
FEHB Program Carrier Letter

Experience Rated Carriers

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

Letter No. 1999- 012

Date: March 5, 1999

Fee-for-service [11] Experience-rated HMO [11]

SUBJECT: 1998 and 1999 Contract Amendments on Cost Accounting Standards

We are attaching amendments to both the 1998 and 1999 Federal Employees Health Benefits (FEHB) Program Standard Contracts. The amendments revise PART IV-- SPECIAL PROVISIONS, Section 4.1, ALTERATIONS IN CONTRACT, to clarify our intent concerning the application of the Cost Accounting Standards (CAS) for contract years 1998 and 1999.

We are making it clear that the CAS will not apply to the FEHB experience-rated contracts for 1998 and 1999, except to the extent that compliance is, and has been, required by the FAR and FEHBAR cost principles, Subparts 31.2 and 1631.2 respectively. For this purpose only, CAS clauses 5.30, 5.31, and 5.32 remain in Part V of the contract.

Contact your OPM contract specialist if you have any questions about the amendment. Please sign the contract amendment and return it to the contract specialist by March 15, 1999.

Sincerely,

Frank D. Titus
Assistant Director
for Insurance Programs

Enclosures

CONTRACT FOR FEDERAL EMPLOYEES HEALTH BENEFITS

CONTRACT NO:
EFFECTIVE: January 1, 19

AMENDMENT NO: 1998-
EFFECTIVE: January 1, 1998

BETWEEN: THE UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
hereinafter called the OPM, the Agency, or the Government

AND

CONTRACTOR:
hereinafter also called the Carrier

Address:

PART IV – SPECIAL PROVISIONS, is revised to add the following statement at the end of Section 4.1:

Sections 5.30, 5.31, 5.32. The Cost Accounting Standards, Chapter 1, Part 30, and Chapter 99 of the FAR, do not apply to the FEHB Program for this contract year, except to the extent compliance with specific standards is required by the cost principles in FAR Chapter 1, Subpart 31.2 and FEHBAR Subpart 1631.2.

FOR THE CARRIER

FOR THE GOVERNMENT

Name of Person Authorized to
Execute Contract *(Type or print)*

Name of Contracting Officer
(Type or print)

Title

Title

Signature

Signature

Date Signed

Date Signed

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