

FEHB Program Carrier Letter Community-rated Carriers

U.S. Office of Personnel Management
Office of Insurance Programs

Letter No. 2001-07

Date: March 22, 2001

Fee-for-service [--] Experience-rated HMO [--] Community-rated [07]

**SUBJECT: Reconciliation Instructions for 2001 Rates--
Community-Rated Carriers**

Most community rated carriers must complete some of the enclosed documents (Attachments III, IV, V and VI) to reconcile their 2001 Federal rates. To decide how this letter applies to you, see the following chart:

Step	If...	Then...
1.	Your 2000 income from the Federal group was <u>less</u> than \$500,000,	Stop here. You do not need to complete the enclosed documents. If your 2001 rates were reduced to generate a contingency reserve payment, it will be sent automatically in the summer.
2.	Your 2000 income from the Federal group was <u>more</u> than \$500,000,	You must complete the enclosed documents. Go to step 3.
3.	<ul style="list-style-type: none"> ✓ You had more than 1500 contracts at the time of the 2001 rate proposal, or ✓ You are a small carrier that filed as large (i.e., a carrier that submitted detailed documentation with your rate proposal), 	You must submit Attachments III through VI by <u>May 1, 2001</u> , to: Ms. Nancy H. Kichak, Director Office of Actuaries Office of Personnel Management 1900 E St, NW., Rm 4307 Washington, DC 20415
4.	You are a small carrier (i.e., a carrier with less than 1500 FEHBP contracts at the time of the 2001 rate proposal) that chose not to file as a large carrier,	You must complete Attachments III, IIIA, IIIB and V, and keep them on file and available for OPM review.

The enclosed document entitled "OPM Reconciliation Guidelines 2001" gives pertinent definitions and an overall view of our 2001 reconciliation policy.

All carriers must complete sections (1) and (2) of the Reconciliation Questionnaire (Attachment IIIB). Use the following table to determine which sections to complete:

If you use...	Then you must complete...
Traditional Community Rating	Sections IIIB (1), (2), and (3)
Community Rating by Class	Sections IIIB (1), (2), and (4)
Adjusted Community Rating	Sections IIIB (1), (2), and (5)

Please direct your questions about the reconciliation to Sherry Simon or Jim Quayle at (202) 606-0722, or address e-mail to actuary@opm.gov.

Sincerely,



Abby L. Block
Assistant Director
for Insurance Programs

Enclosure