
FEHB Program Carrier Letter
All Community Rated Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

FEHB PSHB

Letter Number 2024-20a

Date: October 23, 2024

Fee-for-service [n/a]

Experience-rated HMO [n/a]

Community-rated HMO [17]

**Subject: Changes to the Standard Contract for
Contract Year 2025**

Please review Attachment A, which details the proposed Standard Contract changes for Community Rated Carriers offering Federal Employees Health Benefits plans and Postal Service Health Benefits plans for Contract Year 2025. Unless otherwise noted, the changes apply to contracts for both the FEHB plans and PSHB plans.

If you have comments, please provide them as soon as possible but no later than November 13, 2024.

The proposed amendments set forth in Attachment A are as follows:

1. Amends Section 1.5 to include language regarding OPM's guidelines and criteria in relation to the FEHB Clearinghouse. (FEHB Only)
2. Amends Section 1.24 to correct a typographical error.
3. Removes Section 1.36 and reserves section. (PSHB ONLY)
4. Amends Section 3.10 to address and provide updated language relating to Large Provider Agreements and subcontracts.
5. Amends Section 5.14 to provide updated FAR language.
6. Amends Section 5.25 to provide updated FAR reference and date.
7. Amends Section 5.69 to provide updated FAR reference and date.
8. Amends Section 5.70 to provide updated FAR language.
9. Amends Section 5.74 to provide updated FAR language.
10. Removes Section 5.76 in its entirety and reserves section.

Please email your comments to FEHBcontramend@opm.gov, with a copy to your applicable OPM FEHB and PSHB Health Insurance Specialists.

We look forward to working with you on your contract.

Sincerely,

Laurie Bodenheimer
Associate Director
Healthcare and Insurance

Encl.: Attachment A - Proposed Changes to Standard 2025 Community
Rated Health Benefits Contract

Attachment A - Proposed Changes to Standard 2024 Community Rated Health Benefits Contract

Note: New and revised language is distinguished in **green font surrounded by asterisks** and language to be deleted is distinguished in *<dark red font surrounded by angled brackets>*.

1. Section 1.5 Enrollment Records and Information

FEHB Only

Provide updated language to hold Carrier(s) responsible for following OPM guidance on the Centralized Enrollment Clearinghouse System (CLER).

SECTION 1.5

ENROLLMENT RECORDS AND INFORMATION *<(JAN 2023)>*(JAN 2025)**

(b) The OPM shall direct the agencies and Tribal Employers to provide the Carrier or the FEHB Clearinghouse, not less often than quarterly, the names of Enrollees enrolled under the contract by payroll office and the premium paid for those Enrollees for the current pay cycle. The Carrier shall at least quarterly reconcile its enrollment records with those provided by the Government, the Tribal Employer, or the FEHB Clearinghouse **in accordance with OPM's guidelines and criteria**.

2. Section 1.24 Transitional Care Amends a typographical error.

SECTION 1.24

TRANSITIONAL CARE *<(JAN 2024)>*(JAN 2025)**

(a) "Transitional care" is specialized care provided for up to 90 days or through the postpartum period, whichever is later, to a Member who is undergoing treatment for a chronic or disabling condition for pregnancy when the Carrier terminates (1) all or part of its FEHBP contract or (2) the Member's specialty provider contract for reasons other than cause, or (3) a Preferred Provider Organization (PPO) or (POS) network contract for reasons other than cause. The 90-day period begins the earlier of the date the Member receives the notice required under Section *<1.24>*1.23**, Notice on Termination of FEHBP or Provider Contract (HMO), or the date the Carrier's or the provider's contract ends.

3. Section 1.36 Federal Flexible Spending Account Program (FSAFEDS) Paperless Reimbursement

PSHB Only

Removes entire section.

SECTION 1.36

[RESERVED]

<FEDERAL FLEXIBLE SPENDING ACCOUNT PROGRAM (FSAFEDS) PAPERLESS REIMBURSEMENT (JAN 2013)

(a) If the Carrier participates in the FSAFEDS paperless reimbursement process, the Carrier must notify OPM following the discovery of a triggering event, as defined herein. Unless OPM and the Carrier mutually agree upon a different triggering event, the triggering event for notice shall be when the paid or denied claims included in a weekly electronic feed to FSAFEDS contain systemic errors attributable to a single claims processing system programming error, including but not limited to, a programming error in setting a co-payment or deductible amount. OPM and the Carrier recognize and agree that medical, dental, or prescription drug claim payment adjustments and voids made in the regular course of business including but not limited to, network pricing changes or restocking unclaimed prescription drugs, are not claims processing system programming errors for purposes of this provision.

(b) The Carrier shall provide notice to OPM as set forth in subsection (a) above within one business day after discovering the triggering event.

(c) The Carrier's notice to OPM shall explain in writing the nature of the triggering event.

