
From: Internet, Actuary
Sent: Monday, December 22, 2025 1:23 PM
To: Internet, Actuary
Subject: FW: 2027 FEHB and PSHB specific Medical Loss Ratio (MLR) threshold and the 2027 Corridor Calculation for Community-Rated FEHB and PSHB plans Update

Please see the message below.

From: Healthcare and Insurance <Insurance@notify.opm.gov>
Sent: Monday, December 22, 2025 11:49 AM
To:
Subject: 2027 FEHB and PSHB specific Medical Loss Ratio (MLR) threshold and the 2027 Corridor Calculation for Community-Rated FEHB and PSHB plans Update



Dear Carriers,

This email is to inform you about the 2027 FEHB and PSHB specific Medical Loss Ratio (MLR) threshold, also known as the MLR Target, and the 2027 Corridor Calculation for Community-Rated FEHB and PSHB plans.

For FEHB: In 2027, the MLR Target for Community-Rated plans will increase to 86.00%. The upper end of the Corridor Calculation will increase to 91.00% and any credits earned for the 2027 MLR will only be available for five years. Credits received from the 2027 MLR calculation will be available to offset FEHB MLR penalties incurred from the FEHB MLR calculation for years 2028 through 2032.

For PSHB: In 2027, the MLR Target for Community-Rated plans will increase to 86.00%. The upper end of the Corridor Calculation will increase to 91.00% and any credits earned for the 2027 MLR will only be available for five years. Credits received from the 2027 MLR calculation will be available to offset PSHB MLR penalties incurred from the PSHB MLR calculation for years 2028 through 2032.

OPM will continue to monitor experience and make changes to the MLR Target and Corridor Calculation as appropriate. We will notify plans of the MLR Target and the upper end of the Corridor for future years at least 12 months before the effective date.

For more information on the FEHB and PSHB MLR Calculation please see the 2026 Rating Guidelines found here: <https://www.opm.gov/healthcare-insurance/carriers/fehb/2025/2025-09part1.pdf>.

This information will also be included in the 2027 Community Rated Guidelines.
If you have any questions please contact the Office of the Actuaries
at actuary@opm.gov.

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