
FEHB Program Carrier Letter

All Fee-For-Service Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

Letter No. 2016-12(c)

Date: August 24, 2016

Fee-for-service [9] Experience-rated HMO [n/a] Community-rated HMO [n/a]

SUBJECT: Change(s) to the Standard Contract

2017 Contract Year. Please review Attachment A, which details the proposed Standard Contract changes for Federal Employees Health Benefits Program fee-for-service carriers for Contract Year 2017. If you have comments, please provide them as soon as possible or no later than September 21, 2016.

As we indicated earlier this year, we focused our proposed amendments primarily on revisions necessitated by applicable statutory and/or regulatory provisions. The proposed amendments are as follows:

Standards for Pharmacy Benefit Management Company (PBM)

- Section 1.26 (a) (7) was amended. The current contract language states that all information marked as proprietary would be protected from FOIA release. The contract language has been revised to properly reference the protection of documents consistent with OPM's FOIA regulations. This revision does not limit the ability of the Office of the Inspector General (OIG) to perform independent and objective oversight by conducting audits, investigations and evaluations of the Carrier's FEHBP services.

Large Provider Agreements

- Section 2.13 (a) (3) was amended. The current contract language states that all information marked as proprietary would be protected from FOIA release. The contract language has been revised to properly reference the protection of documents consistent with OPM's FOIA regulations.

Termination of Coverage and Conversion Privileges

- Sections 2.4 (b), (c), and (d), were amended. The conversion language was changed to require carriers to provide assistance to terminating enrollees who choose to enroll in a guaranteed issue individual conversion policy.
- Paragraph (e) was removed.

New FAR Clause

- Section 5.72 Basic Safeguarding of Covered Contractor Information Systems (JUN 2016) (FAR 52.204-21)

Minor and Technical Changes

- We updated the following sections with minor or technical edits:
 - **5.14 Utilization of Small Business Concerns**
 - **5.19 Equal Opportunity**
 - **5.21 Notification of Visa Denial**
 - **5.22 Equal Opportunity for Veterans**
 - **5.34 Interest**
 - **5.43 Government Supply Sources**
 - **5.55 Employment Reports On Veterans**
 - **5.60 Subcontracts For Commercial Items**
 - **Appendix C: b) Rate Presentations**

FEHB Plan Performance Assessment

- We added Appendix G to incorporate Carrier Letter 2016-02 into the contract regarding FEHB Plan Performance.

Plan Performance – Contract Quality Assurance

- **Please Note on the Section Plan Performance 1.9 (f) (11) (iv) Initial Call Resolution** for 2017, OPM will **not** increase the percentage of the Initial Call Resolution from 80% to 90% (as was originally proposed last year to take effect for the 2017 contract year). During contract year 2017, the percentage for Initial Call Resolution will remain at 80%.

Please email your comments to FEHBcontramend@opm.gov, with a copy to your OPM contract representative.

We look forward to working with you on your contract.

Sincerely,

John O'Brien
Director
Healthcare and Insurance

Enclosure