SOLICITATION, OFFER AND AWARD

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) | RATING | PAGE OF PAGES 1 9

2. CONTRACT NUMBER

3. SOLICITATION NUMBER: HT9402-15-R-0002

4. TYPE OF SOLICITATION: ☐ SEALED BID (IFB) ☒ NEGOTIATED (RFP)

5. DATE ISSUED

6. REQUISITION/PURCHASE NUMBER

7. ISSUED BY — CODE HT9402

DEFENSE HEALTH AGENCY
DEFENSE HEALTH AGENCY-AURORA
16401 E CENTRETECH PARKWAY
AURORA CO 80011

8. ADDRESS OFFER TO (If other than Item 7)

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and ______ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand carried, in the depository located in ______ until 1400 MT *(Hour)* local time ______ *(Date)*

CAUTION: LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME	B. TELEPHONE (NO COLLECT CALLS) AREA CODE	NUMBER	EXT.	C. E-MAIL ADDRESS
	Judy Blomquist				judith.blomquist@dha.mil

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OFFER *(Must be fully completed by offeror)*

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within ______ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT *(See Section I, Clause No. 52.232.8)*	10 CALENDAR DAYS (%)	20 CALENDAR DAYS (%)	30 CALENDAR DAYS (%)	CALENDAR DAYS (%)

14. ACKNOWLEDGEMENT OF AMENDMENTS *(The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):*	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR — CODE — FACILITY

16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER *(Type or print)*

15B. TELEPHONE NUMBER — AREA CODE — NUMBER — EXT.

15C. CHECK IF REMITTANCE ADDRESS ☐ IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.

17. SIGNATURE

18. OFFER DATE

AWARD *(To be completed by government)*

19. ACCEPTED AS TO ITEMS NUMBERED

20. AMOUNT

21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:
☐ 10 U.S.C. 2304 (c) ( ) ☐ 41 U.S.C. 253 (c) ( )

23. SUBMIT INVOICES TO ADDRESS SHOWN IN *(4 copies unless otherwise specified)* — ITEM

24. ADMINISTERED BY *(If other than Item 7)* — CODE

25. PAYMENT WILL BE MADE BY — CODE

26. NAME OF CONTRACTING OFFICER *(Type or print)*

CHARLES HARGETT 303-676-3508
charles.hargett@dha.mil

27. UNITED STATES OF AMERICA
(Signature of Contracting Officer)

28. AWARD DATE

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	MANAGED CARE SUPPORT (MCS) T2017				
	BASE PERIOD - AWARD DATE TO 03/31/2017				
0001	TRANSITION-IN (Firm-Fixed Price) Planning and Implementation of Transition-In as stated in the Performance Work Statement (PWS), Section C.2.8. of the solicitation/contract		LT		
0002	Contract Data Requirements List (DD Form 1423) (Not Separately Priced)				
	OPTION PERIOD 1 - 04/01/2017 TO 03/31/2018				
1001	Underwritten Health Care Cost for Contractor Network Prime Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
1002	Underwritten Health Care Cost for Non-Prime Underwritten Beneficiaries and MTF Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
1003	Fixed Fee for CLIN 1001 (Cost plus fixed fee) (Option Line Item)	12	MO		
1004	Fixed Fee for CLIN 1002 (Cost plus fixed fee) (Option Line Item)	12	MO		
1005	Per Member Per Month (PMPM) in accordance with Performance Requirements Section C, paragraphs C.2.1. through C.2.7. (Fixed Price) (Estimated Quantity) (Option Line Item) Continued ...		MM		

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
1006	Performance Incentive Pool for Section H.2. and H.3. (Option Line Item)	12	MO		
1007	Award Fee Pool (Option Line Item) (Not Separately Priced)				
1007AA	Award Fee Pool - First Biannual Period (Option Line Item)	6	MO		
1007AB	Award Fee Pool - Second Biannual Period (Option Line Item)	6	MO		
1008	Contract Data Requirements List (DD Form 1423) (Option Line Item) (Not Separately Priced)				
1009	Service Assist Teams (Time and Material) Labor Rates - Section J, EXHIBIT A (Option Line Item) (Not Separately Priced)				
	OPTION PERIOD 2 - 04/01/2018 TO 03/31/2019				
2001	Underwritten Health Care Cost for Contractor Network Prime Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
2002	Underwritten Health Care Cost for Non-Prime Underwritten Beneficiaries and MTF Enrollees Continued ...		LT		

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	(Cost plus fixed fee) (Estimated Cost) (Option Line Item)				
2003	Fixed Fee for CLIN 2001 (Cost plus fixed fee) (Option Line Item)	12	MO		
2004	Fixed Fee for CLIN 2002 (Cost plus fixed fee) (Option Line Item)	12	MO		
2005	Per Member Per Month (PMPM) in accordance with Performance Requirements Section C, paragraphs C.2.1. through C.2.7. (Fixed Price) (Estimated Quantity) (Option Line Item)		MM		
2006	Performance Incentive Pool for Section H.2. and H.3. (Option Line Item)	12	MO		
2007	Award Fee Pool (Option Line Item) (Not Separately Priced)				
2007AA	Award Fee Pool - First Biannual Period (Option Line Item)	6	MO		
2007AB	Award Fee Pool - Second Biannual Period (Option Line Item)	6	MO		
2008	Contract Data Requirements List (DD Form 1423) (Option Line Item) Continued ...				

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	(Not Separately Priced)				
2009	Service Assist Teams (Time and Material) Labor Rates - Section J, EXHIBIT A (Option Line Item) (Not Separately Priced)				
	OPTION PERIOD 3 - 04/01/2019 TO 03/31/2020				
3001	Underwritten Health Care Cost for Contractor Network Prime Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
3002	Underwritten Health Care Cost for Non-Prime Underwritten Beneficiaries and MTF Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
3003	Fixed Fee for CLIN 3001 (Cost plus fixed fee) (Option Line Item)	12	MO		
3004	Fixed Fee for CLIN 3002 (Cost plus fixed fee) (Option Line Item)	12	MO		
3005	Per Member Per Month (PMPM) in accordance with Performance Requirements Section C, paragraphs C.2.1. through C.2.7. (Fixed Price) (Estimated Quantity) (Option Line Item)		MM		
3006	Performance Incentive Pool for Section H.2. and	12	MO		

Continued ...

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	H.3. (Option Line Item)				
3007	Award Fee Pool (Option Line Item) (Not Separately Priced)				
3007AA	Award Fee Pool - First Biannual Period (Option Line Item)	6	MO		
3007AB	Award Fee Pool - Second Biannual Period (Option Line Item)	6	MO		
3008	Contract Data Requirements List (DD Form 1423) (Option Line Item) (Not Separately Priced)				
3009	Service Assist Teams (Time and Material) Labor Rates - Section J, EXHIBIT A (Option Line Item) (Not Separately Priced)				
	OPTION PERIOD 4 - 04/01/2020 TO 03/31/2021				
4001	Underwritten Health Care Cost for Contractor Network Prime Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
4002	Underwritten Health Care Cost for Non-Prime Underwritten Beneficiaries and MTF Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
	Continued ...				

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
4003	Fixed Fee for CLIN 4001 (Cost plus fixed fee) (Option Line Item)	12	MO		
4004	Fixed Fee for CLIN 4002 (Cost plus fixed fee) (Option Line Item)	12	MO		
4005	Per Member Per Month (PMPM) in accordance with Performance Requirements Section C, paragraphs C.2.1. through C.2.7. (Fixed Price) (Estimated Quantity) (Option Line Item)		MM		
4006	Performance Incentive Pool for Section H.2. and H.3. (Option Line Item)	12	MO		
4007	Award Fee Pool (Option Line Item) (Not Separately Priced)				
4007AA	Award Fee Pool - First Biannual Period (Option Line Item)	6	MO		
4007AB	Award Fee Pool - Second Biannual Period (Option Line Item)	6	MO		
4008	Contract Data Requirements List (DD Form 1423) (Option Line Item) (Not Separately Priced)				
4009	Service Assist Teams Continued ...				

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	(Time and Material) Labor Rates - Section J, EXHIBIT A (Option Line Item) (Not Separately Priced)				
	OPTION PERIOD 5 04/01/2021 TO 03/31/2022				
5001	Underwritten Health Care Cost for Contractor Network Prime Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
5002	Underwritten Health Care Cost for Non-Prime Underwritten Beneficiaries and MTF Enrollees (Cost plus fixed fee) (Estimated Cost) (Option Line Item)		LT		
5003	Fixed Fee for CLIN 5001 (Cost plus fixed fee) (Option Line Item)	12	MO		
5004	Fixed Fee for CLIN 5002 (Cost plus fixed fee) (Option Line Item)	12	MO		
5005	Per Member Per Month (PMPM) in accordance with Performance Requirements Section C, paragraphs C.2.1. through C.2.7. (Fixed Price) (Estimated Quantity) (Option Line Item)		MM		
5006	Performance Incentive Pool for Section H.2. and H.3. (Option Line Item)	12	MO		
	Continued ...				

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
5007	Award Fee Pool (Option Line Item) (Not Separately Priced)				
5007AA	Award Fee Pool - First Biannual Period (Option Line Item)	6	MO		
5007AB	Award Fee Pool - Second Biannual Period (Option Line Item)	6	MO		
5008	Contract Data Requirements List (DD Form 1423) (Option Line Item) (Not Separately Priced)				
5009	Service Assist Teams (Time and Material) Labor Rates - Section J, EXHIBIT A (Option Line Item) (Not Separately Priced)				
9001	Transition Out (Cost Plus Fixed Fee) Option Periods 1-5 (As needed) (Option Line Item)	1	LT		
9002	Fixed Fee for CLIN 9001 (Cost Plus Fixed Fee) (Option Line Item)				

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SECTION C
DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1. General

C.1.1. Purpose: The purpose of this contract is to provide Managed Care Support (MCS) to the Department of Defense (DoD) TRICARE program. The MCS Contractor (MCSC) shall assist the Military Health System (MHS) in operating an integrated health care delivery system combining resources of the military's direct medical care system and the Contractor's managed care support to provide health, medical and administrative support services to eligible beneficiaries.

C.1.2. Objectives

C.1.2.1. Objective 1 Readiness: Support the MHS readiness mission by partnering with the Military Treatment Facilities (MTFs) to optimize the delivery of health care services in the direct care system (see definition of MTF optimization in the TRICARE Operations Manual (TOM), Appendix B) for all MHS beneficiaries (active duty personnel, MTF enrollees, civilian network enrollees, and non-enrollees).

C.1.2.2. Objective 2 Experience of Care: Provide a care experience that is patient and family-centered, compassionate, convenient, equitable, safe and always of the highest quality.

