

Preparing Your Benefit Proposal

Given our timeframe for concluding benefit negotiations, we expect every Fee-for-Service carrier to prepare a complete proposal according to these instructions and submit it by May 31, 2001.

Your actual benefit proposal will consist of several parts:

- Narrative description of each proposed change (in worksheet format);
- Narrative description of each proposed clarification (in worksheet format);
- Proposed 2002 brochure language; and
- Signed contracting officials form.

We are seeking stability in FEHB Program benefit packages and are not encouraging benefit changes beyond those noted in the call letter. If you foresee unusual or extensive changes, discuss them with your OPM contract specialist before you prepare your submission.

2002 FEHB Proposal Instructions

You must include a narrative description of each proposed benefit change and clarification in your proposal. **Answer the following questions in worksheet format for each proposed benefit change or clarification.** Please indicate if a particular question does not apply. Use a separate page for each change or clarification you propose. We will return incorrectly formatted submissions to you for correction. **We require the following format:**

Benefit Changes

1. Describe the existing benefit and how you propose to change it. State the proposed brochure language, including the "How the Plan Changes" section. You must write language for the "How the Plan Changes" section plainly, that is, in active voice, from the enrollees' perspective, and make clear how the change will affect members. Be sure to show the complete range of the change. If there are two or more changes to the same benefit, present each change on a separate worksheet. Remember to use plain language.
2. Describe the rationale or reasoning for the proposed benefit change.
3. State the actuarial value of the change, and whether the change represents an increase or decrease in (a) the existing benefit, and (b) your overall benefit package. If an increase, describe whether any other benefit is offset by your proposal. Include the cost impact of this change as a biweekly amount for the Self Only and Self and Family rate. If there is no cost impact or if the proposal involves a cost trade-off with another benefit change, show the trade-off or a cost of zero, as appropriate.

Benefit Clarifications

1. Show the current and proposed language for the benefit you propose to clarify; reference all portions of the brochure affected by the clarification. Prepare a separate worksheet for each proposed clarification. Remember to use plain language.
2. Describe the rationale and need for the benefit clarification.

Please note that we consider a benefit change to be an increase or reduction, however slight, in the level of coverage of a benefit shown in the plan's current FEHB brochure, e.g., changing the number of days for a prescription drug supply from 31 to 30 days. Clarifications, on the other hand, are changes that do not affect the level of benefits provided. **You must show all changes that result in an increase or decrease in benefits as benefit changes, even if there is no change in rates.**

Carrier Contracting Officials

The Office of Personnel Management (OPM) will not accept any contractual action from

_____ (Carrier),
including those involving rates and benefits, unless it is signed by one of the persons named
below (including the executor of this form), or on an amended form accepted by OPM. This list
of contracting officials will remain in effect until the carrier amends or revises it.

The people named below have the authority to sign a contract or otherwise to bind the Carrier

for _____ (Plan)

Enrollment code(s): _____

Typed name	Title	Signature	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

By: _____
(Signature of contracting official) (Date)

(Typed name and title)

(Phone number) (FAX Number)

(Email address)