

are inconsistent with their professional judgment or ethical, moral or religious beliefs.

(d) The Director or his or her designee will determine whether to propose withdrawal of approval and hold a hearing based on the seriousness of the carrier's actions and its proposed method to effect corrective action.

[57 FR 14359, Apr. 20, 1992. Redesignated and amended at 59 FR 14764, 14765, Mar. 30, 1994; 63 FR 42586, Aug. 10, 1998]

### Subpart 1609.71—Performance Evaluation

SOURCE: 63 FR 55337, Oct. 15, 1998, unless otherwise noted.

#### 1609.7101 Policy.

At the end of each contract period, the contracting officer will determine each community-rated carrier's responsiveness to the Program requirements in 1609.7101-1.

#### 1609.7101-1 Community-rated carrier incentive performance elements.

(a) Customer Service. This element is intended to assist OPM in achieving the goal of providing customer service that meets or exceeds the expectations of Federal enrollees. The Customer Service category will represent 70 percent of the total calculation and will be based on the carrier's compliance with the following items:

(1) *Timely Closure on Rates and Benefits Consistent with Policy Guidelines.* In order for information to be available to our customers in time for the annual Open Season, carriers must work with OPM to conclude benefits and rate negotiations by the established time frames. The contracting officer will evaluate this item based on the carrier's demonstrated record in providing its rate reconciliation and benefits information within the time frames prescribed by and in the format required by OPM.

(2) *Customer Information.* Enrollees must have accurate information and adequate time to make informed Open Season choices in selecting a health plan. In evaluating this item, the contracting officer will consider the car-

rier's timeliness and accuracy of information.

(3) *Meeting Customer Service Performance Standards.* Compliance with this item is essential so that OPM can ensure that the carrier is providing quality health care and other services to enrollees. The contracting officer will evaluate this item based on the carrier's submission of the Consumer Assessment of Health Plans Study (CAHPS) survey results and other measures as required contractually between OPM and the carrier. (This element will be implemented beginning with contract year 2000).

(4) *Cooperation in Surveys.* FEHB enrollees rely on feedback from the consumer assessment survey in selecting a health plan. The contracting officer will evaluate this item based on the carrier's record in cooperating with OPM and/or its designated representative in administering a consumer assessment survey or providing comparable survey results as specified in the FEHB contract and OPM guidance.

(5) *Paperless Enrollment/Enrollment Reconciliation*—(i) *Paperless Enrollment.* The requirement to cooperate in the OPM designated system for paperless enrollment is under the section entitled "Enrollment Instructions" in the FEHB Supplemental Literature Guidelines in the FEHB contract. The contracting officer will evaluate this item based on the carrier's ability to accept electronic data transmission from the OPM designated electronic enrollment system and issue ID cards timely.

(ii) *Enrollment Reconciliation.* The requirement for carriers to reconcile their enrollment records on a quarterly basis with those provided by Federal Government agencies is in the *Records and Information to be Furnished by OPM* clause of the contract, as well as 5 CFR 890.110 and 5 CFR 890.308. The contracting officer will evaluate this item based on the carrier's demonstrated record of initiating reconciliation procedures with applicable agency payroll offices on a quarterly basis in accordance with OPM guidance on reconciling enrollments and resolving enrollment discrepancies, as well as on the carrier's demonstrated record of following disenrollment procedures in accordance with 5 CFR 890.110 and 890.308.

(6) *Reconsideration/Disputed Claims.* The requirement for carriers to reconsider disputed health benefits claims is in 5 CFR 890.105. An incomplete explanation of denied benefits by the carrier places a burden on enrollees, causing them to seek reconsideration because the carrier did not fully explain its denial. Late carrier responses to OPM's requests for the carrier's reconsideration file delays OPM's response to enrollees. The contracting officer will evaluate this item based on whether the carrier provided OPM a complete reconciliation file within the time frame specified.

(b) *Critical Contract Compliance Requirements.* This performance category will represent 30 percent of the total computation and will be based on the carrier's compliance with the following items:

(1) *Timely Submissions.* The reports specified in the *Statistics and Special Studies and FEHB Quality Assurance* clauses of the contract and are essential for tracking enrollment, finances, rates, etc. In evaluating this item, the contracting officer will consider the carrier's timely submission of the contract, signed by the contracting official, to OPM, and on its demonstrated record in providing timely and accurate reports as required.

(2) *Notification of Changes in Contract Administrators.* OPM must be able to reach the person responsible for managing the carrier's FEHB contract without delay when an enrollee calls OPM in need of urgent medical treatment, an ID card, or other service. Each carrier's designated contact must maintain telephone and electronic communications with OPM so that issues can be resolved quickly. The contracting officer will evaluate this item based on the carrier's compliance with the *Notice* clause and *Contract Administration Data* sheet in the contract, and will consider the carrier's record in notifying OPM promptly of changes in its carrier representative or contracting official, mailing or electronic address, telephone or FAX number.

(3) *Notification of Changes in Name or Ownership; or Transfer of Assets, and Notification of Other Significant Events.* OPM must be able to assess the viability of the carrier and its ability to pro-

vide health care to enrollees so that they do not experience difficulty obtaining treatment and other services. Additionally, with regard to notification to OPM of other significant events, the carrier must notify OPM of such events as lawsuits, strikes, and natural disasters so that OPM can assess the carrier's ability to pay claims and provide services to enrollees. The contracting officer will evaluate this item based on the carrier's compliance with FEHBAR subparts 1642.12, Novation and Change-of-Name Agreements, 1642.70, Management Agreement (in Lieu of Novation Agreement), and 1652.222-70, including timely notification and explanation of all significant events that may have a material effect on the carrier's ability to perform the contract.

**1609.7101-2 Community-rated carrier performance factors.**

OPM will apply the Customer Service and Critical Contract Compliance Requirements percentage factors specified by the contracting officer when a community-rated carrier does not provide the information, payment, or service, perform the function, or otherwise meet its obligations as stated in 1609.7101-1. The total premium will be multiplied by the sum of all the factors and the resulting amount will be withheld from the carrier's periodic premium payments payable during the first quarter of the following contract period, unless an alternative payment arrangement is made with the carrier's contracting officer.

The factors for each basic element are set forth as follows:

COMMUNITY-RATED CARRIER PERFORMANCE FACTORS

Element	Performance factor (to be multiplied by premium and withheld from carrier's payments)
I. Customer Service (70% of Total) .....	.007
II. Critical Contract Compliance Requirements (30% of Total) .....	.003
Maximum Aggregate Performance Factor .....	.01