

*United States*

***Office of***

***Personnel Management***

*The Federal Government's Human Resources Agency*



**FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP)**

**ANNUAL REPORTING INSTRUCTIONS  
FOR EXPERIENCE-RATED CARRIERS**

**For the period January 1, 2017 - December 31, 2017**

# **Instructions for the FEHBP Automated Accounting Spreadsheet**

## **Introduction**

The Automated Accounting Spreadsheet (AAS) is a Microsoft Excel file provided for solicitation of the annual financial information OPM requires of the benefit plans. AAS is intended to provide several advantages to both the plans and OPM, including:

1. easier and faster completion resulting from an electronic document that automatically calculates totals, transfers values between pages where appropriate, cross-checks other calculations and entries, etc.
2. greater accuracy resulting from a highly structured, non-editable template that ties entries and calculations from multiple sheets together to help highlight incomplete and/or incompatible data
3. easier review and maintenance of the historical record

This document presents basic instructions for completing the AAS.

## **The AAS Structure**

The AAS is comprised of a single Excel workbook that contains multiple spreadsheets. The name/content of each spreadsheet is shown by the name on the tab at the bottom. Clicking on the respective tabs causes the associated spreadsheet to become visible for review and editing.

The spreadsheets are ordered so that the sheets at the beginning, once completed, can automatically populate cells in the subsequent sheets.

For this reason, it is strongly recommended that each user begin with the first sheet (the far left), finish that one, and then continue with the one to its immediate right, etc., until finished. For those not familiar with Excel, note that all of the tabs will not be visible at once, so the left most visible tab may or may not be that from the leftmost spreadsheet. The arrows at the far left can be used to "slide" the visible tabs all the way to the left, one to the left, one to the right, and all the way to the right. Note that these arrows only affect the tabs that are visible - it is still necessary to click on a tab to make its associated spreadsheet appear.

## **AAS Workbook and Worksheet Protection**

The AAS utilizes the Excel protection features to "lock" the individual spreadsheets as well as the overall workbook. This locking prevents the user from editing any of the overall worksheet design (particularly inserting or deleting cells/rows/columns), and also prohibits the user from entering data in any but the appropriate unlocked fields. These unlocked fields are color-coded, to help indicate what kind of data is expected. This is explained in the next section.

## Instructions for the FEHBP Automated Accounting Spreadsheet, continued

### The AAS Color-coded Entry Fields

Three basic colors are used in the AAS to indicate which fields are intended for user-entry and which are automatically filled in by the document. The first worksheet shows this color legend:

<b>Yellow</b>	User Numeric Entry
<b>Yellow</b>	User Currency Entry
<b>Green</b>	User Text Entry
<b>Orange</b>	Calculated Field (non-editable)
<b>Red Outline</b>	Worksheet boundary

As shown, the yellow and green cells are fields for user entry and are unlocked.

Yellow fields require the user to enter a numeric value. Depending on the data type, the cell is formatted to show currency (integer dollars) or units (integers). Because no cents are displayed, it is requested that the AAS be filled out to the nearest whole dollars.

Green fields are intended for text entry. These fields are used to capture basic plan information like name and code, and also detail on several of the forms that allow for things like 'Other Expenses' but request that individual components of this 'Other' be listed in a separate section comprised of green and yellow fields (i.e. for the name and amount). There is also a Notes section at the bottom of each worksheet, where plans can enter explanatory text (if desired).

Orange fields are locked, and indicate the AAS has or will automatically fill them in. Some of these cells are calculated from values entered on the same page (e.g. the sum of a column of numbers). Others are transferred from other ('upstream,' and thus presumably filled out earlier) worksheets. Though these cells are locked, they can be selected to reveal the source of calculation. Note: the presence of a name followed by an exclamation point (e.g. 'Health Benefits Charges Paid'!C349) indicates entry comes from the separate spreadsheet with that name.

Because of the extensive relationships among cells (fields) with calculations, it is crucial to complete the spreadsheets in their designated order.

### Entering Options Detail

Several of the worksheets require detail be provided for individual plan options. This detail is automatically summed to provide the consolidated data. If your plan only offers one option, please fill out the 'High Option' section.

