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# FEHB Program Carrier Letter

## Community-Rated Carriers

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

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Letter No. 1999- 018B

Date: April 13, 1999

Fee-for-service [ n/a ]    Experience-rated HMO [ n/a ]    Community-rated [16 ]

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### **SUBJECT:** Year 2000 Compliance

The Office of Personnel Management (OPM) recently completed the assessment and renovation phases of the year 2000 systems compliance program. We want to keep you posted and address any concerns about our capability to operate the health benefits financial systems in the year 2000. This letter updates the status of the Automated Clearinghouse (ACH) or Electronic Funds Transfer payment system.

#### **Health Benefits Financial System:**

We operate several financial systems that record receipts from Federal agency payroll offices and determine the semi-monthly payment amounts to be paid to each community-rated carrier. In February 1999, we completed testing the mainframe system (the controlling system) to ensure the system is year 2000 compliant. Through July 1999, we will perform validation tests using dates in the year 2000.

#### **ACH Payment System:**

The Department of the Treasury operates the payment system used to transfer funds to your bank. We submit a payment file to the Department of Treasury, which in turn, provides data to the Federal Reserve to authorize the ACH payment to your designated bank. While we have not tested this system yet, the Department of the Treasury, Social Security Administration (SSA) and the Federal Reserve Banks have tested SSA payment files using dates in the year 2000. We can rely on this test for assurance the ACH transactions do get processed through the banking system to financial institutions but we intend to run our own test.

#### **Alternative Payment Plans:**

If we have problems making ACH payments in the year 2000, we will issue checks to you for the semi-monthly premium payments.

**What should you do to ensure timely payments in the year 2000?**

Verify that the bank to which your ACH payment is made will be able to accept an electronic transfer of funds in the year 2000. To facilitate this process and for our records, please submit the enclosed document certifying that your bank will be able to accept an ACH payment in the year 2000. Mail the document to OPM\RIS\FSB at 1900 E Street, NW, Washington, DC 20415, Room 3H35, attention Anita West.

If you have any questions pertaining to this letter, please contact Anita West, in the Financial Services Branch, at 202/606-4262.

Sincerely,

Frank D. Titus  
Assistant Director  
for Insurance Programs

Enclosure

FMD:AWest:3/31/99:RV:ETunstall/AKalland:4/2/98  
RV:ABelliotti/perFTitus:4/6/99

OPM will retain this form in case we experience a problem in processing an ACH payment by your bank and/ or the Department of the Treasury in the year 2000. Please provide us with the following information listed below:

Health Benefits Carrier Name:

HB Code:

Contact Name:

Fax Number:

E-Mail Address:

We ensure that our bank will be able to accept an ACH payment in the year 2000:

Authorized Signature, Title

Date