
FEHB Program Carrier Letter

All Community-Rated Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

Letter No. 2020 - 09

Date: April 28, 2020

Fee-for-service [n/a] Experience-rated HMO [n/a] Community-rated HMO [8]

SUBJECT: 2021 RATE INSTRUCTIONS -- Community-Rated Carriers

Please use the enclosed documents to prepare your 2021 rate proposal. You must submit your proposal and the completed attachments to be received by **May 31, 2020**. May 31st is the deadline required by regulations and OPM will not grant extensions.

The following requirements apply for the 2021 proposal. All attachments referenced below can be found in the Word file titled “Part 2 – 2021 Proposal Instructions.doc” and the Excel file titled “Proposal Tables Attachments I, II, and IIA.xlsx”.

If a carrier has more than 1,500 FEHB Program contracts at the time of the rate proposal:

- The carrier is considered a large carrier. The carrier must complete and submit Attachments II, IIA, IIB, IIC, and IID.

If a carrier has fewer than 1,500 FEHB Program contracts at the time of the rate proposal, the carrier must choose between the following options:

- Submit the same detailed documentation required for large carriers (see above). A carrier that chooses this option will be considered a large carrier.

OR

- If the carrier’s 2020 income from the Federal group will be greater than or equal to \$750,000, the carrier must complete Attachments I, IA, IB, II, IIA, IIB, IIC, and IID and submit Attachments I, IA, IB, IIC, and IID. A carrier should not send Attachments II, IIA, and IIB to OPM; however, these documents must be kept on file and available for OPM review in accordance with the records retention clause of the contract. A carrier that chooses this option will be considered a small carrier;
- If the carrier’s 2020 income from the Federal group will be less than \$750,000, the carrier must complete and submit Attachments I, IA, IIC, and IID. Such a carrier need not complete or retain Attachments IB, II, IIA, and IIB. A carrier that chooses this option will be considered a small carrier.

COVID-19

OPM acknowledges the focus and concern of COVID-19 and the evolving impact it is currently having on healthcare claims, as well as the unknown effect it will have on future health expenditures. We expect carriers to provide OPM with the most complete data you have available with respect to the effect COVID-19 is having on your experience. Community rated carriers should provide this information in response to QG24 on the Community Rated questionnaire and experience rated carriers in response to the COVID-19 tab of the Experience Rated Data Request.

We anticipate there will likely be a drop in your non-COVID-19 expenditures and therefore expect data to be shared on both COVID-19 and non-COVID-19 experience in response to these questions.

We plan on engaging carriers in ongoing dialogue regarding emerging experience throughout the summer as we review and analyze your proposals and set 2021 rates. We expect carriers to provide us with their most up to date actuarial and economic assumptions so that impacts from COVID-19 can be most appropriately captured in the rate setting process.

This Carrier Letter contains the 2021 Rate Proposal instructions and attachments. They are in the accompanying Word and Excel documents. **Please visit <http://www.opm.gov/FehbTools/Rates/> to submit your proposal.**

Please direct your questions about the 2021 rate submission to Rebecca Kander at actuary@opm.gov.

Sincerely,

Laurie E. Bodenheimer
Acting Director, Healthcare and Insurance

Attachments