## Instructions for the FEHBP Automated Accounting Spreadsheet, continued

## **Embedded Comments**

Some of the cells in the AAS have instructions or other information contained in comments. The presence of a comment is indicated by a red triangle in top-right corner of the cell. When the cell is selected, the comment is shown.

## **Printing the AAS**

Each spreadsheet in the AAS has been pre-formatted to print in a concise way. It is possible to change the print page settings if the user prefers, but the original settings will then be lost. Note: The default setting assumes a printer that can handle margins of .5" on all 4 sides

## **The 'Calculation Checks' Worksheet**

The 'Calculation Checks' worksheet contains several checks that indicate whether the data entered by the user has resulted in results that match where expected. Due to possible rounding error, the check gives a 'PASS' result if the compared totals are both within \$10 and within .1%. If you get an 'EXPLAIN' result, please use the green comments fields to explain the reasons. Some plans may get an EXPLAIN result due to a difference between actual and accrued cash flows; if this is the case, notate in the Explain section.

## **CALENDAR YEAR (CY) 2017 ANNUAL REPORTING INSTRUCTIONS**

This section contains the guidelines for your CY 2017 **ANNUAL ACCOUNTING STATEMENT REPORTING**, which is due no later than **March 30, 2018**.

As in prior periods, the accounting reports and supporting schedules must be prepared using the accrual basis of accounting. The information provided in the Report of Letter of Credit Account Activity must be used in the preparation of your financial reports and its accuracy is essential. Please review this information and contact the Trust Funds Management team if you feel it is inaccurate.

### **REPORTING REQUIREMENTS**

All the CY 2016 financial reporting requirements are required for CY 2017. You should ensure that all required statements and supporting schedules are included before submitting your completed 2017 annual accounting statement package. Note: The last page of these instructions is a checklist of required documents.

All administrative expenses, other expenses and retentions shown on your report must be allowable under (1) The Federal Employees Health Benefit Regulation, Part 890, Title 5, Code of Federal Regulations; and (2) The Federal Acquisition Regulation, Chapters 1 and 16 of Title 48, Code of Federal Regulations.

### **MAINTENANCE OF HEALTH BENEFITS CLAIMS INFORMATION**

Each carrier must prepare computer tape(s) with back-up data of the paid claims history for each contract year. Tape(s) submitter must support the claims paid amount shown on your Supplemental Schedule of Health Benefits Charges Paid, Part A before the reconciliation performed in Part D. These tapes must be maintained as a part of each carrier's financial records. The Office of the Inspector General (OIG) will request this information as part of their periodic audit.

### **CONFIDENTIALITY**

It is OPM's policy to disclose the Summary Statement of FEHBP Operations of participating carriers upon request, provided: (1) the carrier's accounting statement is accepted by OPM for use in administering the contract; and (2) the rate-negotiation process for the contract year in which the accounting statements are due has been completed for all participating carriers.

Consistent with Executive Order 12600, each carrier must designate, when the financial information is submitted, whether any other information submitted with the annual accounting statement is considered confidential commercial information.

## **CY 2017 ANNUAL REPORTING INSTRUCTIONS, continued**

### **COMPLIANCE WITH THE FEHBP AUDIT GUIDE**

If your carrier activity consists of claims expense greater than \$194 million and you have chosen Option 1 of the Audit Guide with a December 31 accounting period, you must have your Independent Public Accountant (IPA) prepare the reports outlined in the FEHBP Experience-Rated Carrier and their Practitioners Audit Guide.

#### **DUE DATE**

The completed CY 2017 Automated Accounting Statement should be e-mailed to Danita Green and Philip Brown at [Danita.Green@opm.gov](mailto:Danita.Green@opm.gov) and [Philip.brown@opm.gov](mailto:Philip.brown@opm.gov), respectively, no later than March 30, 2018.

In accordance with the Audit Guide, you are required to submit two(2) copies of the completed Audited Accounting Statement and all Supplementary Schedules to the following address no later than March 30, 2018.

**U.S. Office of Personnel Management  
Financial Services  
Trust Funds Management  
Attention: Danita Green/Philip Brown  
1900 E Street, NW, Room 5478  
Washington, D.C. 20415**

If you have any question regarding the preparation of your accounting statement, the Report of Letter of Credit Account Activity, or Audit Guide requests, please contact either Danita Green (202)606-4120 or Philip Brown (202)606-4853.

