
FEHB Program Carrier Letter

Experience-Rated Carriers

U.S. Office of Personnel Management
Insurance Services Programs

Letter No. 2008 -03

Date: January 25, 2008

Fee-for-service [2] Experience-rated HMO [3] Community-rated HMO [n/a]

SUBJECT: Calendar 2007 Annual Accounting Statement Financial Reporting

I have enclosed the U.S. Office of Personnel Management's (OPM) financial reporting instructions for calendar year 2007, the Excel spreadsheet and the certification(s) of the Annual Accounting Statement (AAS). The certification must be sent via overnight mail to:

Office of Personnel Management
Center for Financial Services
1900 E Street, N.W.
Washington, D.C. 20415
Attn: Melanese Wynn, Room 3H35

or faxed to (202) 606-1338 to OPM's Trust Funds Group. 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 AAS be submitted by March 31, 2008.

It is the policy of OPM to make contingency reserve payments available to your plans as soon as possible based on our review of your plan's documentation. 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 Dec. 31, 2007, from your LOC account to your contingency reserve. If you do not submit your AAS by March 31, 2008, 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 administration offset. Effective Aug. 26, 1999, all payments to carriers, including amounts drawn from the LOC accounts for experience-rated plans were subject to the administrative offset provisions of the DCIA. To satisfy amounts you owe to other Federal entities, 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, please contact Melanese Wynn of the Trust Funds Group at Melanese.Wynn@opm.gov or telephone number (202) 606-4498, and fax number (202) 606-1338.

Sincerely,

Kay T. Ely
Associate Director
Human Resources Products and Services

Enclosures

- A – AAS Spreadsheet (Excel file)
- B – Instructions for Automated AAS (Word file)
- C – Certification of Annual Accounting Statement (Word file)