

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM **ENCLOSURE A**
 CARRIER FINANCIAL INFORMATION
 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2000

Carrier Code: Carrier Name:

The Office of Personnel Management's records show the following financial informat for the period October 1, 1999, thourgh September 30, 2000. Please compare the Letter-of-Credit activity to your records and notify us of any differences.

1. PROGRAM INCOME	TOTAL
a. LOC Authorizations:	
1) Semimonthly Premiums	\$0.00
2) Interest	\$0.00
b. Accrued Income 10/01/99:	
1) Semimonthly Premiums	\$0.00
2) Interest on LOC account	\$0.00
c. Accrued Income 09/30/00:	
1) Semimonthly Premiums	\$0.00
2) Interest on LOC account	\$0.00
d. Total Program Income	\$0.00
	=====
2. HEALTH BENEFIT CHARGES	
Accrued but Unpaid	
10/01/99(a):	\$0.00
3. SPECIAL RESERVE	
Balance as of 09/30/99(b):	\$0.00
4. LOC ACTIVITY	
a. Beginning LOC Balance	\$0.00
b. Plus: Total LOC Auth.	\$0.00
c. Minus: LOC Drawdowns	\$0.00
d. Adjustments:	
1) Add: Contingency	\$0.00
Reserve Payments	
2) Deduct: Withdrawal of	\$0.00
Excess Reserves	
e. Available Balance in	
LOC Account	\$0.00

- (a) This should agree with line 2b(2) on your 1999 fiscal year accounting statement
- (b) This should agree with line 5g on your 1999 fiscal year accounting statement.

ENCLOSURE B

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

EXPERIENCE-RATED CARRIERS

FISCAL YEAR ACCOUNTING INSTRUCTIONS

As of September 30, 2000

2000 FISCAL YEAR REPORTING PACKAGE

This section contains the guidelines for your **FISCAL YEAR ACCOUNTING STATEMENT REPORTING**, which is due no later than December 15, 2000. All accounting reports and supporting schedules must be prepared using the accrual basis of accounting. The information provided in Enclosure A will be used in the preparation of your financial reporting and its accuracy is critical. Please review this information and contact us immediately if you feel it is not accurate.

Please ensure that your report is prepared in accordance with the format prescribed by the "FEHBP Experience-Rated Carrier and Service Organization Audit Guide". A recent edition of the Audit Guide is enclosed for your information and reference.

If your Plan participated in the DOD Project during fiscal year 2000, the financial results pertaining to this activity must be stated separately on the Summary Statement and incorporated in your total financial operations.

The completed Fiscal Year Accounting Statement is due at OPM no later than December 15, 2000 and should be forwarded to:

**U.S. Office of Personnel Management
Financial Management Division
Attention: Samuel Arsers
1900 E Street, NW, Room 3H25
Washington, D.C. 20415**

An Estimated Summary Statement for the period October 1, 1999 through September 30, 2000 must be submitted in advance of your fiscal year report. This statement is due at OPM no later than November 3, 2000.

You may FAX your report to (202) 606-1338. If you have any questions regarding the preparation of your accounting statement, please call Samuel Arsers of the Benefits Accounting Branch on (202) 606-4189.

**FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM
FISCAL YEAR ACCOUNTING STATEMENTS
FOR THE PERIOD ENDING SEPTEMBER 30, 2000**

Carrier Name:_____ **Code**_____

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A. Financial statements and required supplementary schedules of the FEHBP for the period ending September 30, 2000 and 1999 and independent auditors' report.