**FEHBP ANNUAL ACCOUNTING STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2017**

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A. Financial statements and required supplementary schedules of the FEHBP as of and for the years ended December 31, 2016 and 2017 Independent Accountant's report.

- INDEPENDENT ACCOUNTANT'S REPORT (If applicable)
- SUMMARY STATEMENT OF FINANCIAL OPERATIONS
- FEHBP BALANCE SHEET
- STATEMENT OF CONSOLIDATED CASH FLOWS
- NOTES TO FINANCIAL STATEMENTS

Required supplementary schedules include:

- Supplemental Schedule of Administrative Expenses
- Supplemental Schedule of Status of Reserves
- Supplemental Schedule of Health Charges Paid
- Supplemental Schedule of Monthly Cash Flows
- Supplemental Schedule of Audit Findings
- Working Capital Schedule

B. Supplemental Data

- Other Expenses

C. Checklist of documents to be submitted

**Instructions for Preparing CY 2017  
FEHBP SUPPLEMENTAL SCHEDULE OF MONTHLY CASH FLOWS**

This schedule must be prepared on a monthly basis for the period January 1, 2017 through December 31, 2017. **Do not include clearinghouse expenses in the Schedule of Monthly Cash Flows.**

**Cash Balance:**

Beginning of year (BOY) Balance: The total of ending cash balance and total value of investments held by carrier as shown on your 2016 annual accounting statement.

Net Inflow (Outflow): The net of total Sources of Cash minus total Applications of Cash. **Automatically Calculated**

Cash and Cash Equivalents Monthly Balance: Previous month's balance of cash, cash equivalents, and investments plus the month's net inflow (outflow). **Automatically Calculated**

End of Year (EOY) Balance: The total of ending cash balance and total value of investments held by carriers at the end of each month through December 31, 2017. **Automatically Calculated**

**Sources of Cash (all by month received):**

LOC Drawdowns: Withdrawals made from your Letter of Credit (LOC) account as shown on line 4c. of Enclosure A.

Non-LOC Investment Income: Interest earned on funds held during the contract year, other than the LOC account.

Non-LOC Investment Sales: Provide an explanation.

Other Sources: Explain and provide a breakdown of all entries shown on this line.

Uses of Cash (all by month incurred): Include checks issued but not presented for payment at the bank as of December 31, 2017.

Claims Paid: The total health benefits charges paid during the period January 1, 2017, through December 31, 2017.

Administrative Expenses Paid: The amount of cash paid for allowable administrative expenses during 2017.

Non-LOC Investment Purchases: Provide an explanation.

Other Uses: Explain and provide a breakdown of all entries shown on this line.



**Instructions for Preparing CY 2017  
FEHBP SUPPLEMENTAL SCHEDULE OF ADMINISTRATIVE EXPENSES**

Show your Plan's total expenses by object class. A separate column should be submitted for each entity of your plan; i.e., Organization and/or Underwriter, where applicable. The total charged must not exceed the contract limitation.

If your plan has two options, on a separate column show the basis and statistical data used for prorating administrative expenses between options, e.g. number of claims paid, or other units of work performed.

**NOTE:**

**A detailed breakdown is required for "Other Expenses."**

**Total Charged to Contract (Actual) on the Schedule of Administrative Expenses must equal to the Total Administrative Expenses line on the Summary Statement.**

**Instructions for Preparing CY 2017  
FEHBP SUPPLEMENTAL SCHEDULE OF HEALTH BENEFITS CHARGES PAID**

A separate schedule should be submitted for each option.

**Part A:**

**Health Benefits Charges Accrued but Unpaid Beginning of Year**

The ending Health Benefits Accrual reported on your December 31, 2016 annual accounting statement.

**Health Benefits Charges Accrued but Unpaid End of Year**

Charges incurred but unpaid as of December 31, 2017. **Must explain method for developing the EOY Health Benefits Charges Accrued but Unpaid.**

**Balance or Prior Year Accrued Charges**

This column will calculate, automatically, prior years' paid amounts.

**Amount Paid**

This column will calculate, automatically, amounts paid for the month.

**Monthly Claims Paid**

Report the amount of health benefits charges paid in each month, providing a breakdown by the year incurred.

**Part B:**

**Number of Claims Paid**

Separate number of claims paid into hospitalization, physicians, drugs, and other claims.

