
FEHB Program Carrier Letter

Community-rated Carriers

U.S. Office of Personnel Management
Insurance Services Program

Letter No. 2006-05

Date: March 15, 2006

Fee-for-service [n/a] Experience-rated HMO [n/a] Community-rated HMO [6]

**SUBJECT: Reconciliation Instructions for 2006 Rates --
 Community-Rated Carriers**

Most community rated carriers must complete some of the enclosed documents (Attachments III, IV, V and VI) to reconcile their 2006 Federal rates. These documents comprise the final part of the 2006 Rate Proposal. To decide which attachments apply to you, see the following chart:

| Step | If... | Then... |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Your 2005 income from the Federal group was <u>less</u> than \$500,000, | Stop here. You do not need to complete the enclosed documents. If your 2006 rates were reduced to generate a contingency reserve payment, it will be sent automatically in the summer. |
| 2. | <ul style="list-style-type: none">✓ You had more than 1500 contracts at the time of the 2006 rate proposal, or✓ You are a small carrier that filed as large by submitting detailed documentation with your rate proposal, | <p>You must EMail Attachments III through VI by April 28, 2006, to Actuary@opm.gov.</p> <p>Send any documents which cannot be Emailed to:</p> <p style="padding-left: 40px;">Actuary Group Office of Personnel Management 1900 E St, NW, Rm 4307 Washington, DC 20415</p> |
| 3. | You are a small carrier with more than \$500,000 income and did not file as a large carrier. | You must complete Attachments III, IIIA, IIIB and V, and keep them on file and available for OPM review. |

The enclosed document entitled "OPM Reconciliation Guidelines 2006" gives pertinent definitions and an overall view of our 2006 reconciliation policy.

All carriers, except those with income less than \$500,000 in 2005, must complete the Reconciliation Questionnaire (Attachment IIIB) as indicated by the following table.

| If you use... | Then you must complete... |
|------------------------------|---------------------------|
| Traditional Community Rating | Sections IIIB (1),(2),(3) |
| Community Rating by Class | Sections IIIB (1),(2),(4) |
| Adjusted Community Rating | Sections IIIB (1),(2),(5) |

If you have questions about the reconciliation please call Sherry Simon or Sharon Tu at (202) 606-0722, or send an email to us at actuary@opm.gov. **This year's reconciliation is being Emailed to you as a word document. Please email the completed forms as a word document to the above email address. Please send any documents which cannot be Emailed by overnight delivery.**

Sincerely,

Robert F. Danbeck
Associate Director
for Human Resources Products and Services

Enclosure