



OFCM will send letters to individual plans
by overnight delivery.

FEHB Program Carrier Letter
Experience-Rated Carriers

U.S. Office of Personnel Management
Office of Insurance Programs

Letter No. 2001-34

Date: October 1, 2001

Fee-for-service [29] Experience-rated HMO [32] Community-rated [---]

Subject: 2001 Fiscal Year Financial Reporting

I have enclosed the Office of Personnel Management's (OPM) financial reporting instructions for Fiscal Year 2001. As you are aware, this financial information is a requirement of your plan's participation in the Federal Employees Health Benefits Program (FEHBP). It is imperative for contract administration purposes that you submit your estimated fiscal year accounting statement by October 26, 2001 and your final fiscal year accounting statement by December 14, 2001.

I also wish to provide you with advance notice of a potentially significant change in reporting requirements for fiscal years 2002 and 2003. For fiscal year 2002, we must submit a final draft of the annual financial statements of the FEHB Program to the U.S. Office of Management and Budget by January 17, 2003. Also in 2002, for the first time, we must submit semi-annual Program financials; the initial one is required for the six-month period ending *March 31, 2002*. For 2003, quarterly financial statements will be required. These changes that are being levied on the Program will require us in turn to revise our reporting requirements for experience-rated carriers; we will advise you further in the near future.

Enclosure A, Carrier Financial Information, is a list of selected financial information that you must use in your reporting. Included in Enclosure A is the Letter-of-Credit (LOC) activity for the period October 1, 2000, through September 30, 2001.

Enclosure B is the FEHBP Fiscal Year Reporting Package for Experience-Rated FEHBP Carriers for the period October 1, 2000 through September 30, 2001. The Table of Contents of Enclosure B contains a list of required statements and supporting schedules you must submit. If you have elected to provide an audit of your 2001 fiscal year accounting statement, you must submit the auditor's report and all additional reports with the accounting statement.

As indicated above, in order to comply with our Treasury reporting requirements, an Estimated Summary Statement for the fiscal year ending September 30, 2001, must be submitted in advance. This statement is due at OPM no later than October 26, 2001.

All carriers subject to "primary coverage" as described in the "FEHBP Experience-Rated Carrier and Service Organization Audit Guide" must provide a report on compliance with laws, regulations, and internal controls and agreed-upon-procedures. The due date of your Fiscal Year Accounting Statement is December 14, 2001.

The Debt Collection Improvement Act of 1996 (DCIA) provides that a debt owed to the United States that has been delinquent for a period of 180 days or more is subject to administrative offset. Effective August 26, 1999, all payments to carriers, including amounts drawn down from the letter-of-credit accounts (LOCAs) for experience-rated plans, will be subject to the administrative offset provisions of the DCIA. Treasury may reduce the amounts we pay to you as premiums or that you draw from LOCAs to satisfy amounts you owe to other Federal entities. However, you are required to report the gross amount of LOCA drawdowns on your annual and fiscal year accounting statements rather than the net amount received.

Thank you in advance for your submitting a timely and accurate accounting statement. If you have questions about this letter, contact Zaff Shafi of the Benefits Accounting Branch on 202/606-4189.

Sincerely,

A handwritten signature in black ink, appearing to read "Abby L. Block". The signature is fluid and cursive, with a long horizontal stroke at the end.

Abby L. Block
Assistant Director
for Insurance Programs

Enclosures