Required supplementary schedules include:

- Supplemental Schedule of Administrative Expenses
- Supplemental Schedule of Health Charges Paid
- Supplemental Schedule of Monthly Cash Flows
- Supplemental Schedule of Audit Findings

B. Other reports based on reporting option chosen.

C. Corrective action plan.

SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS
 FOR THE PERIOD -OCTOBER 1, 1999 - SEPTEMBER 30, 2000

Carrier Name: _____

Code: _____

1. PROGRAM INCOME:

- a. Letter of Credit Authorizations
 - ' - (1) Semimonthly Premiums
 - (2) Interest
- b. Accrued Income 09/30/99
 - (1) Semimonthly Premiums
 - (2) Interest
- c. Accrued Income 09/30/00
 - (1) Semimonthly Premiums
 - (2) Interest
- d. Total Program Income
- e. Carrier Interest Income
- f. Total Carrier Income

2. HEALTH BENEFITS CHARGES:

- a. Paid
- b. Accrued but Unpaid:
 - (1) Beginning
 - (2) Ending
- c. Total

3. ADMINISTRATIVE EXPENSES:

- a. Paid
- b. Accrued but Unpaid:
 - (1) Beginning
 - (2) Ending
- c. Total

4. OTHER EXP. & RETENTIONS:

- a. State Statutory Reserve
- b. Reinsurance Expenses
- c. Service Charge
- d. Other
- e. Total

5. CHANGES TO SPECIAL RESERVE:

- a. Special Reserve - 09/30/99
- b. Gain (Loss) on Operations
- c. Prior Period Adjustment
- d. Contingency Reserve Payments
- e. Return of Excess Reserves
- f. Other
- g. Special Reserve - 09/30/00

	TOTAL	FEHBP	DOD
a. Letter of Credit Authorizations	\$	\$	\$
' - (1) Semimonthly Premiums			
(2) Interest			
b. Accrued Income 09/30/99	\$	\$	\$
(1) Semimonthly Premiums			
(2) Interest			
c. Accrued Income 09/30/00	\$	\$	\$
(1) Semimonthly Premiums			
(2) Interest			
d. Total Program Income	\$	\$	\$
e. Carrier Interest Income	\$	\$	\$
f. Total Carrier Income	\$	\$	\$
<u>2. HEALTH BENEFITS CHARGES:</u>			
a. Paid	\$	\$	\$
b. Accrued but Unpaid:			
(1) Beginning			
(2) Ending			
c. Total	\$	\$	\$
<u>3. ADMINISTRATIVE EXPENSES:</u>			
a. Paid	\$	\$	\$
b. Accrued but Unpaid:			
(1) Beginning			
(2) Ending			
c. Total	\$	\$	\$
<u>4. OTHER EXP. & RETENTIONS:</u>			
a. State Statutory Reserve	\$	\$	\$
b. Reinsurance Expenses			
c. Service Charge			
d. Other			
e. Total	\$	\$	\$
<u>5. CHANGES TO SPECIAL RESERVE:</u>			
a. Special Reserve - 09/30/99	\$	\$	\$
b. Gain (Loss) on Operations			
c. Prior Period Adjustment			
d. Contingency Reserve Payments			
e. Return of Excess Reserves			
f. Other			
g. Special Reserve - 09/30/00			

SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS
 FOR THE PERIOD -OCTOBER 1, 1999 - SEPTEMBER 30, 2000

Carrier Name: _____

Code: _____

1. PROGRAM INCOME:

- a. Letter of Credit Authorizations
 - ' - (1) Semimonthly Premiums
 - (2) Interest
- b. Accrued Income 09/30/99
 - (1) Semimonthly Premiums
 - (2) Interest
- c. Accrued Income 09/30/00
 - (1) Semimonthly Premiums
 - (2) Interest
- d. Total Program Income
- e. Carrier Interest Income
- f. Total Carrier Income

2. HEALTH BENEFITS CHARGES:

- a. Paid
- b. Accrued but Unpaid:
 - (1) Beginning
 - (2) Ending
- c. Total

3. ADMINISTRATIVE EXPENSES:

- a. Paid
- b. Accrued but Unpaid:
 - (1) Beginning
 - (2) Ending
- c. Total

4. OTHER EXP. & RETENTIONS:

- a. State Statutory Reserve
- b. Reinsurance Expenses
- c. Service Charge
- d. Other
- e. Total

5. CHANGES TO SPECIAL RESERVE:

- a. Special Reserve - 09/30/99
- b. Gain (Loss) on Operations
- c. Prior Period Adjustment
- d. Contingency Reserve Payments
- e. Return of Excess Reserves
- f. Other
- g. Special Reserve - 09/30/00

