OFCM will send letters to individual plans by overnight delivery.
I have enclosed the Office of Personnel Management's (OPM) financial reporting instructions for Fiscal Year 2000. As you are aware, this financial information is a requirement of your plan's participation in the Federal Employees Health Benefits Program (FEHBP). It is imperative for contract administration purposes that you submit your fiscal year accounting statement by December 15, 2000.

Enclosure A, Carrier Financial Information, is a list of selected financial information that you must use in your reporting. Included in Enclosure A is the Letter-of-Credit (LOC) activity for the period October 1, 1999, through September 30, 2000.

Enclosure B is the FEHBP Fiscal Year Reporting Package for Experience-Rated FEHBP Carriers for the period October 1, 1999, through September 30, 2000. The Table of Contents of Enclosure B contains a list of required statements and supporting schedules you must submit. It is of particular importance that you provide the schedule showing the development of the unreported health benefits amount. If you have elected to provide an audit of your 2000 fiscal year accounting statement, you must submit the auditor's report and all additional reports with the accounting statement.

All carriers subject to "primary coverage" as described in the "FEHBP Experience-Rated Carrier and Service Organization Audit Guide" must provide a report on compliance with laws, regulations, and internal controls and agreed-upon-procedures. The due date of your Fiscal Year Accounting Statement is December 15, 2000.

In order to comply with our Treasury reporting requirements, however, an Estimated Summary Statement for the fiscal year ending September 30, 2000, must be submitted in advance. This statement is due at OPM no later than November 3, 2000.

The Debt Collection Improvement Act of 1996 (DCIA) provides that a debt owed to the United States that has been delinquent for a period of 180 days or more is subject to administration offset. Effective August 26, 1999, all payments to carriers,
including amounts drawn down from the letter-of-credit accounts (LOCAs) for experience-rated plans, will be subject to the administrative offset provisions of the DCIA. Treasury may reduce the amounts we pay to you as premiums or that you draw from LOCAs to satisfy amounts you owe to other Federal entities. However, you are required to report the gross amount of LOCA drawdowns on your annual and fiscal year accounting statements rather than the net amount received.

Thank you in advance for your submitting a timely and accurate accounting statement. If you have questions about this letter, contact Sam Arser of the Benefits Accounting Branch on 202/606-4189.

Sincerely,

Frank D. Titus
Assistant Director for Insurance Programs

Enclosures