
FEHB Program Carrier Letter

Community-rated Carriers

U.S. Office of Personnel Management
Insurance Services Program

Letter No. 2003-12

Date: March 25, 2003

Fee-for-service [n/a] Experience-rated HMO [n/a] Community-rated HMO [11]

**SUBJECT: Reconciliation Instructions for 2003 Rates--
Community-Rated Carriers**

Most community rated carriers must complete some of the enclosed documents (Attachments III, IV, V and VI) to reconcile their 2003 Federal rates. These documents comprise the final part of the 2003 Rate Proposal. To decide which attachments apply to you, see the following chart:

Step	If...	Then...
1.	Your 2002 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 2003 rates were reduced to generate a contingency reserve payment, it will be sent automatically in the summer.
2.	<ul style="list-style-type: none">✓ You had more than 1500 contracts at the time of the 2003 rate proposal, or✓ You are a small carrier that filed as large by submitting detailed documentation with your rate proposal,	<p>You must E-Mail Attachments III through VI by May 2, 2003, to Actuary@opm.gov.</p> <p>Sent any documents which cannot be E-mailed to:</p> <p>Ms. Nancy H. Kichak, Director, Office of Actuaries Office of Personnel Management 1900 E St, NW, Rm 4307 Washington, DC 20415</p>
3.	You are a small carrier with more than \$500,000 income and did not file as a large carrier.	You must complete Attachments III, IIIA, IIIB and V, and keep them on file and available for OPM review.

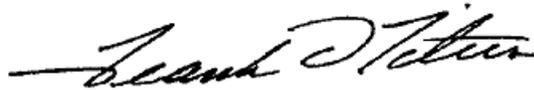
The enclosed document entitled "OPM Reconciliation Guidelines 2003" gives pertinent definitions and an overall view of our 2003 reconciliation policy.

All carriers, except those with income less than \$500,000 in 2002, must complete sections (1) and (2) of the Reconciliation Questionnaire (Attachment IIIB) plus the additional section(s) as determined by the following table.

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

If you have questions about the reconciliation please call Sherry Simon or Jim Quayle at (202) 606-0722, or send an e-mail to us at actuary@opm.gov. **This year's reconciliation is being E-mailed to you as a word document. Please e-mail the completed forms as a word document to the above e-mail address. Please send any documents which cannot be E-mailed by overnight delivery.**

Sincerely,



Frank D Titus
Assistant Director
for Insurance Services

Enclosure