	TOTAL	HIGH	LOW	DOD
a. Letter of Credit Authorizations	\$	\$	\$	
' - (1) Semimonthly Premiums				
(2) Interest				
b. Accrued Income 09/30/99	\$	\$	\$	
(1) Semimonthly Premiums				
(2) Interest				
c. Accrued Income 09/30/00	\$	\$	\$	
(1) Semimonthly Premiums				
(2) Interest				
d. Total Program Income	\$	\$	\$	
e. Carrier Interest Income	\$	\$	\$	
f. Total Carrier Income	\$	\$	\$	
<u>2. HEALTH BENEFITS CHARGES:</u>				
a. Paid	\$	\$	\$	
b. Accrued but Unpaid:				
(1) Beginning				
(2) Ending				
c. Total	\$	\$	\$	
<u>3. ADMINISTRATIVE EXPENSES:</u>				
a. Paid	\$	\$	\$	
b. Accrued but Unpaid:				
(1) Beginning				
(2) Ending				
c. Total	\$	\$	\$	
<u>4. OTHER EXP. & RETENTIONS:</u>				
a. State Statutory Reserve	\$	\$	\$	
b. Reinsurance Expenses				
c. Service Charge				
d. Other				
e. Total	\$	\$	\$	
<u>5. CHANGES TO SPECIAL RESERVE:</u>				
a. Special Reserve - 09/30/99	\$	\$	\$	
b. Gain (Loss) on Operations				
c. Prior Period Adjustment				
d. Contingency Reserve Payments				
e. Return of Excess Reserves				
f. Other				
g. Special Reserve - 09/30/00				

SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS
 FOR THE PERIOD -OCTOBER 1, 1999 - SEPTEMBER 30, 2000

Carrier Name: _____

Code: _____

DOD PROJECT

1. PROGRAM INCOME:

- a. Letter of Credit Authorizations
 - ' - (1) Semimonthly Premiums
 - (2) Interest
- b. Accrued Income 09/30/99
 - (1) Semimonthly Premiums
 - (2) Interest
- c. Accrued Income 09/30/00
 - (1) Semimonthly Premiums
 - (2) Interest
- d. Total Program Income
- e. Carrier Interest Income
- f. Total Carrier Income

2. HEALTH BENEFITS CHARGES:

- a. Paid
- b. Accrued but Unpaid:
 - (1) Beginning
 - (2) Ending
- c. Total

3. ADMINISTRATIVE EXPENSES:

- a. Paid
- b. Accrued but Unpaid:
 - (1) Beginning
 - (2) Ending
- c. Total

4. OTHER EXP. & RETENTIONS:

- a. State Statutory Reserve
- b. Reinsurance Expenses
- c. Service Charge
- d. Other
- e. Total

5. CHANGES TO SPECIAL RESERVE:

- a. Special Reserve - 09/30/99
- b. Gain (Loss) on Operations
- c. Prior Period Adjustment
- d. Contingency Reserve Payments
- e. Return of Excess Reserves
- f. Other
- g. Special Reserve - 09/30/00

	TOTAL	HIGH OPTION	LOW OPTION
a. Letter of Credit Authorizations	\$	\$	\$
' - (1) Semimonthly Premiums			
(2) Interest			
b. Accrued Income 09/30/99	\$	\$	\$
(1) Semimonthly Premiums			
(2) Interest			
c. Accrued Income 09/30/00	\$	\$	\$
(1) Semimonthly Premiums			
(2) Interest			
d. Total Program Income	\$	\$	\$
e. Carrier Interest Income			
f. Total Carrier Income	\$	\$	\$
<u>2. HEALTH BENEFITS CHARGES:</u>			
a. Paid	\$	\$	\$
b. Accrued but Unpaid:			
(1) Beginning			
(2) Ending			
c. Total	\$	\$	\$
<u>3. ADMINISTRATIVE EXPENSES:</u>			
a. Paid	\$	\$	\$
b. Accrued but Unpaid:			
(1) Beginning			
(2) Ending			
c. Total	\$	\$	\$
<u>4. OTHER EXP. & RETENTIONS:</u>			
a. State Statutory Reserve	\$	\$	\$
b. Reinsurance Expenses			
c. Service Charge			
d. Other			
e. Total	\$	\$	\$
<u>5. CHANGES TO SPECIAL RESERVE:</u>			
a. Special Reserve - 09/30/99	\$	\$	\$
b. Gain (Loss) on Operations			
c. Prior Period Adjustment			
d. Contingency Reserve Payments			
e. Return of Excess Reserves			
f. Other			
g. Special Reserve - 09/30/00			

