17 be credited with a proportionate amount of the
18 funds in the reserves for health benefits plans
19 offered by the carrier.

20 “(2) DISCONTINUATION OF PROGRAM PLAN.—

21 In applying section 8909(e) relating to a Program
22 plan that is discontinued, the Office shall credit the
23 separate Postal Service contingency reserve main-
24 tained under paragraph (1) for that plan only to the

1 separate Postal Service contingency reserves of the
2 Program plans continuing under this chapter.

3 “(i) NO EFFECT ON EXISTING LAW.—Nothing in
4 this section shall be construed as affecting section 1005(f)
5 of title 39 regarding variations, additions, or substitutions
6 to the provisions of this chapter.

7 “(j) MEDICARE EDUCATION PROGRAM.—Not later
8 than 180 days after the date of enactment of this section,
9 the Postal Service shall establish a Medicare Education
10 Program. Under the Program, the Postal Service shall—

11 “(1) notify annuitants and employees of the
12 Postal Service about the Postal Service Health Ben-
13 efits Program established under subsection (c)(1);

14 “(2) provide information regarding the Postal
15 Service Health Benefits Program to such annuitants
16 and employees, including a description of the health
17 care options available under such Program, the re-
18 quirement that retirees be enrolled in Medicare
19 under subsection (e)(1); and

20 “(3) respond and provide answers to any in-
21 quiry from such employees and annuitants about the
22 Postal Service Health Benefits Program or Medicare
23 enrollment.”.

24 (2) TECHNICAL AND CONFORMING AMEND-
25 MENTS.—

1 (A) Section 8903(1) of title 5, United
2 States Code, is amended by striking “two levels
3 of benefits” and inserting “2 levels of benefits
4 for enrollees under this chapter generally and 2
5 levels of benefits for enrollees under the Postal
6 Service Health Benefits Program established
7 under section 8903c”.

8 (B) The table of sections for chapter 89 of
9 title 5, United States Code, is amended by in-
10 sserting after the item relating to section 8903b
11 the following:

“8903c. Postal Service Health Benefits Program.”.

12 (b) COORDINATION WITH MEDICARE.—

13 (1) MEDICARE ENROLLMENT AND COVERAGE.—

14 Section 1837 of the Social Security Act (42 U.S.C.
15 1395p) is amended by adding at the end the fol-
16 lowing new subsection:

17 “(m)(1) In the case of an individual who—

18 “(A) as of January 1, 2023, is—

19 “(i) a Postal Service Medicare covered an-
20 nuitant; or

21 “(ii) a member of family of a Postal Serv-
22 ice employee or of a Postal Service annuitant
23 and is a covered Medicare individual;

24 “(B) enrolls in a Program plan under section
25 8903c of title 5, United States Code; and

1 “(C) is not enrolled under this part,
2 the individual may elect to be enrolled under this
3 part during a special enrollment period during the 3-
4 month period beginning on July 1, 2022.

5 “(2) In the case of an individual who—

6 “(A) as of January 1, 2023, is—

7 “(i) a Postal Service annuitant who is not de-
8 scribed in paragraph (1) and who is at least 55
9 years of age but has not attained 65 years of age;
10 or

11 “(ii) a member of family of a Postal Service an-
12 nuitant and who—

13 “(I) is not described in paragraph (1); and

14 “(II) is at least 55 years of age but has
15 not attained 65 years of age; and

16 “(B) enrolls in a Program plan under section 8903c
17 of title 5, United States Code,

18 as of the date the individual becomes a covered Medicare
19 individual, the individual is deemed, in accordance with
20 section 8903c(e)(3) of such title, to have elected to be en-
21 rolled under this part, unless during the 3-month period
22 immediately following such date the individual, in accord-
23 ance with a process specified by the Secretary elects not
24 to enroll under this part.

