SUBJECT: 2002 RATE INSTRUCTIONS
DoD Demonstration Project -- Community Rated Carriers

The Department of Defense (DoD) has entered into an agreement with the Office of Personnel Management (OPM) to conduct a demonstration project in which Medicare eligible DoD beneficiaries may enroll in health benefit plans offered through the Federal Employees Health Benefit Program (FEHBP). The project will run for three years from January 1, 2000, through December 31, 2002.

Ten sites have been selected for the project, with a limit of 66,000 eligible people. Based on the sites selected, your plan is eligible to participate in the DoD demonstration.1

We are enclosing the following:

1. A chart which shows the eligible DoD population over age 65 broken down by site, age, and sex for the ten sites. 1

2. Documents which, when you have completed and returned them to OPM, will constitute your 2001 rate proposal for the DoD group. The rate instruction document entitled “DoD Rating Guidelines – 2002” is an overall view of the rating policy for 2002.

By the regulatory deadline, May 31, 2001, you must submit:

✓ your rate proposal and
✓ the completed Attachments A, B, B1, and C

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1 Your plan is eligible to participate if shown on the enclosed chart. Chart does not include age and sex demographics which are the same as last year.
Please send one copy of the rate submission to each of the following addresses:

Ms. Nancy H. Kichak  
Director, Office of Actuaries  
Office of Personnel Management  
1900 E Street, NW., Room 4307  
Washington, DC  20415

and

If by regular mail:  
Abby Block  
Assistant Director for Insurance Programs  
Office of Personnel Management  
P.O. Box 707  
Washington, DC  20044-0707

If by overnight delivery:  
Abby Block  
Assistant Director for Insurance Programs  
Office of Personnel Management  
1900 E Street, NW, Room 3424  
Washington, DC 20415-0001

Please direct your questions about the 2002 DoD rate submission to Sherry Simon at (202) 606-4119, or at actuary@opm.gov (e-mail).

Sincerely,

[Signature]

Abby L Block  
Assistant Director  
for Insurance Programs

Enclosures