C.1.2.3. Objective 3 Manage Per Capita Cost: Create value by focusing on quality, eliminating waste, and reducing unwarranted variation; considering the total cost of care over time, not just the cost of an individual health care activity.

C.1.2.4. Objective 4 Population Health: Within the constraints, boundaries, and benefits of the current program, encourage beneficiaries and providers to seek ways to improve health.

C.1.3. Definitions: Definitions are included in the TOM, Appendix A.

C.1.4. Documents: The following documents, including the changes identified below, are hereby incorporated by reference and form an integral part of this contract. Documentation incorporated into this contract by reference has the same force and effect as if set forth in full text.

- Title 10, United States Code, Chapter 55
- 32 Code of Federal Regulations Part 199
- TRICARE Operations Manual (TOM) 6010.59-M, dated April 1, 2015.
- TRICARE Policy Manual (TPM) 6010.60-M, dated April 1, 2015.
- TRICARE Reimbursement Manual (TRM) 6010.61-M, dated April 1, 2015.
- TRICARE Systems Manual (TSM) 7950.3-M, dated April 1, 2015.TRICARE

C.1.4.1. The TRICARE Manuals provide instruction, guidance and responsibilities in addition to the requirements set forth in the incorporated federal statutes and regulations and may not be

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interpreted in contradiction thereto. Among the Manuals the TRICARE Policy Manual takes precedence over the other three TRICARE Manuals. The TRICARE Reimbursement Manual takes precedence over the TRICARE Systems Manual and the TRICARE Operations Manual. The TRICARE Systems Manual takes precedence over the TRICARE Operations Manual.

C.2. Performance Requirements

C.2.1. Provider Networks

C.2.1.1 The Contractor shall establish and maintain networks of individual and institutional providers for TRICARE Prime and Extra which produce the best quality clinical outcomes for TRICARE beneficiaries.

C.2.1.1.1. All network providers must be Medicare participating providers (unless they are not eligible to be participating providers under Medicare) and shall be sufficient in number, mix, and geographic distribution to provide the full scope of benefits for which all Prime enrollees are eligible under this contract, as described in 32 CFR 199.4, 199.5, and 199.17. The Contractor shall provide Prime Service Areas (PSAs) at all MTF locations listed in Attachment J-1, Government Required MTF Prime Service Areas, and at all sites listed in Attachment J-2, Government Required BRAC Site Prime Service Areas.

C.2.1.1.2. . The Contractor's network and utilization management, and case management programs shall be accredited by a nationally recognized accrediting organization no later than 18 months after the start of health care delivery and be maintained in all geographic areas covered by this contract and shall be maintained throughout the contract and all exercised options. When this contract and the accrediting body have differing standards for the same activity, the higher standard shall apply.

C.2.1.2. The Contractor shall inform the Government in a monthly report of any instances of network inadequacy relative to the Prime service areas (see Section F). Network inadequacy is defined as any failure to provide health care services within the network of a PSA within the access standards. The Contractor will submit a Corrective Action Plan (CAP) for instances of network inadequacy. The Contractor shall respond to any inquiries by appropriate DHA representatives concerning network inadequacy within two business days from receipt of request.

C.2.1.3. The Contractor shall maintain a real-time, on-line list of network providers with a minimum of __% accuracy (to be proposed by offerors).

C.2.1.4. The Contractor shall adjust provider networks and services to meet changes in MTF capabilities.

C.2.1.4.1. The Contractor shall adjust provider networks and services as necessary to compensate for changes in MTF capabilities and capacities, when and where they occur over the

life of the contract, including those resulting from unanticipated facility expansion, MTF provider deployment, downsizing and/or closures.

C.2.1.4.2. The Contractor shall adjust provider networks and services to ensure all eligible beneficiaries who live in PSAs have the opportunity to enroll, add additional family members, or remain enrolled in the Prime program.

C.2.1.5. The Contractor shall provide an education program for network providers in accordance with TOM, Chapter 11.

C.2.1.5.1. The Contractor shall provide an outreach and education program on TRICARE requirements for all network and TRICARE-authorized providers. The program shall include education on applicable TRICARE program requirements, policies, and procedures to allow providers to carry out the requirements of this contract in an efficient and effective manner which promotes beneficiary satisfaction. The outreach program shall include information on the Centers for Medicare and Medicaid Services (CMS) Meaningful Use (MU) Program.

C.2.1.6. The Contractor shall encourage network providers to interface with certified health information exchanges. The Contractor shall encourage, to the greatest extent possible, network providers to utilize a certified health information exchange which will provide an opportunity for providers to exchange information with the DHA.

C.2.1.7. The Contractor provider agreements shall require network providers to render individual consultation reports to referring MTFs. The contractor shall establish a process that includes an operational definition of consult result non-compliance, thresholds of non-compliance that will evoke action by the contractor, what actions the contractor will take to encourage compliance, process to receive information regarding non-compliant providers from the MTFs, and roles, responsibilities and points of contact for the process. This process shall be included as part of the Network Implementation Plan.

C.2.2. Referral Management

C.2.2.1 The Contractor shall establish and maintain a referral management program in accordance with the TOM, Chapter 8, Section 5.

C.2.2.2. The Contractor shall utilize a secure HIPAA and Government compliant electronic method to process referrals between MTFs and MCSCs. The Contractor will implement an electronic referral management system which integrates with the Government's electronic Referral Management interface as described in the TOM and TSM. Faxing shall be used only in situations when electronic means is temporarily unavailable. The Coast Guard does not use the Referral Management interface and faxing is permissible for Coast Guard referrals.

C.2.2.2.1 In addition to the standard HIPAA compliant 278 returned/rejected responses, the MCSC will provide text explanations in returned HIPAA compliant 278 response for referrals

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that are rejected or returned referrals. The text explanations shall describe why the MCSC is returning or rejecting the referral including the name of the data element that needs to be corrected, and what the MCSC wants the MTF to correct on the referral before resubmitting the referral for review and authorization determination. In cases where the Government cannot resolve issues associated with rejected/returned referrals via electronic means, referral related information may be faxed for clarification.

C.2.2.2.2. The referral information provided, and the methods of communicating the information, will be addressed in the MTF/MCSC Memorandum of Understanding (MOU).

C.2.2.3. The Contractor shall utilize leading industry best practice automation in processing referral and authorization, episodes of care, procedure and diagnosis coding. Referrals and authorizations notification will be electronically accessible to the beneficiary.

C.2.3. Enrollment

C.2.3.1. The Contractor shall perform enrollments, re-enrollments, disenrollments, transfer enrollments, correct enrollment discrepancies, and assign or change the PCM in accordance with the provisions of the TOM Chapter 6. The Contractor shall utilize leading industry best practice automation in processing billing and enrollment transactions. This shall include capture of email and other information needed to conduct electronic transactions.

C.2.4. Medical Management

C.2.4.1. The Contractor shall establish and maintain a medical management program for MHS-eligible beneficiaries receiving care in the civilian sector in accordance with the TOM, Chapter 7. The Contractor shall ensure that care provided, including mental health care, is medically necessary and appropriate and complies with the TRICARE benefits contained in 32 CFR 199.4 and 199.5. The Contractor shall use its best practices in managing, reviewing and authorizing health care services, and shall comply with the provisions of 32 CFR 199.4, 32 CFR 199.5 and the TRICARE Policy Manual when reviewing and approving medical care and establishing medical management programs to carry out this activity to the extent authorized by law. The Contractor's Medical Management program shall fully support the services within the MTF and described in the MOUs.

C.2.4.1.1. The Contractor shall coordinate the care and transfer of stabilized patients during normal business hours. In cooperation with the MTF, the Contractor shall coordinate the care and transfer of stabilized patients who require a transfer from one location to another. This function shall include coordination with the primary clinician at the losing and gaining sites and the patient’s family; arranging medically appropriate patient transport; ensuring all necessary supplies are available during the transport and at the receiving location; arranging for and ensuring the presence of all necessary medical equipment during transport and at the receiving location; and identifying and ensuring the availability of necessary resources to accomplish the transfer. Transfers may occur as a result of medical, social, or financial reasons and include

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moves of non-institutionalized and institutionalized patients. Transportation will be coordinated using Government resources when appropriate and available.

C.2.4.1.2. The Contractor shall provide access to DoD pharmacy information which allows civilian providers to view and print their patients' medication lists. The medication lists will include medications dispensed by MTFs, the TRICARE Mail Order Pharmacy and retail pharmacies. The contractor will make this information available via the Contractor's website for Primary Care Managers (PCMs) and specialists who register for this capability. PCMs will have access to medication lists for all of their assigned TRICARE patients; specialist access will be limited to those patients for whom they have a referral or authorization.

C.2.4.1.3. The Contractor shall review the quality of ambulatory care for +-MHS beneficiaries. The Contractor shall conduct at least three comprehensive focused reviews of a statistically valid sample or 30 records, whichever is greater, of medical records per option period focused on ambulatory medical necessity and quality of care provided in high risk settings such as, but not limited to, Emergency Room, Ambulatory Surgical Centers and Urgent Care Centers. The Government will provide to the contractor specific review topics, criteria for selection and the time frame from which the sample is to be drawn for these focused reviews 60 calendar days prior to each option period. This information shall be included in the annual clinical quality report.

C.2.4.1.4. The Contractor shall operate a fully electronic data system for the Medical Management/Utilization Management program that will offer real-time access, reporting and information to the government. Access to the Contractor's medical management/utilization information shall be provided through a user friendly web-based interface. The Contractor will provide training on the interface's use to authorized Government personnel.

C.2.4.6. The Contractor shall apply its utilization management practices for MTF enrollees receiving care in the purchased care system. The Contractor shall provide a copy of these utilization management decisions by secure electronic means to the MTF Commander the day the decision is made.

C.2.4.6.1. The Contractor's Utilization Management Programs shall be accredited by a nationally recognized accrediting organization in all geographic areas covered by this contract. When this contract and accreditation body has differing standards for the same activity, the higher standard shall apply.

C.2.4.7. The Contractor shall manage and implement a clinical quality management and safety program for MHS beneficiaries. The Contractor's credentialing program shall be accredited by a nationally recognized accrediting organization in all geographic areas covered by this contract no later than the start of the second option period. When this contract and the accreditation body have differing standards for the same activity, the higher standard shall apply.

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C.2.4.8. The Contractor shall use industry best practices to identify, and reduce gaps in care, medical errors, and quality issues for Prime Beneficiaries.

