

Summary of Changes to the 2002 “FEHBP Experienced-Rated Carrier and Service Organization Audit Guide” (Guide)

Overall Summary of Changes

Below are the described changes to the prior year’s Guide. Changes number 1, 3, 5, 6, 9, and 10 should be noted since they highlight changes in the primary coverage threshold, dues dates, and sample sizes.

Individual Change Descriptions

1. On the first page of the cover letter and throughout the Guide, the dollar threshold for primary coverage was raised from \$40 million to \$50 million.
2. Throughout the Guide, moved all dates up by one year. For example, changed 2000 to 2001 and 2001 to 2002.
3. On the second page of the cover letter and throughout the Guide, changed the due date for related reports for the period ending December 31 from March 30 to March 31 and for the period ending September 30 from December 14 to December 1.
4. On the second page of the cover letter and throughout the Guide, changed the OIG email contact from dlfletcher@opm.gov to mwllamber@opm.gov.
5. On page I-3, updated the due dates for Agreed-Upon Procedures from December 14 to March 31 (2003) to allow carriers and IPAs to focus on meeting the new December 1 due date for the audited AAS.
6. On page I-3, updated the due dates for Corrective Action Plans from March 30 and June 29 to June 30th for all carriers. This was due to the change in the due dates for Agreed-Upon Procedures (AUP) to March 31 for all carriers. Carriers must provide corrective actions for all AUP findings within 90 days of their AUP reports.
7. On page I-5, corrected an error from the prior year’s Guide. For Options 3 and 4, the prior year’s Guide stated that engagement required the application of two sets of specified agreed-upon procedures; one as of September 30 and the second as of December 31. All agreed-upon procedures should be performed as of September 30.
8. On page II-3, corrected an error from the prior year’s Guide. Changed the FEHBAR reference in Assertion 12 from FEHBAR 1631.205-73 to 1631.205.75.
9. On page III-1, changed the sample size for HB Benefits Charges Groups 1, 2, 3 and 5 from 157 to 105.

10. On page III-3, changed the sample size for Administrative Expenses from 42 to 25 for each subgroup.
11. On page III-5, added a description of the FEHB Centralized Enrollment Clearinghouse system (CLER) that is now being used by federal payroll offices and carriers to perform enrollment reconciliations.
12. On page A-1, clarified which statements are required for calendar year and fiscal year reporting options.
13. Throughout the Guide, updated the AICPA and other authoritative references as necessary.