
FEHB Program Carrier Letter

Fee-For-Service Carriers

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

Letter No. 2002-34

Date: September 25, 2002

Fee-for-service [31] Experience-rated HMO [31] Community-rated HMO [n/a]

SUBJECT: Federal Employees Health Benefits (FEHB) Program Study on the Cost of Mandated Benefits

As the Office of Personnel Management announced in the Open Season news release dated September 17, 2002, Director Kay Coles James has taken a number of aggressive actions to enhance the FEHB Program.

Steps taken by Director James included initiating a comprehensive outside audit to review the "true cost" of mandated services. The purpose of this carrier letter is to request that your *Chief Medical Officer* complete a report on your health plan's cost and utilization data for our vendor, Hay Group, to use in conducting its assessment of mandates.

Since we are operating under a tight timeline, we need your assistance to collect this data and submit your report by no later than **October 4, 2002**. Please complete and return it to the attention of your contract specialist either electronically or by FAX. Your contract specialist will also be available if you have any questions. Thank you.

We appreciate your continued cooperation.

Sincerely,



Abby L. Block
Assistant Director
for Insurance Programs

Enclosure