(d) After giving such notice, the Carrier shall take the following steps:

(1) Explain in writing, the steps that the Carrier has taken or will take to correct the error within five (5) business days after discovering the triggering event;

(2) Collaborate with FSAFEDS to confirm the number of impacted Enrollees or the number of claims affected by the error;

(3) Assist FSAFEDS when requested to develop an action plan that assists Enrollees to avoid a situation in which Enrollees would forfeit a portion of their annual salary reduction contributed toward FSAFEDS;

(4) Draft in consultation with OPM and FSAFEDS a notice to all affected Enrollees that explains the nature of the error and how the Carrier anticipates solving the problem; and

(5) Timely inform OPM about issues raised by Enrollees that result from recovery efforts and cooperate with OPM's efforts to resolve those issues.>

4. Section 3.10 Audit Resolution

Provides updated language relating to Large Provider Agreements and subcontracts.

SECTION 3.10

AUDIT RESOLUTION <(JAN 2015)>*(JAN 2025) *

(b) Notwithstanding Section 3.4, Contractor Records Retention, the Carrier will retain records related to open audits being conducted by the Office of Inspector General, *including all records of Large Provider Agreements and subcontracts that equal or exceed the threshold requirements, * provided the Carriers were notified of the audit within the records retention timeframes in Section 3.4. Specific records identified in the scope of these open audits will need to be maintained by the Carrier until the audits are <resolved>*closed* by OPM. <This clause is effective prospectively as of the 2015 contract year.>

(c) The Carrier shall insert subsection (b) in all subcontracts for underwriting and claim payments and administrative services and in all Large Provider Agreements and shall substitute "contractor," "Large Provider," or other appropriate reference for the term "Carrier."

5. Section 5.14 Utilization of Small Business Concerns

Provides updated FAR language.

SECTION 5.14

UTILIZATION OF SMALL BUSINESS CONCERNS <(OCT 2022)>*(FEB 2024)*
(FAR 52.219-8

(a) Definitions. As used in this contract --

"HUBZone small business concern" means a small business concern that meets the requirements described in 13 CFR 126.200, certified by the Small Business Administration-(SBA) and designated by SBA as a HUBZone small business concern in the Dynamic Small Business Search (DSBS) and SAM.

"Service-disabled veteran-owned small business *(SDVOSB)* concern" *means* < (1) Means> a small business concern--

(1) (i) Not less than 51 percent of which is owned **and controlled** by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran **<. >**; or

(2) **A small business concern eligible under the SDVOSB Program in accordance with 13 CFR part 128 (see subpart 19.14).**

(3) **Service-disabled veteran**, "as used in this definition," means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16), and who is registered in the Beneficiary Identification and Records Locator Subsystem, or successor system that is maintained by the Department of Veterans Affairs' Veterans Benefits Administration, as a service-disabled veteran.

"Service-disabled veteran-owned small business (SDVOSB) concern eligible under the SDVOSB Program" means an SDVOSB concern that—

(1) Effective January 1, 2024, is designated in the System for Award Management (SAM) as certified by the Small Business Administration (SBA) in accordance with 13 CFR 128.300; or

(2) Has represented that it is an SDVOSB concern in SAM and submitted a complete application for certification to SBA on or before December 31, 2023.

"Service-disabled veteran-owned small business (SDVOSB) Program" means a program that authorizes contracting officers to limit competition, including award on a sole-source basis, to SDVOSB concerns eligible under the SDVOSB Program.

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, no dominant in its field of operation and qualified as a small business under the criteria and size standards in 13 CFR part 121, including the size standard that corresponds to the NAICS code assigned to the contract or subcontract.

"Small disadvantaged business concern", consistent with 13 CFR 124.**<1002>****1001**, means a small business concern under the size standard applicable to the acquisition, that--

(1) Is at least 51 percent unconditionally and directly owned (as defined at 13 CFR 124.105) by—

(i) One or more socially disadvantaged (as defined at 13 CFR 124.103)

and economically disadvantaged (as defined at 13 CFR 124.104) individuals who are citizens of the United States; and

(ii) Each individual claiming economic disadvantage has a net worth not exceeding **<\$750,000>** *the threshold at 13 CFR 124.104(c)(2)* after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(2) The management and daily business operations of which are controlled (as defined at 13.CFR 124.106) by individuals, who meet the criteria in paragraphs (1)(i) and (ii) of this definition.

“Veteran-owned small business concern” means a small business concern--

(1) Not less than 51 percent of which is owned *and controlled* by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

“Women-owned small business concern” means a small business concern--

(1) That is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

(b) It is the policy of the United States that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns.

(c)(1) A joint venture qualifies as a small business concern if –

(i) Each party to the joint venture qualifies as small under the size standard for the solicitation; or

(ii) The protégé is small under the size standard for the solicitation in a joint venture comprised of a mentor and protégé with an approved mentor-protégé agreement under a SBA mentor-protégé program. **(See 13 CFR 125.9(d).)**

(2) A joint venture qualifies as **a**

<(i) A service-disabled veteran-owned small business concern if it complies with the requirements in 13 CFR part 125; or

(ii) A> HUBZone small business concern if it complies with the requirements in 13 CFR 126.616(a) through (c).

