

**Frequently Asked Questions in Response to the December 9th Teleconference on
Carrier Letter 2014-28 Additional Information on the Performance Areas for the Federal
Employees Health Benefits (FEHB) Plan Performance Assessment**

GENERAL

1. OPM states that the Plan Performance Assessment takes effect in 2016. Is that because the 2016 Performance Assessment scores will be used to set the 2017 service charge?

The 2016 performance award will be applied in 2017. OPM's assessment will include evaluation of HEDIS and CAHPS reports as well as the performance criteria under the Contract Oversight. For experience-rated carriers, the process will be similar to how we currently evaluate and administer the service charge. The new plan assessment cycle will be identical for both the experience-rated carriers and community-rated carriers.

2. Were the current factors for the service charge used in developing the Contract Oversight performance area?

Current regulations were used to establish evaluation components for the plan assessment. This includes both current service charge factors that are used in evaluating experience-rated carriers as well as the community-rated carrier incentive performance elements. Not all factors were incorporated into the new evaluation components. However, the list shown in Carrier Letter 2014-28 reflects the major components of the current experienced rated and community-rated evaluation criteria.

3. Can OPM share its current thinking on the relative weight that will be assigned to each of the four performance areas cited in Carrier Letter 2014-28 (Clinical Quality, Customer Service, Resource Use & Contract Oversight)?

We are working on the weighting and scoring and will provide carriers with additional information as soon as it is available.

4. Will specific scales be developed to score each component?

We are currently evaluating the aspects of the scoring formula for all performance areas. The Contract Oversight performance area is likely to include both quantitative and qualitative components in much the same way as the service charge is determined now for experience-rated plans.

5. Will OPM approve administrative cost increases to allow carriers to meet the standards in this domain?

For experience-rated plans, we will continue to follow the review of the administrative expenses as is currently done. Currently, carriers are incurring costs associated with the performance assessment framework, such as HEDIS and CAHPS; however, we will take into account unique circumstances that may affect individual carriers concerning these areas. For community-rated carriers, administrative costs are built into their community rates.

6. No objective data sources have been identified for Contract Oversight evaluation and scoring. How will OPM assess performance (e.g., part of an audit, site visit, survey) and will there be an empirical data set that carriers can similarly track to understand performance gaps?

OPM will assess performance for the Contract Oversight performance area using many sources of information, most of which are used in the current processes for the service charge and incentive performance criteria.

OPM anticipates that some current components in Contract Oversight may, over time, migrate to another performance area if a measure can meet our standards for inclusion – valid, auditable, comparable, and actionable by a carrier. If measures such as claims processing accuracy and timeliness meet our standards for inclusion in the future, we will include them under the appropriate performance area.

We intend to maintain the Contract Oversight performance area as a way to evaluate performance in areas where empirical data does not yet meet our measurement standards.

7. Does OPM intend to distinguish between community-rated and experience-rated carriers?

We have outlined the framework so that most components will apply to all plans in a given year. As much as the regulation will allow, Contract Officers will take unique plan circumstances into consideration when evaluating performance.

8. Currently, HEDIS and CAHPS scores “lag” (2014 results are based upon 2013 data). It will be helpful for FEHB carriers to know in advance which HEDIS and CAHPS measures will be scored each calendar year. Can OPM provide this information to carriers in a timeframe (15-18 months prior to the start of the calendar year) that will permit carriers to plan for program changes to best assure optimal performance when NCQA measures change?

We would like to make the evaluation process as easy as possible for both carriers and OPM. In Carrier Letter 2014-28, OPM provided information concerning the measures that we will score for 2015 and 2016. We will continue to make every effort to provide carriers advanced notification of the measures OPM intends to evaluate each calendar year.

DOMAIN AND MEASURE QUESTIONS

1. Will the subcontracting oversight component also encompass large provider agreements?

Yes, the subcontract oversight component will encompass large provider agreements.

2. OPM includes a family member eligibility determination component. Does OPM intend to provide clearer guidance identifying the appropriate documentation needed to support adding a family member to a Self and Family enrollment?

Current requirements for family member eligibility are outlined in [Carrier Letter 1999-07](#) and [Carrier Letter 1999-34](#). OPM will provide additional guidance about the documentation for eligibility determinations as we go through the dependent audit.

3. OPM includes a Federal socio-economic program component. The example references annual report by carriers about subcontracts. Is OPM referring to the EEO-1 and VETS-100/100A reports? What benchmark will OPM use if the carrier's workforce is below the threshold at which the EEO-1 reporting is required?

Our focus is on socio-economic contracting as indicated in the current service charge regulations with regard to small business contracting such as women-owned, HUB zone, etc. These reporting requirements will not change. As noted in the table, not all plans will meet the thresholds for this component. Such non-applicability will not be held against a plan.

4. Because OPM considers reportable data breaches to be significant events, what is the difference between the notification of events component on page 6 and the data breach component on page 7 in Carrier Letter 2014-28?

The notification of the significant event is different from the occurrence of the event and the appropriate response to remediate its effects. The notification will be assessed as a part of Contract Compliance. The occurrence and response will be assessed under Technology Management and Data Security.

5. Will OPM allow carriers additional time to submit written comments on the Contract Oversight components? If so what would be the deadline?

Carriers are welcome to submit written comments to fehbperformance@opm.gov at any time.

6. For the Audit Findings & Fraud/Waste/Abuse Domain, if larger carriers have more audits, how will smaller carriers be evaluated?

Small carriers may not have audits every year, and they will not be penalized for not having anything to evaluate for those components.

7. Will Contracting Officers be able to award higher or lower amounts based on extraordinary performance?

All performance scores will be awarded within the scoring formula. We expect Contracting Officers will have some discretion to recognize extraordinary performance in the Contract Oversight performance area.

8. Will the Contract Officer have discretion to not penalize a carrier for poor performance due to extenuating circumstances?

We are currently evaluating aspects of the scoring formula for all performance areas. Carriers are always welcome to submit extenuating/mitigating circumstances for consideration. Scores for the Contract Oversight will be determined based on information provided by the carrier throughout the year.