
FEHB Program Carrier Letter

All Community Rated HMO Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

Letter No. 2019-08(a)

Date: August 6, 2019

Fee-for-service [n/a] Experience-rated HMO [n/a] Community-rated HMO [8]

SUBJECT: Changes to the Standard Contract for Contract Year 2020

2020 Contract Year. Please review Attachment A, which details the proposed Standard Contract changes for Federal Employees Health Benefits Program Community-Rated HMO Carriers for Contract Year 2020. If you have comments, please provide them as soon as possible or no later than September 3, 2019.

The proposed amendments are as follows:

Plan Performance – Community-Rated HMO Contracts

- We amended the last sentence in Section 1.9, subsection (b). Community Rated Carriers are not subject to allowable administrative expenses or administration cost limitations.

Rate Reduction for Defective Pricing or Defective Cost Or Pricing Data

- We amended Section 3.3 to reflect the updates made in FEHBAR Section 1652.215-70 in June 2015. Subsection (a)(3) was modified to note that SSSGs would be compared only for Traditional Community Rated plans. Subsection (a)(4) was modified to address Carriers who are not mandated by the state to use traditional community rating or whose rating methodology is not consistent with its state-filed rating methodology.

Utilization of Small Business Concerns

- We amended Section 5.14 consistent with the updated FAR clause and provided technical edits to remove the word “database” when referring to the System for Award Management.

Contract Work Hours and Safety Standards Act Overtime Compensation

- In section 5.18, we amended subsection (b) to remove specific dollar amounts for liability and provisions of the law that had been previously added to provide guidance for monetary penalties of inflation.

Payment by Electronic Funds Transfer – System for Award Management

- We amended to Section 5.58 and provided technical edits to remove the word “database” when referring the System for Award Management.

Subcontracts for Commercial Items

- Section 5.60, subsection (c)(1)(iv) was added to include Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities.

System for Award Management

- We amended Section 5.63 subsection (b)(1) to reflect the updated FAR clause requiring registration in the System for Award Management when submitting an offer and the continuation of registration throughout the duration of the award.

Updates of Publicly Available Information Regarding Responsibility Matters

- We amended Section 5.66 to the October 2018 FAR clause, which updated the website for the System for Award Management.

Combating Trafficking in Persons

- We amended Section 5.71 to reflect the January 2019 FAR clause changes which provide expanded regulations on human trafficking

FEHB Plan Performance Assessment

- We amended Appendix F to reflect the updated Plan Performance Assessment measures and contributions to performance areas and scores for 2020 Performance and 2021 Performance Adjustment.

Please email your comments to FEHBcontramend@opm.gov, with a copy to your OPM Health Insurance Specialist.

We look forward to working with you on your contract.

Sincerely,

Laurie Bodenheimer
Acting Director
Healthcare and Insurance

Enclosure