(d)The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(e)(1) The Contractor may accept a subcontractor's written representations of its size and socioeconomic status as a small business, small disadvantaged business, a veteran-owned small business, service-disabled veteran-owned small business or a women-owned small business if the subcontractor represents that the size and socioeconomic status representations with its offer are current, accurate, and complete as of the date of the offer for the subcontract.

(2) The Contractor may accept a subcontractor's representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business in the System for Award Management (SAM) if-

(i) The subcontractor is registered in SAM; and

(ii) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the offer for the subcontract.

(3) The Contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.

(4) In accordance with 13 CFR 121.411, *<124.1015, 125.29,> 126.900, <and> 127.700, *and 128.600,** a contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's size or socioeconomic status.

(5) The Contractor shall confirm that a subcontractor representing itself as a HUBZone small business concern is certified by SBA as a HUBZone small business concern by accessing SAM or by accessing DSBS at

https://web.sba.gov/pro-net/search/dsp_dsbs.cfm. If the subcontractor is a joint venture, the Contractor shall confirm that at least one party to the joint venture is certified by SBA as a HUBZone small business concern. The Contractor may confirm the representation by accessing SAM.

**6. Section 5.25 Drug-Free Workplace
Provides updated FAR reference and date.**

SECTION 5.25 DRUG-FREE WORKPLACE

<(MAY 2001)>*(MAY 2024)* <(FAR 52.223-6)>*(FAR 52.226-7)*

**7. Section 5.69 Encouraging Contractor Policies to Ban Text Messaging While Driving
Provides updated FAR reference and date.**

SECTION 5.69

ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING <(JUN 2020)>*(MAY 2024)* <(FAR 52.223-18)>*(FAR 52.226-8)*

**8. Section 5.70 Contractor Employee Whistleblower Rights
Provides updated FAR language.**

SECTION 5.70

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS <AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (JUN 2020)>*(NOV 2023)* (FAR 52.203-17).

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies <in the pilot program on Contractor employee whistleblower protections> established at 41 U.S.C. 4712 <by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239)> and Federal Acquisition Regulation (FAR) 3.<908>*900 through 3.905.*

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section FAR 3.<908.>*900 through 3.905.*

(c) The Contractor shall insert the substance of this clause, including this paragraph (c) <, in all subcontracts over the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award>.

9. Section 5.74 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities Provides updated FAR language.

SECTION 5.74

PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB <AND OTHER> COVERED ENTITIES <(NOV 2021)>*(DEC 2023)*(FAR 52.204-23).

(a) Definitions. As used in this clause—

“<Covered>*Kaspersky Lab covered* article” means any hardware, software, or service that—

(1) Is developed or provided by a *Kaspersky Lab* covered entity;

(2) Includes any hardware, software, or service developed or provided in whole or in part by a *Kaspersky Lab* covered entity; or

(3) Contains components using any hardware or software developed in whole or in part by a *Kaspersky lab* covered entity.

“<Covered>*Kaspersky Lab covered* entity” means—

(1) Kaspersky Lab;

(2) Any successor entity to Kaspersky Lab*, including any change in name, e.g., “Kaspersky”*;

(3) Any entity that controls, is controlled by, or is under common control with Kaspersky Lab; or

(4) Any entity of which Kaspersky Lab has a majority ownership.

(b) Prohibition. Section 1634 of Division A of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-91) prohibits Government use of any *Kaspersky Lab* covered article. The Contractor is prohibited from—

(1) Providing any *Kaspersky Lab* covered article that the Government will use on or after October 1, 2018; and

(2) Using any *Kaspersky Lab* covered article on or after October 1, 2018, in the development of data or deliverables first produced in the performance of the contract.

(c) Reporting requirement.

(1) In the event the Contractor identifies a *Kaspersky Lab* covered article provided to the Government during contract performance, or the Contractor is notified of such by a subcontractor at any tier or any other source, the Contractor shall report, in writing, to the Contracting Officer or, in the case of the Department of Defense, to the website at <https://dibnet.dod.mil>. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery contract and any affected orders in the report provided at <https://dibnet.dod.mil>.

(2) The Contractor shall report the following information pursuant to paragraph (c)(1) of this clause:

(i) Within <1>*3*business <day>*days* from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; brand; model number (Original Equipment Manufacturer (OEM) number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the report pursuant to paragraph (c)(1) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of a *Kaspersky Lab* covered article, any reasons that led to the use or submission of the *Kaspersky Lab* covered article, and any additional efforts that will be incorporated to prevent future use or submission of *Kaspersky Lab* covered articles.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts including subcontracts for the acquisition of commercial products or commercial services.

10. Section 5.76 Ensuring Adequate Covid-19 Safety Protocols for Federal Contractors

Removes Section 5.76 in its entirety and reserves section.

SECTION 5.76

[RESERVED]