C.2.4.8.1. The Contractor shall establish a Beneficiary-centric data warehouse and industry analytic tools/system and provide the Government with access to this Prime Beneficiary-centric data warehouse and industry analytic tools/system to view all data for a Prime beneficiary enrolled to a civilian PCM and to exhibit a sophisticated data analysis technique with evidence-based algorithms. The Contractor will implement this beneficiary-centric data analytic tools/system to integrate data from multiple sources to allow a consolidated view of all data related to each Prime beneficiary. The Contractor's system will process this information against industry-respected sources of evidence-based medicine to identify gaps in care, medical errors, and quality issues.

C.2.4.8.2. The Contractor shall utilize its analytic tools to promote health, identify at-risk individuals and populations, treat chronic diseases (to include, but not limited to, cancer, heart disease, diabetes, asthma, chronic obstructive pulmonary disease (COPD), depression, and anxiety disorder) and shall demonstrate to the Government its methods to engage beneficiaries and their providers in appropriate care and treatment.

C.2.4.8.3. The Contractor shall provide targeted health messaging to Prime beneficiaries enrolled to a civilian PCM for cases of high risk, high cost procedures, and those beneficiaries identified by the analytical system for other reasons.

C.2.4.8.4. The Contractor shall provide the Government with access to individual patient information in its analytical system for review of patient outreach, interventions, and health care outcomes. The Contractor will also aggregate this data at the PSA level and make this data available to the Government.

C.2.4.9. The Contractor shall operate case management and care coordination programs for TRICARE eligible beneficiaries. The Contractor shall use best business practices to operate case management programs designed to support and manage the health care of individuals with high-cost conditions, to include but not limited to those receiving J-coded drugs, or with specific diseases for which evidenced-based clinical management programs exist. These programs shall be available to TRICARE-eligible beneficiaries authorized to receive reimbursement for civilian health care per 32 CFR 199 and Active Duty personnel whose care occurs or is projected to occur in whole or in part in the civilian sector. These programs shall exclude non-Active Duty TRICARE/Medicare dual eligible beneficiaries. When care occurs outside an MTF, the Contractor is responsible for coordinating the care with the MTF clinical staff as well as the civilian providers. The Contractor shall propose medical management programs and patient selection criteria for review and concurrence of the Government prior to implementation and annually thereafter.

C.2.4.10. The Contractor shall use best business practices to implement, and maintain a Disease Management Program for MHS beneficiaries. At a minimum, the Contractor shall include the

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following diseases in their Disease Management Program: Cancer, Asthma, Heart Disease, Diabetes, Chronic Obstructive Pulmonary Disease (COPD), Depression and Anxiety Disorder. The objectives of the Disease Management Program will be to improve the clinical and satisfaction outcomes for TRICARE beneficiaries with the above conditions while reducing the financial burden to the Government.

C.2.4.10.1. The Contractor shall improve clinical and satisfaction outcomes for Prime beneficiaries in the Disease Management Program. The contractor will use best business practices for population identification and methodology, risk stratification, intervention, and care coordination activities based on the stratification levels, care transition plans for hospitalized Disease Management participants, provider communication, and integration. The Contractor will establish the process for beneficiaries to be referred for Disease Management services from the MTFs. The program will incorporate nationally recognized evidence-based guidelines and protocols to include DoD/VA guidelines when available and appropriate.

C.2.4.10.2. The Contractor shall develop program performance metrics that will be provided to the Government, which when combined with other Government-generated data will allow for effective evaluation of the Disease Management Program, in accordance with the Government-provided Disease Management outcome metrics. The Contractor shall include metrics for accounting and reporting on the cost and performance for each of the disease states managed, the methodology used, and plans to improve outcomes when metrics/standards are not met. The Contractor will demonstrate how their Disease Management Program reduces health care costs for the Government.

C.2.4.10.3. The Contractor's Disease Management Program shall be accredited by a nationally recognized accrediting organization in all geographic areas covered by this contract. When this contract and the accreditation body have differing standards for the same activity, the higher standard shall apply.

C.2.5. Customer Service

C.2.5.1. The Contractor shall provide comprehensive readily accessible customer services for MHS beneficiaries and providers. The Contractor shall utilize industry best practices in its outreach and communication with all MHS customers consistent with that offered to its commercial customers. Customer services shall include multiple contemporary avenues of access (for example, e-mail, World Wide Web, telephone, texting, and smart phone applications, and other social media) for the MHS beneficiary. The Contractor shall perform all customer service functions with knowledgeable, courteous, responsive staff that results in highly-satisfied beneficiaries. Customer services shall be delivered in a manner that achieves the objectives of this contract without charge to beneficiaries or providers. The Contractor's call center shall be accredited by a national accrediting agency.

C.2.5.2. The Contractor shall provide customer service support for MTFs and Regional Director. The Contractor shall provide customer service support hours to each MTF as stated in

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Attachment J-X, Government MTF Education Requirement, to be used at the discretion of and for the purpose specified by each MTF Commander. Examples of possible uses of this time include in-processing briefings/enrollments, TRICARE briefings, and specialty briefings on specific components of TRICARE or focused to a specific subset of TRICARE beneficiaries. This is in addition to the requirements for briefings and attendance at meetings specified in the TRICARE Operations Manual.

C.2.5.2.1. The Contractor shall provide customer service support up to forty hours per month to be used at the discretion of and for the purpose specified by the Regional Director. The designated hours for the Regional Director may be used at various locations and outside normal business hours.

C.2.5.2.2. The Contractor shall provide training support up to 40 hours per month to be distributed to Guard and Reserve units at the direction of the Regional Director.

C.2.5.3. The Contractor shall provide customer service functions to disaster areas.
The Contractor shall deploy mobile Service Assist Team (SATs) necessary to perform customer service functions to disaster areas, Active Component and Reserve Component troop mobilization areas, BRAC areas, or to any area deemed necessary and requested by the Regional Director (RD). A modification will be issued by the Contracting Officer defining the requirement for each SAT. SATs shall be deployed on an as needed basis for a finite period of time as defined in the modification. Within seven calendar days' notice, the Contractor shall deploy one or more teams. SATs shall provide assistance with beneficiary enrollment, provide assistance with access to and referral for care, and provide TRICARE program information.

C.2.6. Claims Processing

C.2.6.1. The Contractor shall maintain and establish an automated claims processing system for TRICARE claims. The Contractor shall implement an adaptable, scalable claims processing system which incorporates industry best practices. The system shall utilize state of the art software which can be configured such that changes are quickly made at the lowest possible cost to the Government. The Contractor's claims processing system shall process claims in accordance with the TRICARE benefit policy as delineated in 32 CFR Part 199.4 and 199.5, the TPM, and TRM. The Contractor's claims processing system shall correctly apply deductible, co-pay/coinsurance, cost shares, catastrophic cap, authorization requirements, and point-of-service provisions in accordance with the TRICARE benefit policy as delineated in 32 CFR Part 199.4 and 199.5, 199.17 and 199.18, the TPM, and TRM. As required by 32 CFR 199.8, the TPM, and TRM, the Contractor's claims processing system shall accurately coordinate benefits with other health insurances to which the beneficiary is entitled

C.2.6.2. The Contractor's claims processing system shall interface with and accurately determine eligibility and enrollment status based on the DEERS in accordance with the TSM.

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C.2.6.3. The Contractor shall issue an Explanation of Benefits (EOB) to beneficiaries. The EOB shall be provided through electronic means, including but not limited to a web based portal. A paper monthly summary EOB shall be made available to the beneficiary upon request.

C.2.6.4. The Contractor shall capture and report TRICARE Encounter Data (TED) related to claims adjudication in accordance with TRICARE manuals.

C.2.6.5. The Contractor shall provide real-time access to claims data for designated Defense Health Agency (DHA) and Services personnel. The Contractor shall furnish to any DHA designated site(s) and DHA designated key personnel real- time, read-only access to claims data. The Contractor shall provide training and ongoing customer support for this access.

C.2.6.6. The Contractor shall manage enrollments, collect premiums, accurately identify and adjudicate claims and perform all requirements for Continued Health Care Benefit Program (CHCBP) according to the TPM.

C.2.6.7. The Contractor shall use commercial best business practices to identify and update Other Health Insurance (OHI) information stored in Defense Enrollment Eligibility Reporting System (DEERS) database for non-active duty service member beneficiaries that have no commercial health insurance information on file.

C.2.6.7.1. The Contractor shall establish a process by which they continually update existing OHI information stored in the OHI repository in the Defense Enrollment Eligibility Reporting System (DEERS) database. The Contractor shall provide OHI Data in a format that can be directly utilized by the existing DMDC OHI web service to load the data to the DEERS OHI repository. The data must comply with HIPAA data elements and values. Data file discrepancies shall be corrected within 5 calendar days and resubmitted to the Government. The OHI data file must be imported back into DEERS without manipulation by the Government 95% of the time. The Contractor's review must accurately review and document the existence of billable health insurance information for all non-active duty beneficiaries.

C.2.7. Management

C.2.7.1. The Contractor shall establish and maintain experienced and qualified key personnel and sufficient staffing and management support to meet the requirements of this contract. Within 15 minutes of contact by the RD or designated representative the Contractor will provide a senior level team member(s) with the ability to obligate resources within the scope of the contract to attend meetings with the RD or designated representative(s), either via telephone conference call, video teleconference (VTC) call, or other agreed-upon electronic media. For urgent serious matters, within one work day the Contractor will provide a senior level team member(s) with the ability to obligate resources within the scope of the contract to attend in-person meetings with the RD or designated representative(s) at a location identified by the RD or designated representative.

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C.2.7.2. The contractor shall establish and operate a quality management and quality improvement (QM/QI) program. QM processes will focus on problem identification and resolution and will foster a consistent, efficient TRICARE program for the beneficiaries; QI processes will focus on improvements to stable processes and will foster innovation. These programs shall be comprehensive and coordinated, covering all aspects of the TRICARE program, with oversight by top leadership ensuring that QM/QI information flows across the entire enterprise. The contractor will provide visibility of QM/QI processes and reports to the government on a routine basis to be determined and adjusted by the government as needed.

C.2.7.3. The Contractor shall ensure efficient integration of health care delivery between the direct care system and the Contractor's network. The Contractor shall collaborate with the MTF Commanders/eMSM and TRO to ensure the most efficient mix of health care delivery between the direct care system and the Contractor's network within their Region and prepare the MOU (See TOM, Chapter 15) for approval by the Contracting Officer upon coordination with the MTF Commanders and Regional Office. Collaboration includes, but is not limited to preventive care, overflow capacity for primary and specialty care, ancillary services, and ROFRs for designated specialty care.

C.2.7.4. The Contractor shall ensure continuous provision of care for TRICARE eligible beneficiaries as MTFs respond to war, operations other than war, deployments, training, contingencies, special operations, and natural disaster. The Contractor shall develop and implement a contingency program designed to ensure that health care services are continuously available for TRICARE-eligible beneficiaries in the event of such changes in MTF capacity.