Instructions for Preparing:

SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS

Round all amounts to the nearest whole dollar and ensure they add to the totals.

1. PROGRAM INCOME: Enclosure A of the covering letter lists Letter-of-Credit (LOC) authorizations recorded by OPM for your plan during the period October 1, 1999 through September 30, 2000. Please compare the information provided to your records and immediately notify Samuel Arsers, of our Benefits Accounting Branch on (202) 606-4189 of any differences.

Carrier Interest Income: Your contract states that all funds in excess of those needed to promptly discharge the obligations of the contract should be invested. Report all interest earned on these funds on line 1e. Do not report interest earned on your Letter-of-Credit account on this line.

2. HEALTH BENEFITS CHARGES:

a. Paid: Should agree with the "TOTAL" in Part D of the "**Health Benefits Charges Paid**" Schedule 1.

b. Accrued but Unpaid:

1) Beginning: Line 2 of Enclosure A of the covering letter shows the ending health benefits accrual reported on your September 30, 1999 fiscal year accounting statement. This figure is to be used on line 2b(1) of this year's SUMMARY STATEMENT. Attach a schedule showing the monthly liquidation of the September 30, 1999 accrual.

2) Ending: Show the charges incurred but unpaid as of September 30, 2000. Attach a schedule showing the development of the unreported health benefit charges. All assumptions, judgment factors and estimates should be supported and all sources of data identified.

c. Total: The sum of lines 2a, 2b(1) and 2b(2).

3. ADMINISTRATIVE EXPENSES: If your plan has high and standard options, show the basis and amounts used for prorating administrative expenses between the two options.

a. Paid: Should agree with the amount stated on the Statement of Cash Flows.

Instructions for Preparing:

SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS continued:

b. Accrued but Unpaid:

- 1) Beginning: Show on line 3b(1) the amount of the accrued administrative expenses as shown on your prior fiscal year accounting statement.
- 2) Ending: Show on line 3b(2) the amount of accrued administrative expenses as of September 30, 1998.

c. Total: Line 3a. minus line 3b(1) plus line 3b(2).

4. OTHER EXPENSES AND RETENTIONS:

a. State Statutory Reserve: Report the amount necessary to satisfy state requirements for mandatory statutory reserves for the period October 1, 1999 through September 30, 2000. Attach a schedule showing in detail the development of the charges or credits for this retention.

b. Reinsurance Expenses: List the amount paid for reinsurance expenses if applicable for the period October 1, 1999 through September 30, 2000.

c. Service Charge: Show on Line 3e, 25 percent of the formula derived contract limitation for calendar year 1999 plus 75 percent of the allowable 2000 service charge

d. Other: Other expenses not previously stated.

e. Total: The sum of lines 3a through 3e.

5. CHANGES TO SPECIAL RESERVE:

a. Special Reserve, 09/30/99: The amount of the prior fiscal year accounting statement ending Special Reserve (line 3, of Enclosure A).

b. Gain (Loss) on Operations: This is calculated as follows: (line 1f)-(line 2c)-(line 3c)-(line 4e).

c. Prior Period Adjustments: All adjustments made to the current fiscal year report as a result of prior OPM audits or due to any other reasons. These adjustments should also be included in your annual accounting statement of December 31, 2000.