25 “(3) In the case of an individual who—

1 “(A) on or after January 1, 2023, is—

2 “(i) a Postal Service employee; or

3 “(ii) a member of family of a Postal Service
4 employee or of a Postal Service annuitant and who
5 is not described in paragraph (1) or (2); and

6 “(B) enrolls in a Program plan under section 8903c
7 of title 5, United States Code,

8 as of the date the individual becomes a Postal Service
9 Medicare covered annuitant (or, in the case of an indi-
10 vidual described in subparagraph (A)(ii) by reason of rela-
11 tionship to an employee described in subparagraph (A)(i),
12 as of the first date the individual becomes a covered Medi-
13 care individual), the individual is deemed, in accordance
14 with section 8903c(e)(3) of such title, to have elected to
15 be enrolled under this part.

16 “(4) In the case of an individual who elects under
17 paragraph (1) to be enrolled under this part, the coverage
18 period under this part shall begin on the date that the
19 individual first has coverage under the Program plan pur-
20 suant to the enrollment described in paragraph (1)(B).

21 “(5) The definitions in section 8903c(a) of title 5,
22 United States Code, shall apply for purposes of this sub-
23 section.”.

24 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-
25 tion 1839(b) of the Social Security Act (42 U.S.C.

1 1395r(b)) is amended by inserting after “subsection
2 (i)(4) or (l) of section 1837” the following: “or pur-
3 suant to the special enrollment period under sub-
4 section (m)(1) of such section”.

5 (3) CONFORMING COORDINATION OF BENEFIT
6 RULES.—Section 1862(b) of the Social Security Act
7 (42 U.S.C. 1395y(b)) is amended by adding at the
8 end the following:

9 “(10) COORDINATION OF BENEFITS WITH
10 POSTAL SERVICE HEALTH BENEFITS PLANS.—The
11 previous provisions of this subsection are superseded
12 to the extent the Secretary determines, in consulta-
13 tion with the Office of Personnel Management, them
14 to be inconsistent with section 8903c(f) of title 5,
15 United States Code.”.

16 **SEC. 4. POSTAL SERVICE RETIREE HEALTH CARE BENEFIT**
17 **FUNDING REFORM.**

18 (a) CONTRIBUTIONS.—Section 8906(g) of title 5,
19 United States Code, is amended—

20 (1) by striking “(2)(A) The Government” and
21 inserting “(2)(A)(i) The Government”; and

22 (2) in paragraph (2)—

23 (A) in subparagraph (A)—

24 (i) in clause (i), as added by para-
25 graph (1), by striking “shall through Sep-

1 tember 30, 2016, be paid” and all that fol-
2 lows and inserting the following: “shall be
3 paid as provided in clause (ii).”; and

4 (ii) by adding at the end the fol-
5 lowing:

6 “(ii) With respect to the Government contributions
7 required to be paid under clause (i)—

8 “(I) the portion of the contributions that is
9 equal to the amount of the net claims costs under
10 the enrollment of the individuals described in clause
11 (i) shall be paid from the Postal Service Retiree
12 Health Benefits Fund up to the amount contained
13 in the Fund; and

14 “(II) any remaining amount shall be paid by
15 the United States Postal Service.”; and

16 (B) by adding at the end the following:

17 “(C) For purposes of this paragraph, the amount of
18 the net claims costs under the enrollment of an individual
19 described in subparagraph (A)(i) shall be the amount, as
20 determined by the Office over any particular period of
21 time, equal to the difference between—

22 “(i) the sum of—

23 “(I) the costs incurred by a carrier in pro-
24 viding health services to, paying for health serv-
25 ices provided to, or reimbursing expenses for

1 health services provided to, the individual and
2 any other person covered under the enrollment
3 of the individual; and

4 “(II) an amount of indirect expenses rea-
5 sonably allocable to the provision, payment, or
6 reimbursement described in subclause (I), as
7 determined by the Office; and

8 “(ii) the amount withheld from the annuity of
9 the individual or otherwise paid by the individual
10 under this section.”.