C.2.7.5. The Contractor shall participate in contingency exercises. The Contractor shall participate in regionally coordinated table-top contingency exercises as required by Government. If requested by the MTF Commander or eMSM Manager (for MTFs listed in attachment J-1), the Contractor shall participate in contingency exercises up to twice each calendar year.

C.2.7.6. The Contractor shall develop and maintain an information system/data repository which includes real-time access to data at the beneficiary non-institutional and institutional level.

C.2.7.6.1. The Contractor shall provide access to Government personnel. Minimum access shall include two (2) authorizations at each MTF and USCG clinic, two (2) authorizations at each enhanced Multi-Service Market (eMSM) Office, two (2) authorizations at each Intermediate Service Command two (2) authorizations at each Surgeons General Office, five (5) authorizations at the Regional Director's Office, five (5) authorizations at DHA (various locations), two (2) authorizations at Health Affairs, two (2) authorizations at DHA-Northern Virginia, two (2) authorizations at DHA-Aurora. The Contractor shall make available an additional 30 authorizations to be assigned at the discretion of the Government.

C.2.7.6.2. Data elements shall include, at a minimum, details concerning the provider network, referrals, authorizations, claims processing, program administration, beneficiary satisfaction and services, incurred healthcare costs, enrollment, geo-mapped data elements and clinical data (case

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management, disease management, utilization management, and medical management). All data must be current, accurate, complete and accessible in real-time. Complete information includes all data pertaining to the execution of Prime, Extra and Standard benefits both inside and outside PSAs/eMSMs. Ad-hoc capability, standardized reports, and special report requests must satisfy the user's requirement within mutually agreed upon timelines but within a maximum of five working days. Search capabilities must be built into systems and must be user-friendly. The data shall be, at a minimum, available for queries on a Regional, MTF PSA, and standard geographic area (State, County, and Zip Code) basis. The data access interface will be mutually agreed upon by the TRO and MCSC and available prior to start of health care delivery.

C.2.7.6.3. The Contractor shall provide training and ongoing customer support for accessing the Contractor's data information system/data repository. Web-based training is acceptable.

C.2.7.7. The Contractor shall provide information management and information technology support as needed to accomplish the stated functional and operational requirement of the TRICARE program and in accordance with the TRICARE Systems Manual

C.2.7.8. The Contractor shall establish and maintain a privacy program which meets the Federal, DoD, and DHA privacy requirements detailed in the TSM and TOM.

C.2.7.9. The Contractor shall implement a personnel security program which meets TSM requirements.

C.2.7.10. The Contractor's information systems shall meet DHA Information Security compliance requirements described in the TSM and National Institute for Standards and Technology (NIST) Special Publication 800-53. The Contractor shall provide their NIST Certification to Government in accordance with applicable CDRL.

C.2.7.11. The Contractor shall ensure their employees appropriately identify themselves as contractor employees at all times. Contractor employees shall not act or advertise as Government employees, agents, or representatives; including in telephone conversations, formal and informal written correspondence, paper and electronic; and in any other situation where their actions could be mistakenly construed as acts of Government officials.

C.2.7.12. The Contractor shall maintain open communication and develop MOUs with other TRICARE contractors, listed below. As part of the MOU, special attention shall be given to delineation of each Contractor's responsibilities when beneficiaries and beneficiary information cross contract boundaries. The MOUs shall be executed no later than 60 days prior to the start of healthcare delivery. MOUs will be developed for, but are not limited to, the following:

C.2.7.12.1. Other purchased care contractors: the other regional MCSC, the TRICARE Dental Contractors, and the TRICARE Overseas Program Contractor. Topics addressed in these MOUs may include, but are not limited to, case management, care coordination, medication

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reconciliation, referrals/authorizations, beneficiary notifications, claims, OHI, disease surveillance/prevention, and beneficiary facility transfers.

C.2.7.12.2. Other contractors: TRICARE Dual-Eligible Fiscal Intermediary Contractor, TRICARE Pharmacy Contractor, the Nurse Advice Line Contractor, and the Claims Audit Contractor.

C.2.7.12.3. Government agencies: Air Force Medical Service (AFMS) for intergration with the Government's Referral Management Suite (RMS)

C.2.7.13. The Contractor shall support MTF/eMSM business plan objectives. The Contractor shall collaborate with the Regional Director and each MTF/eMSM to support MTF and eMSM optimization.

C.2.7.14. The Contractor shall use commercially available web-based mapping software to enable the Government to evaluate the Contractor's calculation of the distance and time standards. The Contractor shall provide the Government with access to the software at no additional cost.

C.2.7.15. The Government anticipates the development and implementation of the Defense Health Medical Systems Modernization (DHMSM) Electronic Health Record System (EHRS) that will allow DoD to share health data with the private sector.
When the Government begins implementation of the initiative, DHA anticipates that the Managed Care Support Contract will be modified to require the contractor to develop and implement a time-phased Interoperability Plan to achieve machine-to-machine interoperability between the Direct Care System, Managed Care Support Contractor and Network Providers. The Government anticipates implementation will begin in Quarter 3 FY2017 and end in Quarter 3 FY2020.

C.2.8. Transition

C.2.8.1. The Contractor shall employ the necessary resources to complete all transition in requirements outlined in the TOM/TSM. The Contractor shall ensure fully operational services and systems at the start of healthcare delivery and minimal disruption to the beneficiaries and MTFs. The Contractor shall also fully comply with all necessary outgoing requirements.

C.2.9. Program Integrity

C.2.9.1 The Contractor shall refer cases for disposition to DHA Program Integrity that involve $75,000 or greater in potential losses to the Government following procedures prescribed in the TRICARE Operations Manual (TOM), Chapter 13, Section 3, 5.0.

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C.2.9.1.1 For the East Region: The Contractor shall refer a minimum of 20 cases per year for disposition to DHA Program Integrity that meet the dollar threshold and procedures identified in the above paragraph C.2.9.1.

C.2.9.1.2. For the West Region: The Contractor shall refer a minimum of 10 cases per year for disposition to DHA Program Integrity that meet the dollar threshold and procedures identified in the above paragraph C.2.9.1.

(END OF SECTION)

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D.1. PACKAGING

Preservation, packaging, and packing for shipment or mailing of all work delivered hereunder, by other than electronic means, shall be in accordance with good commercial practice and adequate to insure acceptance by common carrier and safe transportation at the most economical rate(s). The Contractor shall not utilize certified or registered mail or private parcel delivery service for the distribution of reports under this contract without the advance approval of the Contracting Officer. CD-ROMs (or other electronic media) shall be packed in labeled cartons in accordance with the best commercial practices that meet the packing requirements of the carrier and ensure safe delivery at the destination.

D.2. MARKING

Each package, report or other deliverable shall be accompanied by a letter or other document which:

D.2.1. Identifies the contract by number under which the item is being delivered.

D.2.2. Identifies the deliverable Item Number or Report Requirement which requires the delivered item(s).

D.2.3. Indicates whether the Contractor considers the delivered item to be a partial or full satisfaction of the requirement.

(END OF SECTION)

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52.246-4 INSPECTION OF SERVICES--FIXED-PRICE (AUG 1996)

52.246-5 INSPECTION OF SERVICES--COST-REIMBURSEMENT (APR 1984)

52.246-6 INSPECTION OF SERVICES – TIME-AND-MATERIAL AND LABOR HOUR (MAY 2001)

252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (MAR 2008)

E.1. INSPECTION LOCATIONS

Inspections may be conducted electronically or by physical inspection. Inspections will be performed at the Defense Health Agency (DHA), the Contractor's and/or subcontractor's facilities, or any other locations at which work is performed. Inspection of services provided hereunder will be accomplished by the Contracting Officer or his/her designee(s).

E.2. ACCEPTANCE

E.2.1. Transition-In and Transition-Out: The Contractor shall submit one DD250, Material Inspection and Receiving Report after accomplishing the required Transition-In and Transition-Out requirements, respectively. The DD250 shall be sent to the Contracting Officer's Representative with a copy provided to the Contracting Officer.

E.2.2. Formal acceptance or rejection of all other services provided under the terms and conditions of this contract will be accomplished by the Contracting Officer or Contracting Officer's Representative on an annual basis after each option period using a DD250, Material Inspection and Receiving Report. The Contractor shall submit a DD250 after accomplishing all required services in each respective option period. The DD250s shall be sent to the Contracting Officer's Representative with copies provided to the Contracting Officer.

(END OF SECTION)

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SECTION F
DELIVERIES OR PERFORMANCE

52.242-15 STOP-WORK ORDER (AUG 1989) – ALTERNATE I (APR 1984)

F.1. PERIOD OF PERFORMANCE

F.1.1. Base Period (Date of Award to start of health care delivery): The Contractor shall begin transition-in activities and complete specific activities by the timelines specified in the TRICARE Operations Manual (TOM) Chapter 1, Section 7. The Contractor will have a minimum of 9 months to complete transition. All transition-in activities shall be completed by the date specified in the Contractor's IMP/IMS

F.1.2. Option Periods 1 through 5 will be 12 months each if exercised.

Option Period 1: April 1, 2017 through March 31, 2018

Transition-Out Option (if applicable)

Option Period 2: April 1, 2018 through March 31, 2019

Transition-Out Option (if applicable)

Option Period 3: April 1, 2019 through March 31, 2020

Transition-Out Option (if applicable)

Option Period 4: April 1, 2020 through March 31, 2021

Transition-Out Option (if applicable)

Option Period 5: April 1, 2021 through March 31, 2022

Transition-Out Option (if applicable)

F.1.3. The option periods identified herein are hereby defined as the period in which health care is delivered to TRICARE beneficiaries. The start of health care delivery is the first day of Option Period 1. In order to meet the requirements of the contract for health care delivered for a given period, the Contractor will be performing incidental administrative tasks associated with the given health care delivery period beyond that period.

F.1.4. The transition-out period may be exercised during any one of the health care delivery periods specified above. The Contractor will begin transition-out activities upon transition-out option exercise and complete the timelines as specified in TOM Chapter 1, Section 7. All transition-out activities shall be accomplished no later than 270 days after the start of health care delivery for the incoming Contractor(s).

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F.2. GEOGRAPHIC AREA OF COVERAGE

F.2.1. East Region Contract: The contract shall be referred to as the East Region Contract. It will require development, implementation and operation of a health care delivery and support system for TRICARE and other Military Health System (MHS) beneficiaries residing in the states/districts of Alabama, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa (Rock Island Arsenal area only, see F.2.3.1.), Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri (St. Louis area only, see F.2.3.2.), New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas (excluding areas of Western Texas, see F.2.3.3.), Vermont, Virginia, West Virginia, and Wisconsin. These geographic areas are hereinafter referred to as the East Contract. The East Region Contractor shall be responsible for administering and complying with all Continued Health Care Benefit Program (CHCBP) requirements in the entire United States.

