

Part 2

2025

Rate Proposal Instructions

Part 2
Rate Proposal Instructions
Table of Contents

Proposal Submission Requirements	3
Instructions for Attachment I and IA – Small Carriers	4
Instructions for Attachment II – Large Carriers	5
Attachment IB - Certificate of Accurate Pricing SSSG Methodology	9
Attachment IB - Certificate of Accurate Pricing MLR Methodology	10
Attachment IIB - 2025 Community Rate Questionnaire	11
General Questions.....	11
TCR Questions.....	17
CRC Questions	19
ACR Questions	22
Attachment IIC - Carrier Contacts	25
Attachment IID - Utilization Data	26

Proposal Submission Requirements

❖ Proposal Submission Requirements

Carriers should use 2024 non-Postal Service enrollee contract counts to determine if they can file as a small FEHB carrier in 2025. Carriers should use 2024 Postal Service enrollee contract counts to determine if they can file as a small PSHB carrier in 2025. FEHB carriers should not use Postal Service enrollee contracts to determine FEHB contract count. PSHB carriers should not use non-Postal Service enrollee contracts to determine PSHB contract count.

If a **carrier** has more than 1,500 non-Postal/Postal enrollee contracts, separately, at the time of the FEHB/PSHB rate proposal submission:

- The carrier is considered a large FEHB/PSHB carrier. The carrier must complete and submit Attachments II, IIA, IIB, IIC, and IID.

If a **carrier** has less than 1,500 non-Postal/Postal contracts, separately, at the time of the FEHB/PSHB rate proposal submission, the carrier must choose between the following options:

- Submit the same detailed documentation required for large carriers (see above). A carrier that chooses this option **will be considered a large FEHB/PSHB carrier**.

OR

- If the carrier's 2024 income from the Federal group will be greater than or equal to \$2,000,000, the carrier must complete Attachments I, IA, IB, II, IIA, IIB, IIC, and IID and submit Attachments I, IA, IB, IIC, and IID. A carrier should not send Attachments II, IIA, and IIB to OPM; however, these documents must be kept on file and available for OPM review in accordance with the records retention clause of the contract. A carrier that chooses this option **will be considered a small FEHB/PSHB carrier**.
- If the carrier's 2024 income from the Federal group will be less than \$2,000,000, the carrier must complete and submit Attachments I, IA, IIC, and IID. The carrier need not complete or retain Attachments IB, II, IIA, and IIB. A carrier that chooses this option **will be considered a small FEHB/PSHB carrier**.

Since small carriers will not submit detailed documentation, the Office of the Actuaries will evaluate these carrier's proposed rates by using its reasonableness test. Rates failing this test will be further reviewed. For small carriers whose 2024 Federal group income will be \$2,000,000 or more, the Office of the Actuaries may request detailed documentation.

Instructions for Attachment I and IA

❖ Instructions for Attachment I and IA – Small Carriers

Please complete the “Attachment I (Small Carriers)” and “Attachment IA (Small Carriers)” tab in the accompanying Excel file. Complete one Excel file for all of the FEHB/PSHB plan options you are proposing for 2025 and upload the file with each plan code in the Rate Submission Tool and/or Carrier Connect, as applicable.

If your 2024 Federal group income will be greater than or equal to \$2,000,000, you must complete and keep on file Attachments II, IIA, and IIB before submitting Attachment I and IA.

Q1. Indicate the method of community rating used.

Q2. Enter the proposed 2025 FEHB/PSHB group rates in Columns F-H, of Attachment I.

If your 2024 income from the Federal group is greater than or equal to \$2,000,000, enter the Line 5c rates from Attachment II in Q2 of Attachment I.

Q3. If OPM owes you money as a result of the 2024 reconciliation, OPM will reimburse the amount due through an increase in your 2025 rates. Compute the appropriate increase based on the results of the 2024 reconciliation and enter the amount in Q3, in Columns I-K, of Attachment I.

If you owe OPM as a result of the 2024 reconciliation, OPM will recoup the amount due through a decrease in the carrier’s 2025 rates. Compute the appropriate decrease based on the results of the 2024 reconciliation and enter the amount on Q3, in Columns I-K, of Attachment I.