**Part C:**

**Types of Claims Paid**

Separate claims paid into hospitalization, physicians, drugs, Health Savings Account (HSA) Contributions (provide vendor name) and other claims.

**Part D:**

**Reconciliation of Health Benefit Charges Paid**

Total Health Benefit Charges Paid must agree with the Summary Statement.

**Pursuant to FAR 48CFR 1631.201-70 (credits), any credits provided to the program should be listed under either adjustments or part D-Reconciliation of Health Benefit Charges Paid-Other.**

**Instructions for Preparing CY 2017  
FEHBP SUPPLEMENTAL SCHEDULE OF PRIOR PERIOD ADJUSTMENTS**

Show adjustments made to the current year's report as a result of OPM audits and adjustments made from carrier financial records. All OPM-related prior period adjustments should show the adjusted amount by year and identify the OPM audit report number. Also, reference the date of the adjustment and the audit finding.

**Instructions for Preparing CY 2017  
FEHBP FINANCIAL OPERATIONS SUMMARY STATEMENT**

Round all amounts to the nearest whole dollar.

The Report of Letter of Credit Account Activity shows the Letter-of-Credit (LOC) authorizations and reductions recorded by OPM for your plan during CY 2017. This information must be used to prepare your report. Please compare this information with your records and notify either Danita Green or Philip Brown of any difference.

1. **PROGRAM INCOME:**

**a. Letter-of-Credit Authorizations:**

- 1) Semi-monthly Premiums: Show the total CY 2017 semi-monthly premium authorizations to your LOC account as stated on the Report of Letter of Credit Account Activity.
- 2) Interest: Show the CY 2017 interest credited to your LOC account as stated on the Report of Letter of Credit Account Activity.

**b. Accrued Income BOY:**

- 1) Semi-monthly Premiums: Show the accrued premium income as of December 31, 2016 as stated on the Report of Letter of Credit Account Activity.
- 2) Interests: Show the accrued interest on your LOC account as of December 31, 2016 as stated on the Report of Letter of Credit Account Activity.

**c. Accrued Income EOY:**

- 1) Semi-monthly Premiums: Show the accrued premium income as of December 31, 2017 as stated on the Report of Letter of Credit Account Activity.
- 2) Interests: Show the accrued interest on your LOC account as of December 31, 2017 as stated on the Report of Letter of Credit Account Activity.

**d. Total Program Income:** The total of lines 1a, 1b, and 1c. **Automatically calculated.**

**e. Carrier Investment Interest Income:** Your contract states that all funds in excess of those needed to properly discharge the obligations of the contract should be invested. Report on line 1e the amount of interest earned with FEHBP funds held other than in the LOC account during CY 2017. **Required: Attach a detailed schedule showing the interest earned and yield on funds held by the Plan and/or Underwriter.**

**f. Total Carrier Income:** Line 1d plus line 1e. **Automatically calculated.**

**Instructions for Preparing CY 2017  
FEHBP FINANCIAL OPERATIONS SUMMARY STATEMENT, continued**

2. **HEALTH BENEFITS CHARGES:** This entire section is automatically filled in and calculated from the Supplemental Schedule of Health Benefit Charges Paid. 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. Must explain method for developing the EOY Health Benefits Charges Accrued but Unpaid.
  
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. Carriers can choose to treat the cost of internally developed software in accordance with the AICPA Statement of Position (SOP) 98-1, which requires that the cost be capitalized and amortized over the useful life of the software. If a carrier chooses, instead, to expense the cost of internally developed software, the amount expensed must be reported as a separate line item on the Supplemental Schedule of Other Administrative Expenses.
  - a. **Paid:** Should agree with the amount stated on the Monthly Cash Flows.
  - b. **Clearinghouse:** This row is automatically entered from the Schedule of Administrative Expenses.
  - c. **Accrued but Unpaid:**
    - 1) **Beginning:** Show on Line 3c(1) the amount of the accrued administrative expenses as shown on your prior year's annual accounting statement.
    - 2) **Ending:** Show on line 3c(2) the amount of accrued administrative expenses as of December 31, 2017.
  - d. **Total:** Line 3a minus line 3b(1) plus line 3b(2). **Automatically calculated. Total administrative expense on the Summary Statement must equal the actual total charged to contract on the Schedule of Administrative Expenses.**
  
