
FEHB Program Carrier Letter

All Community-Rated Carriers

U.S. Office of Personnel Management
Insurance Services Programs

Letter No. 2009 - 09

Date: April 22, 2009

Fee-for-service [n/a] Experience-rated HMO [n/a] Community-rated HMO [7]

SUBJECT: 2010 RATE INSTRUCTIONS -- Community-Rated Carriers

Please use the enclosed documents to prepare your 2010 rate proposal. You must submit your proposal and the completed attachments by **May 31, 2009**. May 31st is the deadline required by regulations and OPM will not grant extensions.

We have adopted a new format for our instructions beginning with the 2010 rate year. Instructions will now be broken down into the following sections:

Part A: Community Rating Guidelines - includes pertinent definitions and an overall view of our community rating policy for 2010.

Part B: Proposal Instructions & Forms – includes line by line instructions for completing the 2010 proposal, the proposal template, backup forms and the proposal questionnaire.

Part C: Reconciliation Instructions & Forms – includes line by line instructions for completing the 2010 reconciliation, the reconciliation template, backup forms and the reconciliation questionnaire.

Only Parts A and B are contained in this package. Part C will be sent in the spring of 2010.

In addition, we are including a “Changes for 2010” insert that immediately follows this cover letter to detail the changes we have implemented for the 2010 rate year. Please review this insert carefully.

The following requirements apply for the 2010 proposal. All attachments referenced below can be found in Part B of your package.

If a carrier has more than 1,500 FEHBP contracts at the time of the rate proposal:

- The carrier is considered a large carrier. The carrier must complete and submit Attachments II, IIA, IIB, and IIC.

If a carrier has less than 1,500 FEHBP contracts at the time of the rate proposal, the carrier must choose between the following options:

- Submit the same detailed documentation required for large carriers (see above). A carrier that chooses this option will be considered a large carrier.

OR

- If the carrier's 2009 income from the Federal group will be greater than or equal to \$650,000, the carrier must complete Attachments I, IA, II, IIA, IIB, and IIC and submit Attachments I, IA, IIB, and IIC. A carrier should not send Attachments II and IIA to OPM; however, these documents must be kept on file and available for OPM review in accordance with the records retention clause of the contract. A carrier that chooses this option will be considered a small carrier;
- If the carrier's 2009 income from the Federal group will be less than \$650,000, the carrier must complete and submit Attachments I, IIB, and IIC. Such a carrier need not complete or retain Attachments IA, II and IIA. A carrier that chooses this option will be considered a small carrier.

This proposal is being e-mailed to you as a Word document. **Please visit <http://www.opm.gov/FehbTools/Rates/> for information on how to submit your proposal.** Send any additional information by overnight delivery to each of the following addresses:

Lorraine Dettman
 Assistant Director for Insurance Services Program
 Office of Personnel Management
 1900 E Street, N.W., Room 3400
 Washington, DC 20415-0001

and Sherry Simon
 Actuary
 Office of Personnel Management
 1900 E Street, N.W., Room 4307
 Washington, DC 20415-0001

Also, please remember your first quarter enrollment report, Table 1, is due on April 15 to:

Eric Figg
 Office of Personnel Management
 Office of Insurance Programs
 1900 E Street, N.W., Room 3415
 Washington, DC 20415-0001
 or fax to (202) 606-0036

Please direct your questions about the 2010 rate submission to Sherry Simon or Sharon Tu at (202) 606-0722, or **actuary@opm.gov**.

Sincerely,

Kay T. Ely
 Associate Director
 Human Resources Products and Services Division

Enclosures