11 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS
12 FUND.—Section 8909a of title 5, United States Code, is
13 amended—

14 (1) in subsection (d)—

15 (A) in paragraph (1)—

16 (i) by striking “2007” and inserting
17 “2021”; and

18 (ii) by striking “required under sec-
19 tion 8906(g)(2)(A)” and inserting the fol-
20 lowing: “required to be paid from the Post-
21 al Service Retiree Health Benefits Fund
22 under section 8906(g)(2)(A)(ii)(I)”;

23 (B) in paragraph (2)(A)—

24 (i) by striking “2007” and inserting
25 “2021”; and

1 (ii) in clause (i)—

2 (I) by striking “current and fu-
3 ture” and inserting “current”; and

4 (II) by inserting “, plus the fu-
5 ture payments required under section
6 8906(g)(2)(A) for current employees
7 of the United States Postal Service
8 who would meet the criteria for cov-
9 erage of annuitants under section
10 8905(b) as of September 30 of that
11 year” before the semicolon; and

12 (iii) in clause (ii)(I) by inserting “,
13 plus any surplus determined under section
14 8348(h)(2)(B),” after “Benefits Fund”;
15 and

16 (C) in paragraph (3)—

17 (i) in subparagraph (B) by striking
18 “Not later than” and inserting “Except as
19 provided for under subparagraph (C), not
20 later than”; and

21 (ii) by adding at the end the fol-
22 lowing:

23 “(C) No payments under subparagraph (B) shall be
24 made for any year if the ratio of the sum of the amount
25 determined in paragraph (2)(A)(ii) to the net present

1 value computed under paragraph (2)(A)(i) is equal to or
2 more than 80 percent in any fiscal year.”.

3 (D) by amending paragraph (4) to read as
4 follows:

5 “(4) Computations under this subsection shall be
6 based on—

7 (A) economic and actuarial methods and as-
8 sumptions consistent with the methods and assump-
9 tions used in determining the Postal surplus or sup-
10 plemental liability under section 8348(h); and

11 (B) any other methods and assumptions, in-
12 cluding a health care cost trend rate, that the Direc-
13 tor of the Office determines to be appropriate.”; and

14 (E) by adding at the end the following:

15 “(7) For purposes of computing an amount under
16 paragraph (1), subclause (I) of section 8906(g)(2)(A)(ii)
17 shall be applied without regard to the limit in such sub-
18 clause with respect to the amount contained in the
19 Fund.”; and

20 (2) by adding at the end the following:

21 “(e) Subsections (a) through (d) of this section shall
22 be subject to the requirements of section 8903c.”.

23 (c) USE OF FUNDS FROM SALE OF REAL PROPERTY
24 FOR CERTAIN PAYMENTS.—

1 (1) IN GENERAL.—Chapter 29 of title 39,
2 United States Code, is amended by adding at the
3 end the following:

4 “§ 2903. Use of funds from sale of property

5 “In the event that the Postal Service permanently
6 ceases operations, any funds derived from the sale of any
7 real property owned by the Postal Service shall be used
8 to pay any outstanding liability with respect to the salaries
9 and expenses of any Postal Service employee. The balance
10 of any remaining funds shall be deposited into the Postal
11 Service Retiree Health Benefits Fund established under
12 section 8909a of title 5.”.

13 (2) CLERICAL AMENDMENT.—The table of sec-
14 tions of such chapter is amended by adding after the
15 item relating to section 2902 the following new item:

“2903. Use of funds from sale of property.”.

16 (d) TECHNICAL AND CONFORMING AMENDMENT.—
17 The heading of section 8909a of title 5, United States
18 Code, is amended by striking “**Benefit**” and inserting
19 “**Benefits**”.

20 **SEC. 5. USPS FAIRNESS ACT.**

21 (a) SHORT TITLE.—This section may be cited as the
22 “USPS Fairness Act”.

23 (b) REPEAL.—Subsection (d) of section 8909a of title
24 5, United States Code, is hereby repealed.