Instructions for Preparing:

SUMMARY STATEMENT OF FEHBP FINANCIAL OPERATIONS continued

d. Contingency Reserve Payments: Show the amount transferred from the contingency reserve to your LOC account during the period October 1, 1999 through September 30, 2000. (line 4d(1) of Enclosure A.)

e. Return of Excess Reserves: Show the amount of excess reserves withdrawn from your LOC account and transferred to the contingency reserve during the period October 1, 1999 through September 30, 2000 (line 4d(2), of Enclosure A).

f. Other: Show on line 5f any transfers or other additions or subtractions to the special reserve during fiscal 1999.

g. Special Reserve, Ending: The total of lines 5a, b, c, d, e and f.

**FEHBP BALANCE SHEET
SEPTEMBER 30, 2000 AND 1999**

ASSETS	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents		
Balance in Letter of Credit (LOC) Account		
Interest Income Receivable		
Program Income Receivable		
Prepaid Expenses		
Other Assets		
TOTAL ASSETS	_____	_____
LIABILITIES		
Health Benefits Accrued but Unpaid		
Accrued Administrative Expenses and Retentions		
Other Accrued Liabilities		
Special Reserve		
TOTAL LIABILITIES WITH SPECIAL RESERVE	_____	_____
<i>See accompanying notes to financial statements.</i>		

Instructions for Preparing:

The FEHBP BALANCE SHEET

If your plan has an underwriter, please provide a consolidated balance sheet incorporating the financial activity of the underwriter, organization and former underwriter(s), if applicable. Please provide separate balance sheets for each entity if they are available.

ASSETS

Cash and Cash Equivalents. The ending cash and cash equivalents balance as shown on the Consolidated Statement of FEHBP Cash Flows and other related schedules.

Balance in Letter of Credit Account. The balance in the LOC account as of September 30, 2000. This should agree with line 4e of Enclosure A.

Interest Income Receivable. All accrued interest income from bank accounts or short-term investments maintained for payment of FEHBP expenses as of September 30, 2000. Do not include accrued interest from the Letter of Credit (LOC) account.

Program Income Receivable. The ending accrued semimonthly premiums and (LOC) account interest from line 1c of the Summary Statement.

Prepaid Expenses. The prepaid expenses as of September 30, 2000.

LIABILITIES

Health Benefits Accrued but Unpaid. The ending health benefits charges accrued but unpaid from line 2b(2) of the Summary Statement.

Accrued Administrative Expenses and Retentions. The total accrued administrative expenses and retentions as of September 30, 2000.

Special Reserve. The ending Special Reserve from line 5g of the Summary Statement.

Note: The Balance Sheet should be prepared in accordance with the special purpose financial statements required by the U.S. Office of Personnel Management. This is a comprehensive basis of accounting other than generally accepted accounting principles.

Carrier: _____

Code: _____

**STATEMENT OF OPERATIONS
FOR THE FISCAL YEARS
ENDING SEPTEMBER 30, 2000 and 1999**

	<u>2000</u>	<u>1999</u>	
REVENUE:	\$	\$	
Letter of Credit (LOC) Authorizations			Net
Investment Income			
Total Revenue	\$	\$	
BENEFITS AND EXPENSES			
Health Benefit Charges	\$	\$	
Administrative Expenses			
State Statutory Reserve			
Reinsurance Expenses			
Service Charges			
Other			
Total Benefits and Expenses	\$	\$	
GAIN (LOSS) FROM OPERATIONS		_____	_____
Special Reserve September 30, 1999	\$	\$	
Gain (Loss) from Operations			
Return of Excess Reserves			
Contingency Reserve Payments			
Other			
Special Reserve September 30, 2000	\$	_____	_____

See accompanying notes to financial statements.

Instructions for Preparing:

STATEMENT OF OPERATIONS

Enclosure A of the covering letter shows the Letter of Credit (LOC) authorizations and reductions recorded by OPM for your plan during fiscal year 2000. This information **must** be used to prepare your report. Please compare this information and your records and notify Samuel Arsers of the Benefits Accounting Branch on (202) 606-4189 of any differences. As noted previously, the amount reported as LOC draw downs must be the total amount requested from OPM and not the net amount received pursuant to the provisions of the Debt Collection Act of 1996

REVENUE:

Letter of Credit Authorizations:

Show the total 2000 fiscal year semimonthly premium authorizations as stated on Enclosure A.