Q4. Q4, in Columns L-N, of Attachment 1 is the proposed 2025 FEHB/PSHB group rates after adjustments (Q2 ± Q3).

In Columns O-AR, we demonstrate how the Government Contribution affects the enrollee’s contribution. We do not know the government contribution for 2025 until rates are finalized; however, this sheet allows you to estimate what the increase from last year will be and see how your assumptions affect the enrollee’s share of the premium.

Please enter your bi-weekly 2024 net-to-carrier contract rates agreed to during the summer of 2023 in Columns O-Q. These rates are not the brochure rates (which are the net-to-carrier rates times 1.04). In cell B14 you can input your estimate of the increase or decrease in the government contribution. The default is 0% and is not intended to represent our expectation of the change in the government contribution. Columns AP-AR show the increase/decrease in the enrollee contribution given the assumption in cell B14.

Instructions for Attachment II

❖ **Instructions for Attachment II – Large Carriers**

Please complete the "Attachment II" and "Attachment IIB (QG22-28 Large)" tabs in the accompanying Excel file. Please provide any additional backup in an Excel file and keep all the formulas in the spreadsheet. You may add worksheets to "Proposal Tables Attachments I, IA, II, IIB (QG22-QG28), and IIA.xlsx" to help demonstrate your rate buildup. Item numbers correspond to line numbers on Attachment II.

1. Proposed FEHB/PSHB Rates before Loadings for January 1, 2025

This is the carrier's best possible estimate of the 2025 FEHB/PSHB bi-weekly Self Only, Self Plus One, and Self and Family rates. These rates must be based on the carrier's community rate(s) or an OPM approved ACR methodology. On the Backup Line 1 Form, indicate in detail how the Line 1 rates were derived.

Traditional Community Rating (TCR) and Community Rating By Class (CRC)

Complete the TCR & CRC Backup Line 1 Form in the accompanying Excel file or provide an equivalent document and enter the resulting Self Only, Self Plus One, and Self and Family rate on Line 1 of Attachment II.

Adjusted Community Rating (ACR)

Complete the ACR Backup Line 1 Form in the accompanying Excel file or provide an equivalent document and enter the resulting Self Only, Self Plus One, and Self and Family rate on Line 1 of Attachment II.

2. Special Benefit Loadings

Special Benefit Loadings are loadings to account for differences between the FEHB/PSHB group's benefit package and the carrier's community benefits package or, in the case of an ACR rated carrier, loadings to include benefits not included in claims data. Provide all backup calculations and clearly indicate all utilization and cost assumptions for each special benefit loading.

If the loading is a benefit you offer to other groups, there should be a uniform price (that is, a capitation rate or standard set of three-tiered community rates) for the benefit. Indicate clearly in your backup calculations the adjustments (if any) you have made to the uniform loading to arrive at the FEHB/PSHB loading.

You must offset through negative loadings any benefits not provided to the FEHB/PSHB group which are part of the carrier's basic package. You should enter a cost of \$0.00 for benefit differences with no cost.

Instructions for Attachment II

Complete the Special Benefits Loading Form in the accompanying Excel file or provide an equivalent document and enter the loading(s) on Line 2 of Attachment II.

3. FEHB/PSHB Rates Plus Special Loadings

Line 3 of Attachment II is the sum of Lines 1 and 2.

4a. Extension of Coverage Loading

Extension of Coverage is the automatic continuation of health benefits coverage for 31 days after FEHB/PSHB enrollment terminates, except by the enrollee's cancellation of coverage.

If entitled to the Extension of Coverage Loading, multiply Line 3 by 0.004 and enter the result on Line 4a of Attachment II.

Generally, an ACR rated carrier is **not** entitled to this loading. If an ACR rated carrier believes they are entitled to the Extension of Coverage Loading, a detailed explanation must be submitted with this proposal and backup documentation must be kept available for audit review. OPM reserves the right to deny this loading.

4b. Medicare Loading

The Medicare loading adjusts a carrier's premium to provide the correct income for FEHB/PSHB retirees age 65 and older since most other groups generally cover their retirees by Medicare Advantage Plans or Medicare Supplement Plans and are excluded from the employee plan.