F.2.2. West Region Contract: The contract shall be referred to as the West Region Contract. It will require development, implementation and operation of a health care delivery and support system for TRICARE and other MHS beneficiaries residing in the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa (except the Rock Island Arsenal area, see F.2.3.1.), Kansas, Minnesota, Missouri (except the St. Louis area, see F.2.3.2.), Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Texas (areas of Western Texas only, see F.2.3.3.), Utah, Washington, and Wyoming. These geographic areas and states are hereinafter referred to as the West Region Contract.

F.2.3. For the states identified above that cross regional boundaries, the following zip codes define which portion of the state belongs to which region.

F.2.3.1. The state of Iowa is in the West Region except for the following zip codes (Rock Island area) which are in the East Region:

52030	52306	52721	52739	52757	52776
52031	52309	52722	52742	52758	52777
52037	52320	52726	52745	52759	52778
52060	52321	52727	52746	52760	52801
52064	52323	52728	52747	52761	52802
52069	52337	52729	52748	52765	52803
52070	52358	52730	52749	52766	52804
52074	52362	52731	52750	52767	52805
52075	52637	52732	52751	52768	52806
52207	52640	52733	52752	52769	52807
52212	52646	52734	52753	52771	52808
52216	52736	52754	52772	52809	
52254	52701	52737	52755	52773	
52255	52720	52738	52756	52774	

F.2.3.2. The state of Missouri is in the West Region except for the following zip codes (St. Louis area) which are in the East Region:

63001	63040	63088	63128	63177	63350
63005	63041	63089	63129	63178	63351
63006	63042	63090	63130	63179	63352
63010	63043	63091	63131	63180	63353
63011	63044	63099	63132	63182	63357
63012	63045	63101	63133	63188	63359
63013	63046	63102	63134	63190	63361
63014	63047	63103	63135	63195	63362
63015	63048	63104	63136	63196	63363
63016	63049	63105	63137	63197	63365
63017	63050	63106	63138	63198	63366
63018	63051	63107	63139	63199	63367
63019	63052	63108	63140	63301	63368
63020	63053	63109	63141	63302	63369
63021	63055	63110	63143	63303	63370
63022	63056	63111	63144	63304	63373
63023	63057	63112	63145	63330	63376
63024	63060	63113	63146	63332	63377
63025	63061	63114	63147	63333	63378
63026	63065	63115	63150	63334	63379
63027	63066	63116	63151	63336	63381
63028	63068	63117	63155	63338	63382
63030	63069	63118	63156	63339	63383
63031	63071	63119	63157	63341	63384
63032	63072	63120	63158	63342	63385
63033	63073	63121	63160	63343	63386
63034	63074	63122	63163	63344	63387
63035	63077	63123	63164	63345	63388
63036	63079	63124	63166	63346	63389
63037	63080	63125	63167	63347	63390
63038	63084	63126	63169	63348	
63039	63087	63127	63171	63349	

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F.2.3.3. The state of Texas is in the East Region except for the following zip codes (western portions of the state) which are in the West Region:

79009	79855	79931	79978	88531	88562
79035	79901	79932	79980	88532	88563
79053	79902	79934	79990	88533	88565
79325	79903	79935	79995	88534	88566
79344	79904	79936	79996	88535	88567
79347	79905	79937	79997	88536	88568
79718	79906	79938	79998	88538	88569
79734	79907	79940	79999	88539	88570
79754	79908	79941	88510	88540	88571
79770	79910	79942	88511	88541	88572

79772	79911	79943	88512	88542	88573
79780	79912	79944	88513	88543	88574
79785	79913	79945	88514	88544	88575
79786	79914	79946	88515	88545	88576
79821	79915	79947	88516	88546	88577
79835	79916	79948	88517	88547	88578
79836	79917	79949	88518	88548	88579
79837	79918	79950	88519	88549	88580
79838	79920	79951	88520	88550	88581
79839	79922	79952	88521	88553	88582
79843	79923	79953	88523	88554	88583
79845	79924	79954	88524	88555	88584
79846	79925	79955	88525	88556	88585
79847	79926	79958	88526	88557	88586
79849	79927	79960	88527	88558	88587
79851	79928	79961	88528	88559	88589
79853	79929	79968	88529	88560	88590
79854	79930	79976	88530	88561	88595

F.3. REPORTS AND PLANS

Unless otherwise specified, the Contractor shall electronically submit all Contract Data Requirements List items (CDRL) (contract plans, reports, etc.) in the specified format using Microsoft Office Excel, Word, PDF, or other specified software. If no format is specified, the Contractor may use its own format. Unless otherwise specified, all CDRL items shall be submitted to the Government via the E-commerce Extranet (https://tma-ecomextranet.ha.osd.mil/logon/logon.cfm). (See the TOM Chapter 14, Section 2, for report submission requirements.)

F.3.1. The Contractor shall provide all reports and plans that are specified in this Section. The Contractor is accountable for assuring that reports contain accurate and complete data. The Contractor shall prepare written procedures describing the source of information as well as the specific steps followed in the collection and preparation of data for each report. All reports must be supported with sufficient documentation and audit trails. The reports shall be titled as listed. The Contractor shall submit a negative report if there is no data to report. Required reports include:

F.3.1.1. Daily Reports

D010 Non-Financially Underwritten Contractor Payment/Check Issue Data
D020 Financially Underwritten Contractor Payment/Check Issue Data

F.3.1.2. Weekly Reports

W010 Integrated Master Plan (IMP) and Integrated Master Schedule (IMS) Status Report
W020 Transition-Out (Phase-Out) Status Report

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W030 Weekly Claims Processing Statistics Report
W040 Deferred Claims Report

F.3.1.3. Monthly Reports

M010 Enrollment Plan Implementation Report
M020 Customer Satisfaction Report
M030 Education Presentation Report
M040 Clinical Support Agreement (CSA) Report
M050 HIPAA Privacy Complaint Report
M060 TRICARE Reserve Select (TRS)/TRICARE Young Adult (TYA)/TRICARE Retired Reserve (TRR) Premium Activity Report
M070 Beneficiary Services Report
M080 Case Management (CM)/Disease Management (DM) Report
M090 Management Report
M100 Medical Management Report
M110 Network Adequacy Report (NAR)
M120 Network Inadequacy Report
M130 Non-Financially Underwritten Accounts Receivable Summary Report (Government)
M140 Non-Financially Underwritten Accounts Receivable Summary Report (Non-Government)
M150 Non-Financially Underwritten Bank Account Reconciliation Report
M160 Non-Financially Underwritten Bank Cleared Payment Data
M170 Financially Underwritten Bank Cleared Payment Data
M180 Non-Financially Underwritten Bank Account Statement Report
M190 Overpayment Cases Against VA Facilities
M200 Customer Support Hours Used
M210 Access Standards Report
M220 Network Adequacy/Access - Referrals to MTF & Network Report
M230 Continued Health Care Benefit Program (CHCBP) Adjusted Premiums Report (East Region)
M240 Continued Health Care Benefit Program (CHCBP) Enrollment Premium Report (East Region)
M250 Continued Health Care Benefit Program (CHCBP) Enrollment Report (East Region)
M260 Continued Health Care Benefit Program (CHCBP) Premiums Summary Report (East Region)
M270 Continued Health Care Benefit Program (CHCBP) Workload Report (East Region)
M280 Right of First Refusal Referrals Report
M290 Behavioral Health Un-activated Referrals
M300 Comprehensive Autism Care Demonstration Report (M)
M310 Employee Access to DoD IS/Networks Report
M320 Clinical Quality Support Services (CQSS) Findings Response Report
M330 Clinical Quality Management (CQM) Quality Intervention Report
M340 Contractor Records Accountability Report
M350 U.S. Coast Guard Demonstration (East Region)

F.3.1.4. Quarterly Reports

Q010 Retrospective Review for Other than Diagnostic Related Group (DRG) Validation Report
Q020 Claims Audit Report
Q030 Beneficiary Access Assistance Report
Q040 Fraud and Abuse Summary Report
Q050 Referrals Received by Specialty Report
Q060 Evolving Practices Report
Q070 Quality Assessment Report
Q080 Capital and Direct Medical Education Update Report (Quarterly)
Q090 MTF Level Contingency Exercise Participation
Q100 Comprehensive Autism Care Demonstration Report (Q)
Q110 Mental Health Counselor Status Report

F.3.1.5. Semiannual Reports

SA010 Comprehensive Autism Care Demonstration Report (SA)
SA020 Ambulatory Retrospective Review Report

F.3.1.6. Annual Reports

A010 Clinical Quality Management Program (CQMP) Report
A020 Indirect Medical Education (IDME) Ratios for Children's Hospitals Report
A030 Third Party Recoveries for Fiscal Year Report
A040 State Prevailing Annual Update Report
A050 Statement on Standards for Attestation Engagements SSAE No. 16 (Prime)
A060 Statement on Standards for Attestation Engagements SSAE No. 16 (Sub-Contractor)
A070 Capital and Direct Medical Education Report (Annual)
A080 National Institutes of Standards and Technology (NIST) Certification of Compliance Report
A090 Disaster Recovery Test Results Report
A100 Risk Assessment Letter of Assurance
A110 Contract Releasable under Freedom of Information Act (FOIA)
A120 Memorandum of Understanding (MOU) with (MTF Name)
A130 Listing of Prime Service Areas (PSA) Zip Codes

F.3.1.7. Annual Plans

AP010 Enrollment Plan
AP020 Medical Management (MM)/Utilization Management (UM) Plan
AP030 Clinical Quality Management Program (CQMP) Plan
AP040 Resource Sharing Plan
AP050 Contingency Program Plan
AP060 Education Plan
AP070 Disease Management Program Plan
AP080 Network Implementation Plan
AP090 Continuity of Operation Plan (COOP)

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AP100 Fraud Detection and Prevention Strategy and Internal Procedures Plan
AP110 Internal Quality Management/Quality Improvement (QM/QI) Program Plan

F.3.1.8. As Required Plans/Reports

R010 Integrated Master Plan (IMP) and Integrated Master Schedule (IMS)
R020 Serious Reportable Events (SREs)
R030 Accreditation Reports and Documentation
R040 Service Assist Team (SAT) After-Action Report
R050 Designated Standards Maintenance Organization (DSMO) Meeting Summary Report
R060 DHA/MTF Fraud & Abuse Referral Cover Sheet
R070 Fraud/Abuse Patient Harm-Initial Notification Checklist
R080 Random Sample Audit Worksheet
R090 Standard Operating Procedures (Desk Procedures)
R100 Terrorist/Beneficiary/Provider Threats Report
R110 Breach Report
R120 Appeals, Processing Guidelines, Desk Instructions and Reference Materials
R130 Purchased Care MTF Prime Enrollment Inpatient Report
R140 Right of First Refusal (ROFR) Capability Report
R150 Declaration of Transfer and Destruction of Records
R160 MOU with Beneficiary Education & Support (BE&S)

F.3.1.9 One Time
OT010 Transition-Out (Phase-Out) Plan

F.4. Freedom of Information Act (FOIA) Releasable Contract

No later than 30 calendar days after contract award, the Contractor shall provide the information required for "initial submission" in CDRL A110 "Contract Releasable under Freedom of Information Act (FOIA)." Subsequent annual submissions shall follow the directions for "subsequent submission" in this CDRL.