Net Investment Income:

Show the 2000 fiscal year interest credited to the LOC account as stated on Enclosure A plus investment interest earned on funds held by the carrier, if applicable.

Total Revenue:

Letter of Credit Authorizations plus Net Investment Income.

BENEFITS AND EXPENSES:

Health Benefits Charges: Show the amount paid for health benefit charges during fiscal year 2000.

Administrative Expenses: Your contract with OPM provides for allowable charges to the Federal Employees Health Benefits Program based on an administrative expense formula for contract year 2000. The amount stated for fiscal year 2000 should not exceed 25% of your 1999 limitation plus 75% of your 2000 limitation.

Instructions for Preparing:

STATEMENT OF OPERATIONS continued:

State Statutory Reserve: Report the amount necessary to satisfy State requirements for mandatory statutory reserves. Attach a schedule showing in detail the calculation of the required reserve amount and citation to specific state statutes.

Reinsurance Expenses: Report the amount of reinsurance expenses, if applicable, incurred in fiscal year 2000. Attach a schedule showing the development of your reinsurance expenses and the basis for this charge.

Service Charges: This amount should not exceed 25% of your allowable 1999 service charge plus 75% of the 2000 allowable service charge as stated on Appendix B of the 2000 contract amendment.

Other: Show all other expenses not previously listed.

Total Benefits and Expenses:

GAIN (LOSS) FROM OPERATIONS

Special Reserve Beginning of Year: Show the ending special reserve from the prior year's fiscal accounting statement.

Gain (Loss) from Operations: Total revenue minus total benefits and expenses.

Return of Excess Reserves: Show the amount of excess reserves withdrawn from your LOC account and transferred to the contingency reserve during fiscal year 2000 shown on Enclosure A.

Contingency Reserve Payments: Show the contingency reserve payment(s) authorized to the LOC account during fiscal year 2000 as shown on Enclosure A.

Other: Show all other additions or subtractions not classified. Include a supporting schedule to explain the source of the adjustment(s).

Special Reserve at End of Year: The beginning Special Reserve plus or minus adjustments made during fiscal year 2000.

Carrier: _____ Code: _____

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS
ENDING SEPTEMBER 30, 2000 AND 1999**

CASH FLOWS FROM OPERATIONS ACTIVITIES	2000	1999
Net Gain (Loss)	\$	\$
Adjustments to Reconcile Net Gain to Net Cash Provided by (used in) Operating Activities:		
(Increase) Decrease in Assets:		
Letter of Credit Account	\$	\$
Program Income Receivable		
Interest Income Receivable		
Prepaid Expenses		
Other Assets		
Increase (Decrease) in Liabilities:		
Health Benefits Charges Accrued but Unpaid	\$	\$
Accrued Administrative Expenses		
Accrued Service Charge		
Other Accrued Liabilities		
TOTAL ADJUSTMENTS	\$	\$
Net cash provided by operating activities	_____	_____

(Continued Next Page)

STATEMENT OF CASH FLOWS (Continued from previous page)

CASH FLOWS FROM INVESTMENT ACTIVITIES

Proceeds from Sale of Investments	\$	\$
Net Cash Provided by Investing Activities		
	_____	_____

NET INCREASE IN CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents at the Beginning of Year	\$	\$
Cash and Cash Equivalents at the End of Year	\$_____	\$_____

See accompanying notes to financial statements.

Instructions for Preparing:

STATEMENT OF CASH FLOWS

Net Gain (Loss): Show the net gain or (loss) from the Statement of Operations.

Adjustments to Reconcile Net Gain (Loss) to Net Cash Provided by (used in) Operating Activities.