A carrier must document the Medicare status of FEHB/PSHB annuitants and their covered spouses age 65 and over, and compute a Medicare loading. Compute the cost of benefits for the FEHB/PSHB annuitants and compare the cost with the income received on behalf of these annuitants from OPM and CMS. If more income is received than is needed to cover the cost of benefits for this group, the Medicare loading should be negative. If less income is received than is needed, the loading should be positive. Clearly explain your method and provide backup calculations.

The difference between the cost for these enrollees and revenue received from CMS should roughly equal the premium charged to Medicare enrollees for either Medicare Supplement Plans or Medicare Advantage Plans with adjustments made for differences in levels of benefits. Please verify the reasonableness of your loading. We will verify the accuracy of your calculation based on the answers you provide in questions QG11 and QG12.

Instructions for Attachment II

A carrier claiming a Medicare loading must have appropriate documentation to justify the distribution of its Medicare population submitted in QG14.

If you use ACR to compute your rates, you must be sure you have considered the effect of COB (coordination of benefits) income received from CMS. You should pay particular attention to QA5 and QA6 of the questionnaire. **A carrier using a claims-based ACR method will normally not have a Medicare loading.**

Below is an example of the method we suggest. If you use a reasonable and well documented method for other groups, you should also use it for the FEHB/PSHB group.

Medicare Coverage	Distribution of FEHB/PSHB Annuitants and Covered Spouses*	Cost of Benefits	FEHB/PSHB Premium**	Money from CMS	Gain (Loss) to Carrier
A+B	100	\$120	\$50	\$100	\$30
A	65	120	50	60	(10)
B	10	120	50	40	(30)
None	50	120	50	0	(70)

(1) Revenue Gain: $100 \times \$30 = \$3,000$
 (2) Revenue Loss: $(65 \times \$10) + (10 \times \$30) + (50 \times \$70) = \$4,450$
 (3) Net Loss = $\$4,450 - \$3,000 = \$1,450$

* From QG14, Attachment IIA
 ** If you use this method, the FEHB/PSHB premium should be the self rate

This positive loading of \$1,450 could be spread over the Self Only, Self Plus One, and Self and Family contracts in any reasonable manner. Note that whether the loading comes out negative or positive depends on the distribution of FEHB/PSHB enrollees by Medicare status.

Complete the Medicare Loading Form in the accompanying Excel file or provide an equivalent document and enter the Loading on Line 4b of Attachment II.

4c. Subtotal

Line 4c of Attachment II is the sum of Lines 3, 4a and 4b.

Instructions for Attachment II

4d. Estimated Premium Underpayment Percent

Carriers will have the opportunity to apply to your contracting officer to receive a Premium Underpayment Loading for 2025. The application will be due in the first quarter of 2025. On Line 4d (in cell G16) you may enter an estimate of this percentage. This percentage will be updated in the 2025 Reconciliation to match the amount approved by your contracting officer.

4e. Premium Underpayment Loading [(4c)x(4d)]

Line 4e of Attachment II is the result of multiplying Line 4c by Line 4d.

5a. Proposed FEHB/PSHB Rates – 2025

Line 5a of Attachment II is the sum of Lines 4c and 4e.

5b. Discount

Enter the amount of discount, if any, on Line 5b(i), SSSG Discount, or Line 5b(ii), Other Discount, on Attachment II. The SSSG discount line should only be used by carriers that are state-mandated to use TCR. An SSSG discount may be adjusted at the time of reconciliation to reflect the actual discount applied. Other discounts may not be adjusted.

5c. Final Proposed FEHB/PSHB Rates – 2025

Line 5c of Attachment II is the total of Lines 5a and 5b.

Beneath the Attachment II table (see rows 24-74), we demonstrate how the Government Contribution affects the enrollee's contribution. We do not know what the government contribution will be for 2025 until rates are finalized; however, this sheet allows you to estimate what the increase from last year will be and see how your assumptions affect the enrollee's share of the premium.

