
**FEHB Program Carrier
Letter
Experience-Rated Carriers**

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

Letter No. 2005 - 03

Date: February 9, 2005

Fee-for-service [3] Experience-rated HMO [3] Community Rated [n/a]

SUBJECT: Calendar 2004 Financial Reporting

I have enclosed the Office of Personnel Management's (OPM) financial reporting instructions for contract year 2004, the summary statement spreadsheet and the certification of the Annual Accounting Statement (AAS). The certification must be sent via express mail or faxed to OPM. As you are aware, this financial information is a requirement of your plan's participation in the Federal Employees Health Benefits (FEHB) Program. It is imperative for contract administration purposes that your Annual Accounting Statement (AAS) be submitted by March 31, 2005.

It is the policy of OPM to make contingency reserve payments available to your plans as soon as possible. Where feasible, we will compute a "preliminary" transfer from your contingency reserve to your Letter of Credit (LOC) account based on the initial review of your AAS. Our ability to make a "preliminary" contingency reserve transfer is dependent on the quality and timeliness of your AAS submission. If it is not possible to determine the dollar impact of the reporting deficiency or if we feel that we cannot rely on the data presented, we will defer payment until final resolution of the problem(s) or acceptance of your AAS. In addition, we will transfer all "excess reserves" held by your plan as of December 31, 2004, from your LOC account to your contingency reserve. If you do not submit your AAS by March 31, 2005, we may estimate the amount of excess reserves and withdraw that amount from your LOC account. We will notify you before making withdrawals.

The Debt Collection Improvement Act of 1996 (DCIA) provides that a debt owed to the United States that has been delinquent for a period of 180 days or more is subject to administrative offset. Effective August 26, 1999, all payments to carriers, including amounts drawn from the LOC accounts for experience-rated plans are subject to the administrative offset provisions of the DCIA. To satisfy amounts you owe to other Federal entities, Department of Treasury may reduce the amounts we pay to you or that you draw from your LOC. However, you must report the gross amount of LOC drawdowns on your annual and fiscal year accounting statements rather than the net amount received.

Thank you in advance for submitting a timely and accurate accounting statement. If you have questions about this letter, contact Melanese Wynn in the Trust Funds Branch at (202) 606-4498.

Sincerely,

Frank D. Titus
Assistant Director
for Insurance Services Programs

Enclosures:

Instructions for Automated AAS (MS Word file)
AAS Spreadsheet (MS Excel file)
Certification of Annual Accounting Statement (MS Word file)