
FEHB Program Carrier Letter

All Experience-Rated HMO Carriers

U.S. Office of Personnel Management
Insurance Services Programs

Letter No. 2005-14(b)

Date: August 30, 2005

Fee-for-service [n/a] Experience-rated HMO [11] Community-rated HMO [n/a]

SUBJECT: Change to the Standard Contract

2006 Contract Year. Please review Attachment A which details the Standard Contract changes for Federal Employees Health Benefits Program experience-rated HMO carriers for Contract Year 2006. If you have comments, please provide them as soon as possible or no later than July 22, 2005.

Please note the following regulation changes that OPM recently published:

- Cost Principle Regulations, published on June 1, 2005
<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-10827.pdf>
- Large Provider Regulations, published on June 1, 2005
<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-10643.pdf>
- Changes in Health Benefits Enrollment (5 CFR 890.306), published on June 10, 2005

The above regulation changes affect the following FEHBAR clauses:

- Notice of Significant Events (FEHBAR 1652.222-70)
- FEHB Inspection (FEHBAR 1652.246-70)
- Subcontracts (FEHBAR 1652.244-70)
- Large Provider Agreements (FEHBAR 1652.204-74). Please note that the Large Provider Agreements will be effective October 1, 2005.
- Contractor Records Retention (FEHBAR 1652.204-70)

We will send amendments to the 2005 contract to include the new regulations. The amended contract clauses are included in Attachment B. We are submitting technical amendments to change the effective dates of the FEHBAR clauses to July 2005.

Please note that all carriers will be required to issue a disclosure notice under P.L. 108-173 of the Medicare Modernization Act of 2003. We have provided language for the disclosure notice in the 2006 plan brochures.

Send your comments to Angela Calarco at OPM, with a copy to your OPM contract representative. You may email comments to angela.calarco@opm.gov or send them by fax to (202) 606-0036.

We look forward to working with you on your contract.

Sincerely,

Stephen C. Benowitz
Associate Director
for Human Resources Products and Services

Enclosures