Please enter your bi-weekly 2024 net-to-carrier contract rates agreed to during the summer of 2023 in cells B29-D29. These rates are not the brochure rates (which are the net-to-carrier rates times 1.04). In cells A35-A38 you can input your estimate of the increase or decrease in the government contribution. The defaults are 0%, 3%, 6%, and 9% and are not intended to represent our expectation of the change in the government contribution. Cells B71-D74 show the increase/decrease in the enrollee contribution given the assumptions in cells A35-A38.

Certificate of Accurate Pricing

For Community Rated Carriers (SSSG methodology)

This is to certify that, to the best of my knowledge and belief:

- 1) The cost or pricing data submitted (or, if not submitted, maintained and identified by the carrier as supporting documentation) to the Contracting Officer or the Contracting Officer's representative or designee in support of the 2024 FEHB rates were developed in accordance with the requirements of 48 CFR Chapter 16 and the FEHB contract and are accurate, complete, and current as of the date this certificate is executed; and
- 2) The methodology used to determine the FEHB rates is consistent with the methodology used to determine the rates for the carrier's Similarly Sized Subscriber Groups.

Firm	
Name	
Title	
Signature	
Date	

Certificate of Accurate Pricing
For Community Rated Carriers (MLR methodology)

This is to certify that, to the best of my knowledge and belief:

- 1) The cost or pricing data submitted (or, if not submitted, maintained and identified by the carrier as supporting documentation) to the Contracting Officer or the Contracting Officer's representative or designee in support of the 2024 FEHB rates were developed in accordance with the requirements of 48 CFR Chapter 16 and the FEHB contract and are accurate, complete, and current as of the date this certificate is executed.

Firm	
Name	
Title	
Signature	
Date	

2025 Community Rate Questionnaire

General Questions

(To be completed by all carriers.)

QG1. What type(s) of community rating do you propose to use for the FEHB/PSHB Group in 2025?

- Traditional Community Rating (TCR)
 - a. Standard (Book) Rating
 - b. Variable (Group Specific) Rating
- Community Rating By Class (CRC)
- Adjusted Community Rating (ACR)

QG2. Are you proposing a rate for a HDHP in 2025?

Yes/No **If no, skip to QG5**

If "Yes", is your HDHP rated separately from your traditional HMO?

Yes/No

QG3. Do any of your other groups offer an HDHP?

Yes/No

QG4. What is the annual deductible and annual pass-through amount for your proposed HDHP?

Deductible: Self Only Self Plus One and Self and Family

Pass Through Amount: Self Only Self Plus One and Self and Family

QG5. a. If you use step-up factors, what are they? Specifically, what step-up factor do you use to convert the capitation rate (or the adjusted capitation rate) to the Self Only rate? What step-up factor do you use to convert the Self Only rate to the Self Plus One rate and the Self and Family rate?

Self Only/Capitation =

Self Plus One/Capitation =

Self and Family/Capitation =

b. How do you derive the above step-up factors? Explain briefly (we prefer a numerical formula for each factor as the explanation). Example:

Attachment IIB

$\text{Self/Capitation} = \frac{.40 + .30(2) + .30(3.9)}{.40 + .30(2.1) + .30(2.6)} = 1.20$

- c. Are these step-up factors group-specific (that is, derived using the demographics of the FEHB/PSHB group)? Or, are the step-up factors based on overall population demographics?

Group Specific/Based on Overall Carrier Population Demographics

- d. If you use group-specific factors, do you use them for all groups?

If "No", what are your criteria for using group-specific factors?

QG6. If you use enrollment-mix or other demographic assumptions at any point in the development of the 2025 FEHB/PSHB group rates (including development of step-up factors), what are they?

- % Self Only Contracts
- % Self Plus One Contracts
- % Self and Family Contracts

Family Size
Other:

What is the "as of" date of the above enrollment?

QG7. What is the source of your demographic information? Is the same source used for all groups? If not, what is the source of your demographic information for other groups?

QG8. If you do not use step-up factors to convert a capitation rate to the Self Only, Self Plus One, and Self and Family rates, explain how you derive the Self Only, Self Plus One, and Self and Family rates.

QG9. Are the special benefits listed in Line 2, Attachment II of the 2025 proposal different from those that you offered in 2024?

Yes/No/If "Yes", explain.

QG10. Regarding the special benefits shown on Line 2, Attachment II: Are any of them a rider offered to other groups?