4. **OTHER EXPENSES AND RETENTIONS:**
  - a. **State Statutory Reserve:** Report the amount necessary to satisfy State requirements for mandatory statutory reserves if your contract provides for such a charge. Attach a supporting schedule showing in detail the calculation of the required reserve amount and citation to specific state statutes. If there is no requirement, enter zero.
  - b. **Reinsurance Expenses:** Report the amount of reinsurance expenses (if applicable) incurred in contract year 2017. Attach a supporting schedule showing the development of your reinsurance expenses and the basis for this charge.

**Instructions for Preparing CY 2017  
FEHBP FINANCIAL OPERATIONS SUMMARY STATEMENT, continued**

- c. **Service Charge:** Report the amount of service charge allowed under the provisions of your CY 2017 contract.
  - d. **Other Expenses not Listed Above:** List the breakdown on the worksheet at the bottom of the statement and it will feed into this section.
  - e. **Total:** The sum of Lines 4a through 4d. **Automatically calculated.**
5. **CHANGES TO SPECIAL RESERVE:**
- a. **Special Reserve, Beginning:** The amount of the prior year accounting statement ending Special Reserve balance. This must also be in agreement with the amount reported on your Report of Letter of Credit Account Activity.
  - b. **Gain (Loss) on Operations:** The sum of Total Carrier Income (line 1f), less Health Benefits Charges (line 2c), less Administrative Expenses (line 3d), less Other Expenses and Retentions (line 4e). **Automatically calculated.**
  - c. **Prior Period Adjustments:** This section is automatically filled in and calculated from the Supplemental Schedule of Prior Period Adjustments.
  - d. **Contingency Reserve Transfers:** On line 5d show the amount transferred from the contingency reserve to your LOC account during 2017 as shown on the Report of Letter of Credit Account Activity.
  - e. **Return of Excess Reserves:** On line 5e show the amount of excess reserves withdrawn from your LOC account and transferred to the contingency reserve during 2017 as shown on the Report of Letter of Credit Account Activity.
  - f. **Other:** List the breakdown on the worksheet at the bottom of the statement and it will feed into this section. Show any transfers or other additions or subtractions to the special reserve during 2017.
  - g. **Special Reserve, Ending:** The total of lines 5a, 5b, 5c, 5d, 5e, and 5f. **Automatically calculated.**

***All reports and schedules must be supported by your Plan's accounting and statistical records.***

**Instructions for Preparing CY 2017  
SUPPLEMENTAL SCHEDULE OF STATUS OF RESERVES**

This entire section is automatically filled in and calculated using data from the Supplemental Schedule of Health Benefits Charges Paid and the Summary Statement.

**Definitions (per 5 CFR 890)**

1. **Target Level of Carrier-Held Reserves** - 3.5 times an amount equal to the sum of an average month's paid claims plus an average month's administrative expenses and retentions.
2. **Average Month's Paid Claims** - 1/6 of the total claims paid during the last 6 months of the most recent contract period.
3. **Average Month's Administrative Expenses and Retentions** - 1/12 of the total administrative expenses and retentions paid during the last twelve months ((Summary Statement lines 3d + 4e) times 1/12).
4. **Excess Reserves** - The amount by which the total of all reserves held by a plan as of the end of a contract period exceed the plan's target level (line 1c - line 3).
5. **Deficiency of Reserves** - The amount by which the plan's target level of reserves exceeds the reserves held at the end of a contract period (line 3 - line 1c).

**Line 1a.** **Ending Special Reserve Balance:** The ending Special Reserve as shown on line 5g of the Summary Statement.

**Line 1b.** **Ending Accrued but Unpaid Health Benefits Charges:** The ending accrued claims reserve as shown on line 2b(2) of the Summary Statement.

**Line 1c.** **Total:** Line 1a plus line 1b.

**Line 2a.** **One month's average claims paid:** One sixth of the total claims paid in the last six months of CY 2017. The monthly totals of claims paid must agree with the amounts shown on the Supplemental Schedule of Health Benefits Charges Paid.

**Line 2b.** **One month's average administrative expenses and retentions:** The total administrative expenses and retentions as shown on the Summary Statement (line 3d + Line 4e) divided by 12.

