
FEHB Program Carrier Letter
All FEHB and PSHB Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

FEHB PSHB

Letter Number 2026-11

Date: June 10, 2026

Fee-for-service [10]

Experience-rated HMO [10]

Community-rated HMO [11]

Subject: Enhanced Fraud, Waste, and Abuse (FWA)
Program Oversight and Compliance Expectations

This Carrier Letter reiterates and supplements existing Federal Employees Health Benefits (FEHB) Program and Postal Service Health Benefits (PSHB) Program contractual requirements concerning the prevention, detection, investigation, reporting, and remediation of Fraud, Waste, and Abuse (FWA). This guidance applies to all FEHB and PSHB Carriers and supplements the FWA requirements set forth in the listed Standard Contract provision, if applicable, including but not limited to:

- Section 1.9 – Plan Performance (all contracts);
- Section 1.11 – FEHB Inspection (all contracts);
- Section 1.12 – Correction of Deficiencies (all contracts);
- Section 1.16 – Subcontracts (fee-for-service and experience-rated HMO);
- Section 1.26 (fee-for service), Section 1.28 (experience-rated HMO), and Section 1.29 (community-rated HMO) – Standards for arrangements with Pharmacy Benefit Managers (PBMs);

- FAR and FEHBAR requirements governing ethics, internal controls, reporting obligations, record retention, subcontract oversight, and mandatory disclosures; and
- Carrier Letter 2017-13, Office of Personnel Management (OPM) Federal Employees Health Benefits (FEHB) Fraud, Waste and Abuse.

This Carrier Letter does not replace or narrow any existing contractual, statutory, or regulatory obligations. Rather, it is intended to reaffirm OPM's expectation that Carriers maintain robust, enterprise-wide FWA compliance programs capable of identifying, preventing, mitigating, and reporting FWA risks across all operational areas, including claims administration, provider oversight, pharmacy benefit management, subcontractor oversight, enrollment operations, and internal employee activities.

I. Carrier Responsibility for Fraud, Waste, and Abuse (FWA) Programs

Carriers remain responsible for ensuring full compliance with all FWA-related obligations under the Standard Contract and all applicable Federal laws and regulations.

Consistent with Section 1.9(a) of the Standard Contract, each Carrier must maintain and operate a comprehensive program designed to:

- Assess vulnerabilities to FWA;
- Identify, prevent, detect, investigate, and remediate FWA;
- Conduct proactive and reactive reviews, including pre-payment and post-payment reviews;
- Perform provider audits and investigations;
- Detect and eliminate FWA by providers, members, Carrier employees, subcontractors, PBMs, downstream entities, and other third parties;
- Implement effective cost avoidance and payment integrity measures;

- Maintain appropriate investigative and analytical capabilities;
- Preserve records, audit trails, and investigative documentation;
- Ensure timely referral and reporting to OPM and OPM-OIG; and
- Maintain effective corrective action and compliance monitoring processes.

OPM expects Carriers to maintain sufficient staffing, governance, internal controls, data analytics capabilities, and investigative resources necessary to support an effective FWA program. Carriers are further reminded that Section 1.9(a) expressly requires written notification to OPM-OIG within 30 business days of identifying potential FWA issues impacting the FEHB or PSHB Programs, regardless of dollar value.

II. PBM and Subcontractor Oversight Obligations

OPM reminds Carriers that FWA oversight responsibilities extend to PBMs, subcontractors, vendors, and downstream entities performing functions related to FEHB and PSHB operations.

Under Section 1.26(j) of the Fee-For-Service Standard Contract, Section 1.28(j) of the Experience-Rated HMO Standard Contract and under Section 1.29(j) of the Community-Rated HMO Standard Contract, Carriers must ensure that PBMs and applicable third parties maintain fraud, waste, and abuse detection processes and procedures that include:

- A system designed to detect and eliminate FWA;
- A system that assesses vulnerability to FWA, including post-payment reviews and provider audits;
- A system and process for FWA reporting; and
- A system and process for identifying and managing FWA-related risk.

Carriers remain fully responsible for ensuring that these requirements are implemented, monitored, and enforced throughout all applicable subcontracting and downstream arrangements.

Carriers are expected to:

- Maintain effective oversight of PBM and subcontractor FWA activities;
- Monitor subcontractor compliance with contractual FWA obligations;
- Conduct audits and reviews of subcontractor and PBM FWA controls;
- Validate subcontractor and PBM investigative and recovery activities;
- Ensure subcontractors maintain effective internal controls and reporting mechanisms;
- Ensure timely reporting of potential FWA to OPM-OIG; and
- Maintain documentation sufficient to demonstrate compliance with all oversight obligations.

Failure by a subcontractor, PBM, or downstream entity to comply with contractual FWA obligations may constitute a deficiency in the Carrier's own compliance program.

III. OPM Oversight and Compliance Reviews

OPM is immediately increasing its oversight of Carrier FWA compliance programs.