(END OF SECTION)

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SECTION G
CONTRACT ADMINISTRATION DATA

G.1. 252.204-7006 BILLING INSTRUCTIONS (OCT 2005)

When submitting a request for payment, the Contractor shall--

(a) Identify the contract line item(s) on the payment request that reasonably reflect contract work performance; and

(b) Separately identify a payment amount for each contract line item included in the payment request.

(End of Clause)

G.2. 252.232-7003 ELECTRONIC SUBMISSION OF PAYMENT REQUESTS AND RECEIVING REPORTS (JUN 2012)

(a) Definitions. As used in this clause—

(1) “Contract financing payment” and “invoice payment” have the meanings given in section 32.001 of the Federal Acquisition Regulation.

(2) “Electronic form” means any automated system that transmits information electronically from the initiating system to all affected systems. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests. However, scanned documents are acceptable when they are part of a submission of a payment request made using Wide Area WorkFlow (WAWF) or another electronic form authorized by the Contracting Officer.

(3) “Payment request” means any request for contract financing payment or invoice payment submitted by the Contractor under this contract.

(4) “Receiving report” means the data required by the clause at 252.246-7000, Material Inspection and Receiving Report.

(b) Except as provided in paragraph (c) of this clause, the Contractor shall submit payment requests and receiving reports using WAWF, in one of the following electronic formats that WAWF accepts: Electronic Data Interchange, Secure File Transfer Protocol, or World Wide Web input. Information regarding WAWF is available on the Internet at https://wawf.eb.mil/.

(c) The Contractor may submit a payment request and receiving report using other than WAWF only when—

(1) The Contracting Officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the Contractor. In such cases, the Contractor shall include a copy of the Contracting Officer’s determination with each request for payment;

(2) DoD makes payment for commercial transportation services provided under a Government rate tender or a contract for transportation services using a DoD-approved

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electronic third party payment system or other exempted vendor payment/invoicing system (e.g., PowerTrack, Transportation Financial Management System, and Cargo and Billing System);

(3) DoD makes payment for rendered health care services using the TRICARE Encounter Data System (TEDS) as the electronic format; or

(4) When the Governmentwide commercial purchase card is used as the method of payment, only submission of the receiving report in electronic form is required.

(d) The Contractor shall submit any non-electronic payment requests using the method or methods specified in Section G of the contract.

(e) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payment requests.

(End of clause)

G.3. CONTRACT ADMINISTRATION

G.3.1. The Procuring Contracting Officer (PCO) is responsible for the administration of this contract and is solely authorized to take action on behalf of the Government. Unless specified otherwise within this contract, the PCO is referred to as the Contracting Officer. The Contacting Officer for this contract is:

Contracting Officer
Office of the Assistant Secretary of Defense for Health Affairs
Defense Health Agency
Contracting Operations Division – Aurora (COD-A)
16401 East Centretech Parkway
Aurora, CO 80011-9066

G.3.2. Administrative Contracting Officer (ACO):

Defense Contract Management Agency (DCMA) ACO: The Contracting Officer will delegate a limited number of functions listed in FAR 42 to the DCMA ACO. The Contractor will be provided copies of all delegation letters.

G.3.4. Contracting Officer's Representative (COR):

The Contracting Officer will designate a Contracting Officer's Representative in writing, and provide a copy of the designation letter to the Contractor. The designation letter will delineate the scope of authority of the COR to act on behalf of the Contracting Officer.

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The COR has no authority to make any commitments or changes that affect any term or condition of the contract.

Contracting Officer's Representative:
Defense Health Agency

G.3.5. Contractor Points of Contact personnel:

The names and addresses of the Contractor's primary and alternate point of contact (POC) for contract implementation and compliance are as follows:

Primary: Alternate:

G.3.6. Paying office:

Department of Defense
Defense Health Agency
ATTN: Contract Resource Management (CRM)
16401 E. Centretech Parkway
Aurora, CO 80011-9066

G.3.6.1. RESERVED.

G.4. RESERVED.

G.5. PAYMENT INSTRUCTIONS FOR MULTIPLE ACCOUNTING CLASSIFICATION CITATIONS

In accordance with DFARS PGI 204.7108, this subsection provides instructions to the paying office:

G.5.1. Accounting & appropriation citations: When obligated, any multiple accounting and appropriation citations will be identified in Section B as informational subline items.

G.5.2. Each CLIN is a separate contract type. Payments will be applied at the CLIN or SubLine Item (SLIN) level. The paying office will assign payments to the accounting classification citation(s) based on the anticipated work performance under each CLIN as follows:

G.5.2.1. Where there is a single line of accounting under a CLIN, the payment office will make payments with the funds established for that CLIN. If there is more than one line of accounting within a CLIN, the payment office will determine the appropriate line of accounting to use based on period of performance.

G.6. OTHER INSTRUCTIONS TO PAYING OFFICE

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G.6.1. The paying office will follow paying instructions included in any contract modification, including change order definitizations and performance incentive payment modifications.

G.6.2. The due date for making invoice payments to the Contractor is specified in the Prompt Payment clause, FAR 52.232-25, included in this contract (i.e.: 30th day from receipt of proper invoice or acceptance). The Prompt Payment clause with its Alternate I apply to Underwritten Health Care Cost and Disease Management CLINs. For all line items except for Underwritten Health Care Cost, the paying office will make invoice payments on or before the due date, but not earlier than 7 calendar days prior to the due date. For Underwritten Health Care Cost, the paying office should make invoice payments on the 7th calendar day from receipt or acceptance of a proper invoice/voucher. As specified in Alternate I of the Prompt Payment clause, the payment office will use the due date (30th day after receipt of a proper invoice or acceptance) for computing any late payment interest penalties that may apply. For the Underwritten Health Care Cost processed using the TED system, the completion of the batch TRICARE Encounter Data (TED) submission (end date/time) is sent to DHA and will be used to determine the date of receipt. In the event that the payment office is informed of an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, or there are disagreements on the payment amounts, the payment office is not compelled to make payment by the above dates.

G.6.3. Revisions to payment instructions may be made as circumstances require. This may be accomplished by correspondence between the contracting office and the paying office.

G.7. PMPM MILITARY HEALTH SYSTEM (MHS) ELIGIBLE BENEFICIARIES

G.7.1. For the purpose of this CLIN, counts of MHS eligible beneficiaries under the PMPM includes all MHS eligible beneficiaries, underwritten and non-underwritten, with the exception of those covered under Uniformed Services Family Health Plan (USFHP). The contract region’s count of MHS eligible beneficiaries under the PMPM CLINs is based on the eligible beneficiary’s address as contained in Defense Enrollment Eligibility Reporting System (DEERS). This includes Prime enrollees who may be enrolled in a different region. The count is taken from the MHS Data Repository (MDR) Point-in-Time Extract (PITE). The MDR PITE is derived monthly from the DEERS PITE, which is a snapshot of the DEERS database reflecting beneficiary status and address at the end of each month.

G.7.2. The Government will unilaterally determine the number of MHS eligible beneficiaries prospectively two times for each option period under each PMPM CLIN, once for the first six month period and once for the seventh through twelfth month. This number will be based on an average of six of the seven previous months of eligible beneficiaries as reported above. Using the number of MHS eligible beneficiaries, the Government will calculate the PMPM quantity for the next bi-annual period as follows:

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The number of MHS eligible beneficiaries multiplied by the number of months (6) equals the number of member months (the quantity). The number of member months is then multiplied by the fixed unit price to determine the extended amount for the period.

G.8. INVOICE AND PAYMENT – NON-TEDS

Non-TEDs invoice and vouchers shall be submitted electronically in accordance with G.2 above. A proper invoice must include the elements identified at FAR 32.905**.**

G.8.1. Transition-In: The Contractor may invoice for interim payment of 50% of the transition-in price upon the start of health care delivery. The Contractor may invoice for the remaining 50% of the transition-in price following the 120 day dual processing period.

G.8.2. Underwritten Health Care - Fixed Fee: Submit voucher (i.e. SF1034) no more frequently than monthly and only after completion of the given month.

G.8.4. PMPM: Submit invoice no more frequently than monthly and only after completion of the given month for no more than one-sixth (rounded to the nearest dollar) of the extended CLIN amount.

G.8.6. Award Fee: The Contractor shall invoice as instructed by the Contracting Officer following determination of any award fee.

G.8.7. Performance Incentive Pool: The Contractor shall invoice as instructed by the Contracting Officer following determination of any performance incentive amounts.

G.8.8. Transition-Out: Interim cost reimbursement vouchers (i.e. SF 1034) shall be submitted no more frequently than monthly, and only after completion of the given month, to the cognizant Defense Contract Audit Agency (DCAA) office for approval with a copy provided to the Contracting Officer **and CRM**.

G.8.8.1. Transition-Out Fixed Fee: The Contractor shall submit one DD250, Material Inspection and Receiving Report after accomplishing the required Transition-Out requirements. The DD250 shall be sent to the Contracting Officer's Representative for the fixed fee upon completion of all transition-out requirements with a copy provided to the Contracting Officer and CRM.

G.8.9. Modifications: The Contractor may invoice for change order definitizations, Clinical Support Agreements, Service Assist Teams, or other modifications after the Contracting Officer provides instructions and authorization to invoice via modification.

G.9. Reserved (INVOICE AND PAYMENT – CLAIMS PROCESSING CLINs)

G.10. TEDS SUBMITTAL INSTRUCTIONS (UNDERWRITTEN AND NON-UNDERWRITTEN HEALTH CARE):

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G.10.1. TEDS shall be submitted per TSM requirements. TEDS shall be grouped under the correct Batch/Voucher CLIN/ASAP Account Number (assigned by DHA/CRM) in accordance with TSM Chapter 2, Section 1.1., Paragraph 6.0. Adjustments and cancellations may be included with initial submissions.

