

FEHB Program Carrier Letter
All FEHB and PSHB Carriers**U.S. Office of Personnel Management**
Healthcare and InsuranceFEHB PSHB **Letter Number 2026-02****Date: March 06, 2026**

Fee-for-service [2]

Experience-rated HMO [2]

Community-rated HMO [2]

Subject: 2026 FEHB and PSHB Financial Reporting and Audit Guide

This Carrier Letter notifies Federal Employees Health Benefit Plan (FEHB) and Postal Service Health Benefit Plan (PSHB) Carriers of the Financial Audit requirements and conditions for participation as FEHB and PSHB Plans. In accordance with 5 USC 8902(e) the Office may prescribe reasonable minimum standards for health benefits plans described by section 8903 or 8903a of this title and for carriers offering the plans.

Carriers are hereby notified that new financial and audit requirements are effective for calendar year 2026. The changes greatly reduce the number of financial statements Carriers must deliver to OPM from 15 per year to only three per year.

1. **GAAP FINANCIAL STATEMENTS:** The Carrier must fully adopt and comply in all material respects with U.S. Generally Accepted Accounting Principles ("US GAAP") for its financial statements beginning in 2026. For those Carriers that are subsidiaries of or affiliated with entities that have issued registered securities in the United States, the Carrier must also have auditors that comply with the Public Company Accounting Oversight Board ("PCAOB"). Carriers shall in 2026 prepare and deliver to OPM GAAP interim consolidated and annual consolidated and consolidating financial statements for the Carrier and their affiliates. Unaudited financial statements are due 30 days after the end of interim dates March 31 and September 30 and 45 days after calendar year-end December 31. Interim and Annual financial statements must be submitted to OPM along with the opinion of the Carrier's independent auditor that the financial statements are fairly presented in all material respects and that there are no material weaknesses nor significant deficiencies. The financial statements must reflect the assets of the

Carrier and not those that are owned by the FEHB Plan. The financial statements must include footnotes, management discussion and analysis, and the Health Benefits Paid Schedule listed in number 2 below. For the reporting period between October 1, 2025 and October 1, 2026, the Statements of Selected Balances are required to be prepared and delivered to OPM Healthcare & Insurance Associate Director concurrently with GAAP financial statements for the period beginning January 1, 2026. Carrier financial statements in 2026 must include GAAP comparative prior period disclosure (i.e. 2026 full calendar year financial statements must be presented with the prior full calendar year 2025 financial statements, as well as similar applicable quarterly comparable periods. The Statement of Selected Balances will no longer be required for the period from October 1, 2026 and thereafter and is replaced by the GAAP March, September, and December financial statements.

2. HEALTH SERVICE USE, HOSPITAL, AND DRUG CODE SCHEDULE: Interim and Annual financial statements for Carriers must include a schedule of service use and cost data for medical, hospital, drugs and any other health benefit expense for the period and for comparable prior periods listing in detail the aggregate of each health service medical, hospital and drug benefit expense by medical diagnosis and treatment code, hospital code, J code, and NDC drug code, as applicable. In addition, this schedule must include the provider numbers to which the service use, medical, hospital, drug, and any other health benefit expense is paid by FEHB Plan to the Carrier. These coded amounts along with provider numbers must reconcile to the claim amounts submitted to OPM by the Carrier for Letter of Credit Account Authorizations. As part of the GAAP audited financial statements described above, each Carrier will include in their audit opinion a letter of the Carrier's Management Internal Controls that includes the substance of the form included in the Financial and Audit Guide of even date herewith.

These Carrier Financial Audit Guide requirements will enable OPM to carry out its statutory responsibilities to prevent improper payments and fraud, waste, and abuse, and to continue to honor OPM's fiduciary duty to the U.S. Government.

OPM has thus determined that its Financial Audit Guide requirements are both necessary to fulfill our statutory mandate and consistent with our statutory authority.

This Carrier Letter is issued in conjunction with the revised Financial Audit Guide of even date herewith.

Conclusion

OPM is committed to providing affordable and high-quality health plans to FEHB and PSHB enrollees and their families. If you have any questions or concerns, please contact your Health Insurance Specialist.

Sincerely,

D. Shane Stevens

Associate Director

Healthcare and Insurance