Prior Period adjustments and other adjustments as shown
on the Statement of Operations.
Contingency Reserve Payments
(Withdrawal of Excess Reserves)

(Increase) Decrease in Assets:

Letter of Credit Account
Program Income Receivable
Interest Income Receivable
Prepaid Expenses
Other Assets

Increase (Decrease) in Liabilities:

Health Benefits Charges Accrued but Unpaid
Accrued Administrative Expenses
Accrued Service Charge
Other Accrued Liabilities

TOTAL ADJUSTMENTS:

Net Cash Provided by Operating Activities:

The total net gain or (loss) plus total adjustments

CASH FLOWS FROM INVESTMENT ACTIVITIES

Proceeds from Sale of Investments. Present the sum of proceeds received from
the sale of FEHBP investments.

Instructions for Preparing:

STATEMENT OF CASH FLOWS CONTINUED:

Net Cash Provided by Investing Activities: Proceeds from the sale of investments
minus payments for purchase of investments.

NET INCREASE IN CASH AND CASH EQUIVALENTS

Net Cash Provided by Operating Activities plus or minus
Net Cash Provided by Investing Activities.

Cash and Cash Equivalents at Beginning of year: From the 1999 FEHBP Balance
Sheet.

Cash and Cash Equivalents at end of Year: Net increase
(decrease) in cash and cash equivalents plus or minus cash
and cash equivalents at the beginning of the year.

Carrier: _____

Code: _____

**SUPPLEMENTAL SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999**

ADMINISTRATIVE EXPENSES		2000	1999
Rent	\$	\$	
Salaries			
Employee Benefits			
Furniture and Equipment			
Maintenance			
Equipment Rental			
Printing, Stationery and Supplies			
Travel			
Postage			
Telephone & Telegraph			
Private Wire System			
Auditing Services			
Legal Services			
Consulting & Professional			
Payroll Taxes			
Utilities			
Insurance			
LOC Bank Charges			
Cost Containment			
Other			
TOTAL	\$	\$	

See accompanying independent auditors' report.

DOD PROJECT

Carrier: _____ **Code:** _____

**SUPPLEMENTAL SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999**

ADMINISTRATIVE EXPENSES	2000	1999
Rent	\$	\$
Salaries		
Employee Benefits		
Furniture and Equipment		
Maintenance		
Equipment Rental		
Printing, Stationery and Supplies		
Travel		
Postage		
Telephone & Telegraph		
Private Wire System		
Auditing Services		
Legal Services		
Consulting & Professional		
Payroll Taxes		
Utilities		
Insurance		
LOC Bank Charges		
Cost Containment		
Other		
TOTAL	\$	\$ _____

See accompanying independent auditors' report.

Instructions for Preparing:

SUPPLEMENTAL SCHEDULE OF ADMINISTRATIVE EXPENSES

Show your Plan's total expenses, by object class. The total charged should be shown on the Statement of Operations and must not exceed the 2000 fiscal year administrative expenses limitation.

Attach a supporting showing the basis and statistical data used for prorating administrative expenses between options, e.g. number of claims paid, or other units of work performed.

If the line item "Other" expenses aggregates to an amount that is material, its composition must be disclosed in a footnote.

Carrier: _____ Code: _____

High Option _____ Standard Option _____

**SUPPLEMENTAL SCHEDULE OF HEALTH BENEFIT CHARGES PAID
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

PART A - Monthly Claims Paid

MONTH	AMOUNT PAID	YEAR INCURRED		FISCAL YEAR 1998 - PRIOR
		10/01/99 09/30/00	10/01/98 09/30/99	
October				
November				
December				
January				
February				
March				
April				
May				
June				
July				
August				
September				
Total	\$	\$	\$	\$

PART B - Number of Claims Paid

	FISCAL YEAR INCURRED		
	FISCAL 2000	FISCAL 1999	1998 - PRIOR
TOTAL			

(Continued Next Page)

**SUPPLEMENTAL SCHEDULE OF HEALTH BENEFIT CHARGES PAID
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000** (Continued from previous page)

PART C - Types of Claim Paid

TOTAL	HOSPITALIZATIO N	PHYSICIANS	OTHER

PART D - Reconciliation of Health Benefit Charges Paid

Total Claims Paid from Part A (<i>above</i>)	

Less: Reinsurance Recovery	-----
Other Adjustments (<i>explain</i>)	

TOTAL (Summary Statement)	\$-----

See accompanying independent auditors' report.