- All TED record based payments where the Contractor has billed using an incorrect Batch/Voucher CLIN/ASAP Account Number in the Batch/Voucher Header and a payment transfer has occurred shall be reported daily on the Contractors Resource Center (CRC) website by TED Record Indicator (TRI) by line item usually the day following receipt of TED data by DHA.

G.10.2. Voucher Transmission Requirements: Underwritten Batch/Vouchers shall be transmitted by 10 A.M. Eastern Time to be considered for that day's business. Non-underwritten Batch/Vouchers received after 10:00 AM Eastern Time shall be considered received the next business day for payment and check release authorization purposes. Batch/Vouchers must pass all TED header edits as specified in the TSM. If all header edits are not passed, the Batch/Voucher will be rejected and returned to the Contractor.

G.10.3. Voucher Integrity: Voucher header and detail amounts transmitted by the Contractor become "fixed" data elements in the finance and accounting system for purposes of control and integrity. Corrections or adjustments to reported (payment) amounts must be accomplished on separate voucher transmissions. Voucher submissions (non-underwritten payments) later determined to be underwritten benefits shall be corrected using the voucher process to reverse the submission and resubmitted under the batch process and vice versa (see TSM, Chapter 2, Section 1.1, paragraph 3.5.).

G.10.4. Payment Suspension and TED Processing During Partial Funding Shortages:

G.10.4.1. Some of the funding DHA receives may be restricted in use to a specific federal agency, military department and/or to a particular health care program. Funding for these special purpose programs may run out before funding for other DHA programs. Therefore, the Contractor shall have the ability to suspend claims payment and the associated submission of institutional TED records or non-institutional TED line item(s) to DHA based on values contained in the following TED record fields:

- Service Branch Classification Code (Sponsor), SBCC - As specified in the TSM, Chapter 2, Section 2.8.
- Enrollment/Health Plan Code (E/HPC) - As specified in the TSM, Chapter 2, Section 2.5.
- Special Processing Code (SP) - As specified in the TSM, Chapter 2, Section 2.8.
- Health Care Delivery Program Coverage Code - As specified in the TSM, Chapter 2, Addendum M.
- By Batch/Voucher CLIN/ASAP Account Number – As specified in the TSM Chapter 2, Section 2.3.

G.10.4.2. The suspension of claims payment and TED records may be based on a single value (e.g., SBCC=A) or a combination of values (e.g., SBCC=A & E/HPC=SR). Suspension of TED records (institutional) or TED line items (non-institutional) containing specific values shall be implemented by the Contractor within five workdays after receiving notification from the Contracting Officer. On the sixth workday, DHA/CRM will implement immediate payment offset against Contractor invoices of any amounts paid by the Contractor from their Non-Underwritten Bank Account(s) for institutional TED records or non-institutional TED line items containing suspended value(s). The Contractor shall not, without prior Contracting Officer approval, initiate payment offset against any provider or beneficiary for payments made against suspended transactions and offset by DHA/CRM on Contractor invoices.

G.10.4.3. For all suspended transactions, the Contractor shall hold the claim information until receiving instructions from the Contracting Officer to do otherwise. The Contractor shall not reject the claims or return any information to the providers or beneficiaries unless instructed by the Contracting Officer. Once the Contracting Officer lifts the TED data submission restriction, the Contractor may submit all withheld TED data on the next appropriate (batch/voucher) data submission. DHA/CRM will reimburse the Contractor (without interest) for any invoice payment offsets done for TED suspended transaction that have not been recouped by the Contractor.

G.10.5. Federal Fiscal Year-end Processing:

G.10.5.1. All TED data must be received no later than 10:00 AM EDT, (8:00 AM MDT; 7:00 AM PDT) on September 28. Any Batch/Voucher received after 10:00 AM EDT will be rejected by DHA and must be resubmitted by the Contractor using next fiscal year Batch/Voucher CLIN/ASAP Account Numbers. The Contractor should not submit Batch/Vouchers with dates of September 29 and September 30. Any payment processed after September 28th, must use the next fiscal year Batch/Voucher CLIN/ASAP Account Numbers and must utilize the new fiscal year check stock, as applicable. The Contractor shall not submit Batch/Vouchers to DHA between September 28, 10:00 AM Eastern Time or before October 1, 12:01 AM Eastern Time.

G.10.5.1.1. For Underwritten Claims – Any rejected Batch/Voucher must be resubmitted with a Batch/Voucher Date of, or after, October 1. No change is needed to the Batch/Voucher CLIN/ASAP Account Numbers.

G.10.5.1.2. For Non-Underwritten Claims – Any rejected Batch/Voucher must be resubmitted by the Contractor using next fiscal year's Batch/Voucher CLIN/ASAP Account Numbers. Any payments related to a rejected TED Batch/Voucher and any payment processed after September 28th must use the next fiscal year Batch/Voucher CLIN/ASAP Account Numbers and must utilize the new fiscal year check stock, as applicable. Any collections related to a rejected Batch/Voucher should be moved to the bank account for the next fiscal year. TEDs related to Voided/Stale-dated payments will

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always be submitted based on the Batch/Voucher CLIN/ASAP Account Numbers of the original TED, matching the original bank account.

G.10.5.2. All payments not included in the Contractor's final fiscal year data submission on September 28 must have a Batch/Voucher Date on or after October 1. Contractors will be able to test their new fiscal year's transactions in benchmark starting September 1. Like production, benchmark data must be received at DHA by 10AM EDT on September 28. After 10 AM EDT on September 28 until October 1, 12:01 AM Eastern Time no benchmark data can be transmitted to DHA.

G.11. UNDERWRITTEN HEALTH CARE (COST REIMBURSEMENT) - TEDS

G.11.l. Underwritten claims are reimbursed upon all TED records within a TED header clearing all TED Header edits and each record clearing all TED Detail edits. DHA/CRM will render payment to the Contractor based on the payment terms specified by CLIN in the contract. Negative TED records (credits) do not have to pass all TED Detail edits, DHA/CRM will collect all Underwritten credits within seven (7)calendar days of receipt.

G.11.2. TED Adjustment Procedure for Additional Payment or collections citing an Active CLIN (Also see TOM Chapter 11 for Underwritten Underpayment): When the Contractor makes an additional payment due to a prior underpayment or collects monies due to a prior overpayment, these payments/collections shall be reported as an adjustment to the original TED record. The Contractor shall use the Begin Date of Care for non- institutional or Admission Date for institutional claims to determine option period and then select the appropriate CLIN/ASAP ID. This should be the same CLIN/ASAP ID used to report the original payment/collection on TED records.

G.11.3. TED Underwritten CLIN Closure Procedures:
Underwritten healthcare CLINs will be closed at Government convenience no earlier than 13 months after the expiration of the option period - except for the final Option Period where CLIN closure will occur no earlier than 30 days after the end of healthcare delivery. DHA will notify the Contractor at least 30 days before the underwritten CLIN closure process is initiated. Upon notification of CLIN closure the Contractor must attempt to clear all rejected (Bad Master) claims before the scheduled CLIN closure date. On the date the CLIN is scheduled to be closed and after all TED data received before the 10 AM ET cutoff has been processed, DHA/CRM will change the CLIN status from 'Active' to 'Closed'. When the CLIN is closed any Batch/Vouchers that are in a resubmission status will be manually closed by DHA/CRM. Any new TED data submissions received after CLIN closure and citing the 'Closed' CLIN shall be rejected.

G.11.3.1. Settling the CLOSED CLIN: The Government and the Contractor will conduct a reconciliation of the CLIN to determine the total amount billed against the CLIN based on all Contractor invoices (TED data submissions and any non-TED vouchers) citing the CLIN prior to CLIN closure (including any Batch/Vouchers that were manually closed by DHA/CRM). The Government shall determine the value of the CLIN based on the payments made by DHA/CRM taking into account incorrect billings, manual closures,

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transfers, etc., therefore the total amount billed against the CLIN and the total (paid) value of the CLIN may be different. The Government shall account for all Contractor invoiced amounts citing the closed CLIN(s) itemizing all billing corrections where the billed CLIN (Contractor) and the paid CLIN (Government) are not equal. CLIN closure does not constitute final settlement of the value of the CLIN, closure only ends the transactional phase (billing and payment); contract specified audits and future events may also affect the final value of the CLIN.

G.11.3.2. Debt: For uncollected underwritten debt identified prior to CLIN closure and reimbursed to the Government, the Contractor shall follow procedures of TOM, Chapter 3, Section 2.2.1. All new debt identified after CLIN closure shall be classified as non-underwritten debt and shall be collected and reimbursed to the Government in accordance with the collection and deposit requirements specified in the TOM Chapter 3, Section 3, Paragraph 2.1.

G.11.3.3. Resuming TED Claims Processing: All healthcare claims with dates of care that fall within a closed CLIN(s) period of performance shall be processed (payments and collections) as Non-Underwritten health care costs using the current fiscal year Non-Underwritten Bank Account. Claims processing as non-Underwritten can resume immediately after CLIN closure.

G.11.4. Fiscal Year Start-Up of Underwritten Batch/Voucher CLIN/ASAP Account Numbers: After fiscal year end (September 30th) TED data submissions can resume on October 1st. **Underwritten CLINs shall use the same Batch/Voucher CLIN/ASAP Account Numbers for the life of the contract.** All Batch/Voucher Headers submitted for the new fiscal year must have a Batch/Voucher Date equal to or greater than October 1st(including any rejected data submissions received after 10 AM ET on September 28th).

G.11.5. Alternate payment process for underwritten benefits due to problems with DHA TED record processing: DHA will not be using WAWF for the invoicing of Underwritten Healthcare CLINS during temporary claims processing system outages. Upon notification by the Contracting Officer that the TED Record processing system is not operating normally, manual invoices shall be submitted by the Contractor as email attachments and sent to rm.invoices@dha.mil. Underwritten invoices (email attachments) manually billed to DHA/CRM shall itemize amounts due by the Batch/Voucher Headers (data elements listed below) that will be submitted to DHA when claim processing resumes. The Contractor requests will include the following Header information for each voucher (See TRICARE Systems Manual, Chapter 2, Section 2.2):

ELN Element Name

0-001 Header Type Indicator
0-005 Contract Identifier
0-010 Contract Number
0-015 Batch/Voucher Identifier
0-020 Batch/Voucher Number

0-025 Batch/Voucher ASAP Account Number
0-030 Batch/Voucher Date YYYYDDD
0-035 Batch/Voucher Sequence Number
0-040 Batch/Voucher Resubmission Number
0-045 Total Number of Records
0-050 Total Amount Paid

Manual payments will be made within seven (7) calendar days of receipt of invoice. All amounts paid based on manual invoices submitted during healthcare claims processing system outages shall be considered interim payments and will be offset against payments based on actual TED data submissions when claim processing resumes. The Contractor shall have 30 days to clear all vouchers where interim payments have been made thru the TED header edits (as specified in the TRICARE Systems Manual, Chapter 2). Failure to clear all header edits for any vouchers where the Contractor was paid under this contingency process shall result in the Government collecting back any missing/rejected voucher header(s) totals via payment offset. When the missing/rejected vouchers clear the header edits, any monies collected via payment offset shall be refunded to the Contractor (without interest or penalty.