Attachment IIB

Yes/No

If "Yes", indicate which special benefits are riders.

QG11. OPM requires coordination of benefits (COB) with CMS for FEHB/PSHB annuitants and their covered spouses who are entitled to Medicare.

a. Do you have a Medicare Advantage or Cost Contract with CMS?

Yes/Medicare Advantage Contract/Cost Contract/No

b. Are any FEHB/PSHB group enrollees covered under these contracts?

Yes/No/N/A

c. If the answer to QG11(a) is "Yes", explain the arrangement you have with CMS, describe all benefit packages you offer enrollees under your Medicare Advantage contract, and the premiums paid (if any) by the individuals enrolled under your Medicare Advantage contract.

QG12. Do you sell a Medicare supplement policy?

Yes/No

If "Yes", describe the benefit packages of any Medicare supplement policies you offer, and the premiums you charge for them.

QG13. Explain how you coordinate benefits for FEHB/PSHB Medicare annuitants and Medicare dependent spouses.

QG14. Show the number of FEHB/PSHB annuitants and their covered spouses age 65 and older enrolled with the carrier. Also include the amount of COB money received from CMS for each of the following categories:

Medicare Coverage	Non-Postal Counts	Postal Counts	COB Amount
Medicare Part A and Part B			
Medicare Part A Only			
Medicare Part B Only			
Neither Part A nor Part B			

Attachment IIB

Medicare Coverage	Non-Postal Counts	Postal Counts	COB Amount
Medicare Part C - Medicare Advantage with EGWP offered to FEHB enrollees			
Medicare Part C –Medicare Advantage Plan not offered directly to FEHB enrollees			
Medicare Part D - PDP with EGWP offered to FEHB enrollees			
Medicare Part D –PDP not offered directly to FEHB enrollees			
Cannot Determine			

Note: The sum of the numbers in the counts column above should be the total number of FEHB/PSHB annuitants and their covered spouses age 65 and older enrolled with the carrier.

QG15. How do you determine the numbers that you have in the distribution in QG14?

QG16. Do your Attachment II, Line 1 rates reflect any tax, fee or monetary payment imposed on the carrier by a state or local government?

Yes/No

If "Yes", have you included a negative loading in the Special Benefits section of the proposal?

Yes/No

If "No", explain why you did not include a negative loading.

QG17. If you use different rating methods (i.e. TCR, CRC, ACR) for different groups, describe your criteria for the use of each method.

QG18. Backup Calculations - Attachment II, Line 1 Rates

- a) If you use Traditional Community Rating (TCR), show how you derive the rates on Line 1, Attachment II of the proposal. If they are three-tiered rates that you use for all groups, and will be backed by an insurance department filing, state this. If you derived the rates by converting a capitation rate into Self Only, Self Plus One, and Self and Family rates, show the calculations.

Attachment IIB

If you use Community Rating by Class (CRC) or Adjusted Community Rating (ACR) show any details of the derivation of the Line 1, Attachment II rates that were not given in the previous parts of this questionnaire.

Do not skip this question or refer us to another sheet. What we want here is a clear explanation of your Line 1 rates. If there are other sheets with detailed calculations, tell us here in simple language what is done. We want to see how you develop the rates; do not modify your rate development to match our forms or examples.

QG19. Does your proposed rate include any discounts, underwriting adjustments, or concessions? TCR plans should not consider estimated SSSG discounts when answering this question. Regulation does not allow the discount to change during the reconciliation. What is the discount you are guaranteeing?

Percent decrease of

Dollar decrease of

Final rate will not increase at reconciliation

Factor in the buildup will not change, please explain:

Other, please explain:

QG20a. Are any of your 2024 FEHB members enrolled in a Medicare Advantage (MAPD) or Prescription Drug Plan (PDP) Employer Group Waiver Plan (EGWP) that you offer? Please select all that apply

Yes, a MAPD EGWP

Yes, a PDP EGWP

No

If Yes, please explain how you are incorporating the costs for enrollees in an MAPD and/or PDP EGWP in your premium. Please include reference to where in the build-up these calculations are found.

