

PROCEDURES FOR REQUESTING ADDITIONAL FUNDS

The FEHB contracts address premium payments in Section 3.1 Payments—Experience-Rated Contracts (JAN 2003) (FEHBAR 1652.232-71) for experience-rated contracts and in Section 3.1 Payments (JAN 2003) (FEHBAR 1652.232-70) for community-rated carriers.

The procedures OPM's Contracting Officer can authorize for payments from the Contingency Reserve are indicated below.

Experience-Rated Carriers

Due to the potential for reduced premium payments as a result of the furlough, plans may request funds from the contingency reserve to pay claims. Plans should use the following procedure after October 24, 2013 if funds received on that date are insufficient to pay claims:

- Requests should be sent in writing to your OPM Contracting Officer and to actuary@opm.gov.
- Requests must be submitted no later than two (2) business days before the funds are needed. Experience-rated carriers must anticipate depleting funds in the Letter of Credit (LOC) account before submitting a request to replenish funds from the contingency reserve.
- Requests should include the current LOC balance, the anticipated claims that will need to be paid per day and the amount requested to be transferred to the LOC. OPM's Office of the Actuary will review the special contingency reserve request to determine reasonableness. All requests are limited to the amount of funds available in the Contingency Reserve.

Once the furlough is over and premium payments from agencies have resumed, OPM's Office of the Chief Financial Officer will transfer funds back to each carrier's contingency reserve until the funds are restored.

Plans may only use this procedure as required for payment of claims.

Community-Rated Carriers

Due to the potential for reduced premium payments as a result of the furlough, plans may request funds from the contingency reserve to avoid significant cash flow disruption. Plans should use the following procedure after October 24, 2013:

- Requests should be sent in writing to your OPM Contracting Officer and to actuary@opm.gov.
 - Requests must be submitted in writing no later than two (2) business days before the funds are needed.

- The amount of the request, when combined with the anticipated premium payment to be received, may not exceed the average premium payment from previous periods in 2013.
- Requests should include the average amount received in 2013 for the period in question (the 2nd or 4th Thursday of the month), the amount actually received for the period in question and the amount being requested to avoid significant cash flow disruption.

OPM's Office of the Actuary will review the special contingency reserve request to determine reasonableness. All requests are limited to the amount of funds available in the Contingency Reserve.

Once the furlough is over and premium payments from agencies have resumed, OPM's Office of the Chief Financial Officer will transfer funds back to each carrier's contingency reserve until the funds are restored.

Plans may only use this procedure as required to avoid significant cash flow disruption.