
FEHB Program Carrier Letter

All Experienced-Rated FEHB Carriers

U.S. Office of Personnel Management
Office of Insurance Programs

Letter No. 2002-35

Date: September 25, 2002

Fee-for-service [32] Experience-rated HMO [32] Community-rated HMO [--]

SUBJECT: Financial Reporting Requirements for Federal Fiscal Year 2002

We have enclosed the requirements for your annual financial reporting for Federal fiscal year (FY) 2002. As you are aware, this financial information is a requirement of your participation in the Federal Employees Health Benefits Program.

We have previously discussed with many of you the significant financial management challenges we face over the next several years. The Office of Management and Budget has greatly accelerated the timeframes governing the submission of our annual financial statements. Since our annual financial statements include the FEHB Program, we must, accordingly, expedite the dates by which you must submit your annual financial reporting to us. As a consequence, for FY 2002, we will need your estimated and final financial reporting packages by **October 24, 2002**, and **December 1, 2002**, respectively. You must also ensure that your auditors comply with all applicable requirements in the "Experience-Rated Carrier and Service Organization Audit Guide."

While FY 2002 and FY 2003 will indeed be demanding, our FY 2004 annual statements must be completed by November 1, 2004! We look forward to working with you and your auditors to meet this challenging mandate.

If you have incurred a debt to another Federal entity, your drawdowns from your letter-of-credit account (LOCA) may be subject to "offset" by the U.S. Department of Treasury. This means that the Treasury may reduce the amount you draw down from your LOCA to satisfy this debt. Should your LOCA drawdown be reduced, you must repay this amount to the Program. Your repayment must stem from another source or book-of business -- you must not use Program monies to compensate for this loss. Report the amount that you owe to the Program for this purpose as a receivable on your Balance Sheet -- "Due for Treasury Offsets" -- and disclose information about your Treasury offsets in the new schedule -- "Treasury Offset Activity."

Thank you in advance for your timely and complete annual financial reporting. Our technical contact is Ms. Melanese Matthews of our Benefits Accounting Branch, who can be reached on 202-606-4498 or at mematthe@opm.gov.

Sincerely,



Abby L. Block
Assistant Director for Insurance Programs

- Enclosure A, Carrier Financial Information, contains selected financial information that you must use in preparing your fiscal year financial reporting.
- Enclosure B is your FY 2002 Financial Reporting Package.