**Line 2c.** **Total:** Line 2a plus line 2b.

**Line 3.** **Target Level of Carrier-Held Reserves:** Line 2c multiplied by three and one-half).

**Instructions for Preparing CY 2017  
SUPPLEMENTAL SCHEDULE OF STATUS OF RESERVES, continued**

**Line 4.      Status of Reserves:**

- a.      Enter the amount by which line 1c exceeds line 3. This is the amount of "excess reserves" that will be withdrawn from your Letter-of-Credit (LOC) account and transferred to your Contingency Reserve. If your annual accounting statement is not filed by **March 30<sup>th</sup>, 2018**, OPM may estimate the amount of excess reserves and transfer this amount from the LOC account to the contingency reserve.
  
- b.      Enter the amount by which line 3 exceeds line 1c. This is the amount of your "deficiency of reserves." If the balance in your contingency reserve is above the preferred minimum amount, transfers may be made available to your LOC account based on a preliminary review of your CY 2017 annual accounting statement.



**Instructions for Preparing CY 2017  
FEHBP PRIOR YEAR BALANCE SHEET**

**ASSETS**

**Cash and Cash Equivalents.** The ending cash and cash equivalents balance as shown on the Consolidated Statement of FEHBP Cash Flows BOY. **Automatically entered.**

**Balance in Letter of Credit Account.** The balance in the LOC account as of December 31, 2016. This should agree with line 4a of the Report of Letter of Credit Account Activity.

**Interest Income Receivable.** The amount should agree with the Balance Sheet as of December 31, 2016.

**Program Income Receivable.** The amount should agree with the Balance Sheet as of December 31, 2016.

**Prepaid Expenses.** The amount should agree with the Balance Sheet as of December 31, 2016.

**Due for Treasury Offsets.** The amount due the Program as of December 31, 2016, as a result of actions by the U.S. Treasury to reduce or "offset" drawdowns from your LOCA account. **Automatically entered.**

**Other Assets.** Provide detailed description of the assets in the space provided.

**LIABILITIES**

**Health Benefits Accrued but Unpaid.** The beginning health benefits charges accrued but unpaid as of December 31, 2016. **Automatically entered.**

**Accrued Administrative Expenses and Retentions.** The total accrued administrative expenses and retentions as of December 31, 2016. **Automatically entered.**

**Special Reserve.** The ending Special Reserve as of December 31, 2016. **Automatically entered.**

**Other Accrued Liabilities.** The total other accrued administrative expenses and retentions as of December 31, 2016. Health Benefit Provide detailed breakdown in the space provided.

**Total Liabilities with Special Reserve.** Sum of Liabilities and Special Reserve; should also agree with total liabilities.

**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.**

**Instructions for Preparing CY 2017  
FEHBP CURRENT YEAR 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.

In addition, if your plan has high and standard options, please provide a separate balance sheet for each option.

**ASSETS**

**Cash and Cash Equivalents.** The ending cash and cash equivalents balance as shown on the Schedule of Monthly Cash Flows. Cash and cash equivalents should include all cash and highly liquid investments that are both (a) readily convertible to cash and (b) so near to maturity that they present insignificant risk of changes in value because of changes in interest rates [in accordance with paragraph 8 of FASB Statement No. 95, Statement of Cash Flows].

**Investments.** OPM requires all Carriers to include a separate breakout of their Investments. In addition, Carriers are required to submit a supporting schedule for their investments showing what type of investment is held by amount. Investments should include debt or equity instruments that do not meet the definition of cash and cash equivalents.

**Balance in Letter of Credit Account.** The balance in the LOC account as of December 31, 2017. This should agree with line 4e of the Report of Letter of Credit Account Activity.

**Interest Income Receivable.** All accrued interest income from bank accounts or short-term investments maintained for payment of FEHBP expenses as at the end of the reporting period. **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 (1) and 1c(2) of the Summary Statement.

