FEHB Program Carrier Letter
FEHB ☒ PSHB ☒

U.S. Office of Personnel Management

Healthcare and Insurance

Letter Number 2026-14 **Date: August 13, 2026**

Fee-for-service [12] Experience-rated HMO [12] Community-rated HMO [14]

Subject: Returning Funds to OPM

This Carrier Letter communicates new processes and requirements regarding what information Carriers should include when funds are returned to OPM for the FEHB or PSHB Programs.

Returning Funds by Electronic Funds Transfer (EFT)

When funds are returned to OPM, Carriers shall attach completed Return of Funds Forms (Attachment 1) when emailing the Office of the Chief Financial Officer (OCFO) that funds have been returned to OPM.

Email Submission Criteria

Email subject lines should clearly indicate Return of funds and the Plan Name and Number (Return of Funds – Plan Name, Plan #). Please copy your Contracting Officer and Health Insurance Specialist as well as Audit Resolution and Compliance as noted on the form. There should be a separate form for each Fund Type but can be included in one email.

Audit Documentation Submission Criteria

When funds are returned as a result of an audit, Carriers must provide evidence to Audit Resolution and Compliance (ARC) showing the funds were returned during the audit resolution process. For each method listed below, Carriers should submit the referenced information to ARC when reporting recoveries in the audit resolution process. Complete evidence will clearly show the total amount returned to OPM.

Evidence examples include, but are not limited to, emails, system screenshots, bank statements, drawdown worksheets, and copies of checks.

Letter Of Credit Account (LOCA) Drawdown Offsets

If Carriers choose to reduce the amount of funds deposited into their LOCA account by the amount to be returned to OPM, provide documentation showing:

- Evidence calculating the total amount to be reduced from the draw; and
- Evidence showing the unbundled LOCA draw with the reduction amount clearly identified

Payment Offsets

If claims to a member or provider were deducted from future claims payments, provide documentation showing:

- Evidence the offset funds was applied to the overpayment, and
- Amount of the offset applicable to the claims included in the audit's questioned costs, and
- Evidence showing the offset amount has been reduced from LOCA draw.

Subrogation Recoveries

When Carriers receive refunds for previously paid services and need to return funds to OPM, you must provide the following documentation:

- Evidence showing the matching of subrogation totals to the bank statements; and
- A copy of the Special Plan Invoice * (SPI) submitted to OCFO; and
- All supporting evidence as outlined in the SPI Cover.

*Note: SPI only applies to the Service Benefit Plan

We appreciate your continued efforts to timely submit complete supporting documentation to OPM. We look forward to working closely with you to recover funds and fully resolve audit recommendations, which strengthen the FEHB Program and PSHB Program for all enrollees.

Carriers should direct their questions to their OPM Health Insurance Specialist.

Sincerely,

Kurt D. Dykstra
General Counsel and Healthcare and Insurance Designee for Scott Kupor, Director
U.S. Office of Personnel Management