Carrier: _____

Code: _____

High Option _____

DOD PROJECT

Standard Option _____

**SUPPLEMENTAL SCHEDULE OF HEALTH BENEFIT CHARGES PAID
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

PART A - Monthly Claims Paid

MONTH	AMOUNT PAID	YEAR INCURRED		FISCAL YEAR 1998 - PRIOR
		10/01/99 09/30/00	10/01/98 09/30/99	

October				
November				
December				
January				
February				
March				
April				
May				
June				
July				
August				
September				
Total	\$	\$	\$	\$

PART B - Number of Claims Paid

	FISCAL YEAR INCURRED	FISCAL 1999	1998 - PRIOR
	FISCAL 2000		
TOTAL			

(Continued Next Page)

**SUPPLEMENTAL SCHEDULE OF HEALTH BENEFIT CHARGES PAID
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000** (Continued from previous page)

PART C - Types of Claim Paid

TOTAL	HOSPITALIZATION	PHYSICIANS	OTHER

PART D - Reconciliation of Health Benefit Charges Paid

Total Claims Paid from Part A (<i>above</i>)	-----
Less: Reinsurance Recovery	-----
Other Adjustments (<i>explain</i>)	-----
TOTAL (Summary Statement)	\$-----

See accompanying independent auditors' report.

SUPPLEMENTAL SCHEDULE OF HEALTH BENEFITS CHARGES PAID

Part A: Monthly Claims Paid

Report in the first column the amount of health benefits charges paid in each month. In the second, third and fourth columns, show a breakdown of the amount reported in the first column by the fiscal year incurred.

Part B: Number of Claims Paid - Self-explanatory.

Part C: Types of Claims Paid

If possible, separate claims paid into hospitalization, physicians, and other claims.

Part D: Reconciliation of Health Benefit Charges Paid.

Self-explanatory.

Instructions for Preparing:

SUPPLEMENTAL SCHEDULE OF MONTHLY CASH FLOWS (OPTIONAL)

This schedule must be prepared on a monthly basis for the period October 1, 1999, through September 30, 2000.

1. **Cash Balance** The ending cash balance as shown on your 1999 fiscal year accounting statement, and as of the end of each month through September 30, 2000.
2. **Investment Balance** The total value of investments held as of September 30, 1999, and as of the end of each month through September 30, 2000.
3. **Sources of Cash:**
 - a. **LOC Drawdowns** Withdrawals made from your Letter of Credit (LOC) account as shown on line 4b. of Enclosure A.
 - b. **Interest Income** Interest earned on funds held during the period October 1, 1999, through September 30, 2000, other than the LOC account.
 - c. **Cash from Redemption of Carrier FEHBP Investments** Self-explanatory.
 - d. **Other** Explain via footnote or attached sheet of paper, all entries shown on this line.
 - e. **Total SOURCES:** The sum of lines 3a. through 3d.
4. **Applications of Cash**
 - a. **Claims Paid** The total health benefits charges paid during the period October 1, 1999, through September 30, 2000.
 - b. **Administrative Expenses Paid.** The amount of cash paid for allowable administrative expenses during the period October 1, 1999, through September 30, 2000.

Instructions for preparing:

SUPPLEMENTAL SCHEDULE OF MONTHLY CASH FLOWS (OPTIONAL)

c. Investment of Cash The total amount of cash disbursements for the purchase of investments during the period October 1, 1999, through September 30, 2000.

d. Other Explain, via footnote or attached sheet of paper, all entries shown on this line.

e. Total Applications The sum of lines 4a. through 4d.

5. Net Inflow (Outflow) line 3e minus line 4e.

6. Cash Balance Line 1 plus (minus) line 5.

7. Investment Balance Line 2 minus line 3c. plus line 4c.

8. Total Cash and Investments The total of lines 6 and 7.

Carrier: _____

Code: _____

**SUPPLEMENTAL SCHEDULE OF AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

AUDIT NUMBER AND ASSOCIATED YEAR:

\$ _____

TOTAL

\$ _____