Pursuant to Sections 1.11 (FEHB Inspection), 1.12 (Correction of Deficiencies), 1.16 (Subcontracts), and other applicable contract provisions, OPM intends to conduct focused FWA oversight reviews, inspections, audits, operational assessments, and site visits of Carriers, subcontractors, PBMs, Special Investigations Units (SIUs), claims operations, pharmacy operations, compliance departments, and other operational areas involved in FEHB or PSHB administration.

These reviews may include, but are not limited to:

- Onsite or virtual site visits;
- Reviews of governance structures and compliance oversight;
- Reviews of SIU operations and staffing;
- Evaluation of pre-payment and post-payment review programs;
- Reviews of claims payment integrity controls;
- Reviews of the appropriateness of care/low value care;
- Reviews of PBM fraud controls and pharmacy oversight;
- Reviews of subcontractor oversight activities;
- Reviews of investigative files and case management systems;
- Reviews of FWA reporting and referral processes;
- Reviews of training and compliance programs;
- Reviews of provider and member fraud monitoring activities;
- Reviews of data analytics and fraud detection tools;
- Reviews of corrective action plans and remediation activities; and
- Reviews of internal controls governing claims adjustments, manual overrides, and payment integrity.

Carriers must fully cooperate with all OPM oversight activities and provide timely access to records, systems, personnel, data, and supporting documentation upon request.

IV. Site Visit Questionnaire and Document Requests

To support enhanced oversight activities, OPM intends to issue Carrier-specific site visit questionnaires, document requests, and operational review requests.

Carriers should be prepared to respond comprehensively and timely to requests concerning:

- Governance and organizational oversight;
- FWA staffing and SIU operations;
- FWA policies, procedures, and manuals;
- Claims payment integrity controls;
- Data analytics and fraud detection systems;
- PBM oversight and pharmacy fraud controls;
- Subcontractor oversight;
- Provider audits and investigations;
- Training and compliance activities;
- Reporting and metrics;
- Law enforcement referrals;
- Recovery activities;
- Internal controls and auditing;
- Corrective actions;
- Records retention;
- Ethics and compliance programs; and

- Other areas relevant to FEHB and PSHB FWA compliance.

OPM may require onsite or virtual demonstrations of:

- SIU case management systems;
- Fraud analytics platforms;
- Claims monitoring systems;
- Pre-payment review processes;
- Post-payment review processes;
- PBM fraud monitoring systems;
- Hotline intake and triage systems;
- OPM-OIG referral workflows;
- Provider audit systems;
- Recovery tracking systems; and
- Other operational or compliance systems.

Carriers are expected to maintain records and supporting documentation in a manner that permits timely production during oversight activities and to produce such information to OPM upon request. To assist Carriers in their record-keeping and site-visit preparation, OPM has attached a model questionnaire and document request list as Attachment 1 and a model computer code questionnaire as Attachment 2. OPM reserves the right to amend, alter, update, or supplement these model questionnaires at any time and from time to time in its sole discretion and without notice.

V. Correction of Deficiencies

If OPM identifies deficiencies in a Carrier's FWA program, internal controls, subcontractor oversight, reporting practices, investigative

activities, or related operations, OPM may require corrective action pursuant to the Standard Contract.

Carriers must promptly address all identified deficiencies and provide corrective action plans and supporting documentation upon request.

Failure to maintain an effective FWA program or failure to comply with contractual reporting, oversight, or inspection obligations may result in:

- Corrective action directives;
- Increased oversight and monitoring;
- Findings affecting performance assessments;
- Disallowance of costs;
- Restrictions on subcontracting activities;
- Additional audit or inspection activity; or
- Other contractual or administrative remedies available to OPM.

VI. Coordination with OPM-OIG

Nothing in this Carrier Letter alters or limits existing obligations to coordinate with OPM-OIG concerning potential FWA matters.

Carriers must continue to:

- Notify OPM-OIG within required timeframes;
- Preserve records and evidence;
- Cooperate with investigations and audits;
- Provide requested data and documentation;
- Track referrals and case dispositions; and
- Maintain investigative documentation and audit trails.

Carriers should ensure that all personnel responsible for FWA compliance are familiar with the requirements contained in Carrier Letter 2017-13 and all related guidance.

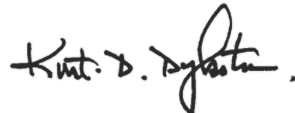
VII. Effective Date

This Carrier Letter is effective immediately.

Carriers should review their current FWA programs, policies, procedures, subcontractor oversight activities, PBM oversight activities, and reporting processes to ensure compliance with all contractual requirements and OPM guidance. Carriers should be prepared to respond to OPM inquiries and provide responses to the questionnaires upon request.

Questions concerning this Carrier Letter should be directed to the Carrier's Health Insurance Specialist (Contracts).

Sincerely,



Kurt D. Dykstra
General Counsel and Healthcare and
Insurance Designee for Scott Kupor,
Director

U.S. Office of Personnel Management

Encl.:

Attachment 1: Model FWA Compliance Questionnaire and Document Request List

Attachment 2: Model FWA Computer Code Template