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# FEHB Program Carrier Letter

## Community-Rated FEHB Carriers

U.S. Office of Personnel Management  
Healthcare and Insurance

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**Letter No. 2013-13**

**Date: May 10, 2013**

Fee-for-Service [n/a]    Experience-rated HMO [n/a]    Community-rated [11]

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**SUBJECT: Applications for Premium Remittance Shortfalls**

### Background

On August 10, 2011, the Office of Personnel Management (OPM) determined that the automatic 1% load to premiums was no longer an appropriate vehicle for reimbursing community-rated HMO carriers for premium remittance shortfalls due to enrollment discrepancies. As part of the transition of the automatic 1% loading, for the 2012 contract year, carriers could continue the 1% loading if a carrier demonstrated compliance with Section 1.5(b) of the 2012 contract. This is same loading percentage maximum that community-rated carriers had from 1997 through 2012.

### New Procedures

In line with our August 2011 determination, beginning with the 2013 rates for community-rated HMO carriers in the Federal Employees Health Benefits (FEHB) Program, carriers did not automatically receive a loading in their FEHB rates. Carriers will have the opportunity to apply to OPM for approval to add a loading to their FEHB rates each year, up to 1%, starting with the 2013 year, to make up for a premium payment shortfall due to enrollment reconciliation discrepancies. A worksheet must be filed with OPM by March 1 each year, starting with March 1, 2013, and be based on underpayments in the previous calendar year. Applications will not be approved for FEHB enrollment codes that have any CLER 160 error code records with a Fail Count over three, except for OPM annuitants, based on the December CLER data from the previous year. (Note: CLER is a short name for the FEHB Centralized Enrollment Reconciliation Clearinghouse, which is a computer match program that matches enrollment records of federal payroll offices vs. those of FEHB carriers, and identifies discrepancies. This match is conducted quarterly. Fail Count is the number of consecutive quarters that a record has had a CLER discrepancy identified. A 160 error is an unmatched record that only the carrier is reporting to CLER.)

Below is guidance for applying for approval to add a premium loading.

- (1) Where a Carrier believes a shortfall due to enrollment discrepancies exists, the Carrier may apply for approval to load the rates, up to a 1% loading. The loading for 2013 will be based on shortfalls in 2012, as described in the attached worksheet. To apply for approval to load the 2013 rate, the carrier must:
  - (a) complete the attached worksheet including all required documentation for all plan codes under the Carrier's contract with the Office of Personnel Management; and
  - (b) submit the information in (1)(a) no later than March 1 each year, beginning with 2013, through the means described on the worksheet.
  
- (2) In order to apply, the Carrier must:
  - (a) at least quarterly, reconcile its enrollment records with those provided by the Government or the FEHB Clearinghouse in accordance with OPM's guidelines and criteria;
  - (b) submit an enrollment discrepancy estimate on the worksheet provided;
  - (c) agree that the application for approval to load the Carrier's 2013 rate constitutes full resolution of all discrepancies not corrected under Section 3.6(a)(1) of the Standard 2013 Community-Rated HMO Health Benefits Contract (hereinafter "Contract");
  
- (3) The enrollment discrepancy estimate submitted by the Carrier will be auditable by OPM's Office of the Inspector General.
  
- (4) OPM will review the worksheet and documentation submitted by the Carrier to determine an allowable adjustment to the Carrier's 2013, and each year thereafter, subscription charges.
  
- (5) In consideration of any adjustment to the 2013 subscription charges, and each year thereafter, the Carrier accepts the adjustment in full resolution of all obligations of the Government in connection with the subscription payments as described in Section 3.6 of the Contract.
  
- (6) Carriers that do not apply for approval to load the Carrier's rates agree to accept each year's FEHB premiums they receive as payment in full for the contract year.

An application for filing a claim is attached. File your claims with Eric Figg via Secure email at [eric.figg@opm.gov](mailto:eric.figg@opm.gov). If you have any questions on FEHB enrollment reconciliation or on CLER, please email Eric or call him at 202-606-4083.

Sincerely

John O'Brien  
Director  
Healthcare and Insurance