QG20b. If you are proposing a MAPD and/or PDP EGWP for 2025, what is your projected FEHB/PSHB membership (enrollees plus family members) in the MAPD and/or PDP EGWP offered to FEHB/PSHB members? Please explain how you made this assumption.

QG21a. Please explain how you separate your non-Postal and Postal experience for FEHB and/or PSHB in your rate development. OPM requires carriers to build rates with the applicable experience for each group.

QG21b. PSHB Carriers only: What assumption are you making for the number of annuitants who will elect Medicare Part B during the Postal Special Enrollment Period?

Attachment IIB

Please answer questions QG22 - QG28 in the "Attachment IIB (QG22-28 Large)" tab of the Excel file that accompanies this Word document.

Attachment IIB

TCR Questions

(Answer only if the carrier uses TCR to develop rates)

QT1. Do you use a standard set of tiered rates applicable to all groups with a tiered rate structure?

Yes/No

If "Yes", what are they?

Self Only:

Self and Family:

Self Only:

Self Plus One:

Self and Family:

QT2. Do you begin your rate development with a capitation rate, and then convert it to the Self Only, Self Plus One, and Self and Family rates?

Yes/No

If "Yes", what is the capitation rate?

Capitation Rate =

Note that you may check both QT1 and QT2 "Yes" if you use a standard set of tiered rates that are derived from a capitation rate.

QT3. Do you use "step-up" factors to convert the capitation rate to the Self Only, Self Plus One, and Self and Family rates?

Yes/No

QT4. Are you electing to submit a list of potential SSSGs at this time?

Yes/No

If "No", the carrier will select the group which meets the SSSG requirements at the time of reconciliation as the SSSG.

If "Yes":

- **Complete the Potential SSSGs Form in the accompanying Excel file.** The carrier must also have a list on file of **all** potential SSSGs ranked by the group's most recent enrollment (but no later than March 31 of the current year). In creating the potential SSSG list, did you only include the enrollment in TCR products to determine the size of the groups?

Yes/No

Attachment IIB

- Has your organization merged with a subsidiary organization or acquired a new carrier, insurance company, or health plan within the last year?

Yes/No

If "Yes", have you included the health plans from merged or new organizations in your SSSG consideration?"

Yes/No If "No", explain why

QT5. Do you include a potential SSSG discount in your 2025 FEHB/PSHB proposed rates?

Yes/No

If Yes, what is the discount as a percentage?

If Yes, was the discount as a percentage applied to the entire rate?

Yes/No If "No", explain why

Attachment IIB

CRC Questions

(Answer only if the carrier uses CRC to develop its rates)

QC1. Do you use CRC for all your groups?

Yes/No

If "No", what is your criteria for using CRC?

QC2. What CRC factors do you use?

Age

Sex

Other

QC3. What capitation rate do you begin with?

Capitation Rate =

QC4. What is the adjustment factor you use to adjust the capitation?

Adjustment Factor =

What is your adjusted capitation rate?

Adjusted Capitation Rate =

Explain how you derived the CRC adjustment factor. **On what population data are the CRC utilization factors based? How often do you update the data on which the CRC utilization factors are based?**

QC5. Give a simple narrative explanation of how you derive your rates including how you adjust the capitation rate.

Do not skip this question or refer to another sheet. You must provide a clear explanation of how you derive your rates. If there are other sheets with detailed calculations, tell us here in simple language what is presented on those sheets.

QC6. Have you enclosed any worksheets (i.e. sheets showing age/sex distribution and relative utilization factors) that you used to derive the CRC adjustment

Attachment IIB

factor? **Please note that you must have documented support for the CRC age/sex factors.**

Yes/No/N/A

If "No" or "NA", explain. **(Note: We normally expect to see the worksheets from which you derive the CRC adjustment factor. These may be submitted separately.)**

QC7. Do you use "step-up" factors to convert the adjusted capitation rate to the Self Only, Self Plus One, and Self and Family rates?

Yes/No

If "No", explain

QC8. Explain how you derive the "relative utilization factors" associated with your age/sex distribution sheet.

Note that we would expect the factors to be based on the utilization experience of the different age groups of the total employee population the carrier services. In some cases, a carrier might use factors based on some other large population. Please make it clear exactly where your relative utilization factors come from, and on what population they are based.