**Prepaid Expenses.** The prepaid expenses as of December 31, 2017.

**Due for Treasury Offsets.** The amount due the Program as of December 31, 2017, as a result of actions by the U.S. Treasury to reduce or "offset" drawdowns from your LOCA account. **Automatically entered.**

**Other Assets.** Provide detailed description of the assets in the space provided.

**LIABILITIES**

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

**Instructions for Preparing CY 2017  
FEHBP CURRENT YEAR BALANCE SHEET, continued**

**Accrued Administrative Expenses and Retentions.** The total accrued administrative expenses and retentions as of the end of the reporting period. **Automatically entered.**

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

**Other Accrued Liabilities.** Provide detailed description of the liability in the space provided.

**Total Liabilities with Special Reserve.** Sum of Liabilities and Special Reserve; should also agree with total liabilities.

**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.**

**Instructions for Preparing CY 2017  
FEHBP STATEMENT OF CASH FLOWS**

This entire schedule is automatically filled in and calculated from the Balance Sheet, Summary Statement and the Monthly Cash Flows.

**CASH FLOWS FROM OPERATING ACTIVITIES:**

**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  
Return of Excess Reserves  
Other - Note  
Non-LOC Investment Income  
Net Purchase of Investments

**Change in Assets (show increase as positive)**

Letter of Credit Account  
Interest Income Receivable  
Program Income Receivable  
Prepaid Expenses  
Due to Treasury Offset  
Other Assets - Note

**Change in Liabilities (show increase as positive)**

Health Benefits Charges Accrued but Unpaid  
Accrued Administrative Expenses  
Other Accrued Liabilities - Note

**Total Adjustments:** The sum of Adjustments, (Increase) Decrease in assets and Increase (Decrease) in Liabilities.

**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.

**Purchase of Investments:** Present the sum paid to acquire FEHBP investments.

**Investment Income Received:** Non-LOC investment income.

**Net Cash Provided by Investing Activities:** Proceeds from the sale of investments plus non-LOC interest income 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.

**Instructions for Preparing CY 2017  
FEHBP STATEMENT OF CASH FLOWS, continued**

Cash and Cash Equivalents at Beginning of Year: From the CY 2016 FEHBP  
Balance Sheet.

Cash and Cash Equivalents at End of Year: From the CY 2017 Balance Sheet.

**Instructions for Preparing CY 2017  
WORKING CAPITAL SCHEDULE**

**Working Capital - Beginning of year (BOY) Balance:** The total of ending working capital as reported on your 2016 ending working capital schedule.

**Monthly increase/decrease:** For each month, enter the difference between the previous and current month balances; note, a decrease in amount should be entered as a negative amount.

**Working Capital - End of Year (EOY) Balance:** The total of the ending working capital should agree with the amount held by Carrier.

Instructions for Preparing CY 2017  
NOTES TO THE FEHBP FINANCIAL STATEMENTS

Carrier Name \_\_\_\_\_ Code \_\_\_\_\_

Additional Required Financial and Statistical Information:

- a. Supporting schedule for investments showing what type of investment is held by amount.
- b. Detailed method used for developing the estimate of accrued but unpaid Health Benefits Charges
- c. Statistical data used for allocating administrative expenses by line item
- d. Statistical data used for prorating expenses between options (high/standard option plans only)
- e. Development of the investment income earned and credited to the FEHBP including an explanation of the allocation method used
- f. Calculation of the State Statutory Reserve payment
- g. Development of the reinsurance expenses factor

ALL FINANCIAL REPORTS MUST BE SUPPORTED BY YOUR PLAN'S  
ACCOUNTING RECORDS

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP)

Carrier Name \_\_\_\_\_ Code \_\_\_\_\_

CHECKLIST OF DOCUMENTS TO BE SUBMITTED

BY EXPERIENCE-RATED CARRIERS

FOR THE CY 2017 ANNUAL ACCOUNTING STATEMENT REPORT  
*(Due no later than March 30, 2018)*

Certification of Annual Accounting Statement - Carrier  
Certification of Annual Accounting Statement - Underwriter  
(if applicable)  
Independent Accountant's Report (if applicable)

Summary Statement of Financial Operations  
FEHBP Balance Sheet  
Statement of Cash Flows  
Notes to the Financial Statements

Supplemental Schedule of Administrative Expenses  
Supplemental Schedule of "Other" Administrative Expenses  
Supplemental Schedule of Status of Reserves  
Supplemental Schedule of Health Benefit Charges Paid  
Supplemental Schedule of Monthly Cash Flows  
Supplemental Schedule of Audit Findings

**Additional Required Financial and Statistical Information**