Important! Do not skip this question.

QC9. When you derive the CRC adjustment factor, do you include the number of FEHB/PSHB annuitants, over age 65, anywhere in the calculation?

Yes/No

If "Yes", have you given us a credit for Medicare Reimbursement?

Do you include the number of FEHB/PSHB annuitants **under** age 65?

Yes/No

In general, explain how you use the group of FEHB/PSHB retirees (if at all) in your calculation of the CRC factor.

Important! Do not skip this question.

QC10. Do you use an industry factor in your rating?

Attachment IIB

Yes/No

If Yes, did the FEHB/PSHB group receive a factor of 1.00 or less?

Yes/No

If No, explain.

Attachment IIB

ACR Questions

(Answer only if the carrier uses ACR to develop its rates)

QA1. Do you use ACR for all your groups?

Yes/No

If "No", what is your criteria for using ACR?

QA2. What method of ACR do you use to rate the FEHB/PSHB group in 2025?

A Method Based on FEHB/PSHB Claims

Other

Note: You should have on file any claims/utilization data supporting the rates for the FEHB/PSHB group.

QA3. If your answer was "Other" for QA2, give a simple, but comprehensive explanation of how you developed your rates. Use extra sheets if necessary.

QA4. If you are required to submit an FEHB MLR, are your claims accounted for in a consistent manner?

Yes/No

If you answered "No", please explain the difference in the claims used in the FEHB MLR submission and those included in the ACR development. Do not include the timing and completion factor differences between the two submissions.

QA5. Are age 65 and older retirees included in the claims or utilization data used to determine the ACR factor or rates?

Yes/No

If "No", a standard Medicare loading should be taken.

QA6. If you answered "Yes" to QA5, are CMS reimbursements included in the FEHB/PSHB group's experience?

Yes/No

Attachment IIB

If "No", a negative Medicare loading should be taken to account for all monies received from CMS or monies saved because Medicare was the primary payer (that is, responsible for most of the claim payments).

If "Yes", there should be no Medicare loading.

QA7. Did you reduce claims used in the rate development by all COB income (e.g. prescription drug rebates, settlements) that the carrier received from other insurance sources excluding CMS?

Yes/No

If "No", credit must be applied to the FEHB/PSHB group for any monies received from other insurance sources.

Questions QA8 through QA14 are for carriers that answered QA2 by checking "A Method Based on FEHB/PSHB Claims"

QA8. Clearly explain your ACR method using FEHB/PSHB claims data to compute rates. **Do not skip this question and do not refer us to other sheets. What we want here is a simple narrative description of your method.**

QA9. Do you use completion factors to derive incurred claims?

Yes/No

If "Yes", you should use the same set of completion factors for all your groups. Do you?

Yes/No/N/A

If No, explain.

QA10. Complete the following for the claims in the experience period used to calculate your 2025 rates:

Total Claims (not including any COB)

Medicare COB

Other COB (for example, Rx rebates, settlements)

Net Claims

Attachment IIB

QA11. Explain how you compute the administrative charge.

Important! Do not skip this question.

QA12. Did the claims used in the rate development reflect special benefits?

Yes/No

QA13. Do you derive an adjusted capitation rate by using an ACR factor that was derived from actual claims data?

Yes/No

If "Yes", Adjusted Capitation Rate =

QA14. Do you use step-up factors to convert an adjusted capitation rate to the Self Only, Self Plus One, and Self and Family rates?

Yes/No

If "Yes", please make sure you answer QG5.

If "No", please explain how you set the differential for the three tiers.

Attachment IIC

Carrier Contacts

For information about your rate submission, we should contact:

Name	
Phone Number	
Email	

OR

Name	
Phone Number	
Email	

Our counterproposal and rate acceptance letters should be addressed to:

Name	
Address	
Phone Number	
Email	

Attachment IID

2023 Utilization Data (Based on Total HMO Population)		
Type of Service	Annual Utilization Per 1000 Members	
1. Number of Prescriptions		
Type of Service	A. Mental Health	B. Other
2. Number of Office Visits		
3. Number of Inpatient Hospital Days		