G.11.6. Closing Vouchers on Bad Master: If a Contractor feels a TED record will never clear edits, the Contractor may request they be paid for any related claims and claim processing fees and that the voucher be manually closed. The request shall be submitted to CRM and shall include the specific TRIs involved. The request shall be verified by CRM and the Performance Analysis and Transition Branch. If it is confirmed that the TRIs cannot clear the TED edits, CRM shall pay the Contractor the amounts due within seven (7) calendar days of verification and the voucher will be closed on the Bad Master.

G.12. NON-UNDERWRITTEN HEALTH CARE (Pass Through) – TEDS

G.12.1. The Contractor acts as a Fiscal Intermediary for the Government to distribute, or pass-through, Government funds for certain non-underwritten health care benefits. These are not costs to the Contractor and are not reimbursed by the Government, so the Contractor shall not collect or hold non-underwritten benefit funds before dissemination to the beneficiary or provider and the Contractor shall immediately return any collections to the Government.

G.12.1.1. Non-underwritten benefit payments by the Contractor on behalf of the Government will be facilitated by allowing the Contractor (through the Contractor's financial institution) to draw money from the designated Federal Reserve Bank (FRB). These draws may only be done for benefit payments that have previously been submitted on TEDs or as a non-TED, non-underwritten voucher and approved for release by DHA/CRM and are clearing the Contractor's financial institution on the day the draw is being accomplished. Advance payments are not allowed. No bank fees or other bank charges shall be paid from this account and no money should be drawn from the FRB for these charges.

G.12.1.2. All payments for non-underwritten claims processed by the Contractor must be approved by the DHA/CRM Budget Office before the Contractor may make payments to the beneficiary or provider. Unapproved draws and payments by the Contractor will be immediately collected and subject the Contractor to interest and penalties.

G.12.1.3. TED records that do not pass all TED detail edits are considered insufficient justification to support draws from the Federal Reserve Bank. TEDs must pass all TED detail edits within ninety (90) days after initial notice of edit failures is sent to the Contractor by DHA. If not corrected in 90 days, DHA/CRM may send a demand letter requiring resolution or reimbursement for all claims identified as edit failures. The Contractor shall respond within thirty (30) calendar days of the demand letter as to why the claim(s) in question cannot be corrected. If resolution cannot be reached between CRM and the Contractor, the total amount of improper payments still in dispute, as well as any applicable administrative claim payment amounts will be collected by CRM by offsetting other payments to the Contractor. These collections may be returned to the Contractor upon correction of the TEDs involved or some other resolution is reached. The Contractor shall take no recourse against TRICARE beneficiaries or providers without prior DHA approval.

G.12.2. Establishment of Non-Underwritten Bank Accounts:

G.12.2.1. The Department of Treasury's Automated Standard Application for Payment System (ASAP), along with FEDWIRE, provide a mechanism for disbursement of Government funds for health care services received by TRICARE beneficiaries that are not underwritten by the Contractor. After authorization by DHA/CRM, these systems allow the Contractor to draw cash directly from the FRB to cover payments as they clear the Contractor's bank account. ASAP is used by the Treasury, the FRB and DHA/CRM to verify the authorization to make draws and to track transactions made by the Contractor's bank. FEDWIRE is used by the Contractor's bank to actually draw funds from the FRB.

G.12.2.2. The Contractor shall establish bank account(s) for non-underwritten transactions with a commercial bank that has FEDWIRE capability following Treasury requirements. The Contractor shall submit bank information to DHA/CRM not later than 60 calendar days prior to the beginning of processing claims on a new account. The information shall include:

- Name of Bank
- Overnight mail address
- American Banking Association (ABA) routing number
- The Contractor's DUNS number
- The Bank's DUNS number
- Taxpayer Identification Number (TIN) (must be the same TIN used for payment)Contractor's bank account number (if separate checking and deposit accounts are used, both need to be provided

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- Individual point of contact at the bank and an alternate, including their phone numbers and e-mail addresses
- Individual point of contact at the Contractor and an alternate, including their phone numbers and e-mail addresses.

G.12.2.3. DHA/CRM will establish the bank account(s) on ASAP with the Treasury Department. DHA/CRM will notify the bank and the Contractor once the bank account(s) have been established and provide codes or other information necessary for the bank to make draws against the FRB using FEDWIRE. Currently, ASAP has a requirement to identify a total dollar amount that may be drawn on the FRB. This dollar limit, established by DHA/CRM, only represents an administrative ceiling at the FRB, and does not constitute any authority to draw funds. Accounts will also have daily limits for the amount that can be drawn. The Contractor will be notified of these limits by DHA/CRM. DHA/CRM will be able to increase these limits as needed.

G.12.3. Authorization to Release Non-Underwritten Payments: The Contractor shall not release non-underwritten benefit payments without prior authorization from the DHA/CRM Budget Office. Authorization from DHA/CRM to release payments for all TED data submissions received before the 10 AM Eastern Time cutoff (Section G.10.2.) will be sent to the Contractor via fax or e-mail no later than 5:00 PM Eastern Time the day of receipt. Authorization will specify contract number, ASAP Account ID#, initial transmission received date, and total dollar amount of funds that may be released based on information contained in the Batch/Voucher Header. Approval for funds release will be given provided the following criteria are met:

- Voucher submissions must pass all header edits as specified in TSM, Chapter 2, Section 2.3.
- DHA/CRM Budget Officer has confirmed that funding is available to cover payments.

G.12.3.1. Benefit payments shall be released/mailed no later than two workdays after DHA/CRM has approved the release of payments.

G.12.3.2. Authorization to release payments does not constitute DHA's acceptance that all payments are valid and/or correct. Detailed records will be audited for financial compliance. All transactions in these bank accounts must be valid and justified. Any unreported/unauthorized disbursements identified by DHA will be subject to immediate payment offset against any payments being made to the Contractor. All disputed amounts will remain in the possession of the Government until no longer in dispute.

G.12.3.4. Alternate Check Release process for non-underwritten benefits due to problems with DHA TED record processing: Upon notification by the Contracting Officer that the TED Record processing system is not operating normally, manual check release requests shall be submitted by the Contractor as email attachments and sent to RM_Budget@dha.mil. Non-underwritten check release requests (email attachments) manually submitted to DHA/CRM shall itemize amounts due by the Batch/Voucher

Headers (data elements listed below) that will be submitted to DHA when claim processing resumes. The Contractor requests will include the following Header information for each voucher (See TRICARE Systems Manual, Chapter 2, Section 2.2):

ELN Element Name

0-001 Header Type Indicator
0-005 Contract Identifier
0-010 Contract Number
0-015 Batch/Voucher Identifier
0-020 Batch/Voucher Number
0-025 Batch/Voucher ASAP Account Number
0-030 Batch/Voucher Date YYYYDDD
0-035 Batch/Voucher Sequence Number
0-040 Batch/Voucher Resubmission Number
0-045 Total Number of Records
0-050 Total Amount Paid

DHA/CRM will return to the Contractor a signed release so the Contractor can pay the providers and beneficiaries without delay. The Contractor must not release payments until this approval is received. Upon notification by the Contracting Officer that the TED Record processing system is operating again, this process can be discontinued and the Contractor shall have 30 days to clear all vouchers where payments have been released thru the TED header edits (as specified in the TRICARE Systems Manual, Chapter 2). Failure to clear all header edits for any vouchers where the Contractor was authorized under this contingency process to release payments shall result in the Government collecting back the rejected voucher header totals via payment offset. When the vouchers clear the header edits, the monies collected via payment offset shall be refunded to the Contractor (without interest or penalty).

G.12.4. Draws on the Federal Reserve:

G.12.4.1. The Contractor shall ensure that cash drawdowns do not exceed the payments authorized, as they clear the bank on a given day, less deposits. The Contractor shall ensure that any excess draws are immediately returned to the FRB. Interest and a penalty will be charged beginning the day after the account is overdrawn and will continue until the overdrawn amount is returned. Interest will accrue daily and is based on the Treasury Current Value of Funds Rate. The penalty will accrue daily and is based on the penalty rates in the Code of Federal Regulations, Title 31, Volume 1, PART 5, Subpart B Sec.5.5. DHA/CRM may initiate immediate payment offset against any payments to the Contractor for the interest, penalties and/or the overdrawn amount.

G.12.4.2. Contractors with more than one bank account shall ensure transactions are properly accounted for to prevent the commingling of funds. Failure to properly associate transactions with the correct bank account could result in the over-execution of DHA/CRM budget authority. Transfers of funds between bank accounts are strictly

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prohibited except for correcting deposits that are in the wrong account. Any transactions reported under one bank account and erroneously charged against a different bank account shall be reported immediately to DHA/CRM when identified. DHA/CRM will instruct the Contractor as to what action to take.

G.12.4.3. The total amount of a cash draw down on the FRB is based on the daily total of benefit payments presented to the bank for payment. If estimates are needed due to timing of reports from check clearinghouses or the FRB, the draws shall be adjusted the next business day.

G.12.4.4. Computation of the amount of the draw must include any deposits of funds into the account. These deposits will reduce the amount of cash needed for the draw down on the day of the deposit.

12.5. Fiscal Year Start-up of Non-Underwritten ASAP Accounts:

G.12.5.1. The Contractor shall establish a separate bank account for each new Government fiscal year following the procedures specified in G.12.2. "Establishment of Non-Underwritten Bank Accounts". All payments issued for benefit payments and all refunds received shall be processed against the new account effective the first day of the new fiscal year. The Contractor shall also transfer all recoupment installment payments to the new account from the previous year's account.

G.12.5.2. Cash drawdowns against the prior fiscal year's bank account may continue, if required, until all payments from the prior year have either cleared or have been canceled, but no longer than the end of February of the following year or five months after the last payments have been cut on an account (in the case of a contract closeout).

G.12.5.3. Bank accounts shall be closed no later than the end of February, following the fiscal year end, or one month after the last payment on an account has been made or voided. Final bank account reconciliation shall be made within 30 calendar days following the last authorized transactions. All transactions that were not previously approved by DHA/CRM shall be explained with supporting documentation on the final bank reconciliation report (Section F)DHA/CRM reserves the right to not accept these transactions.

G.12.5.4. Any outstanding balance in the account shall be reimbursed to DHA no later than the required submission date of the final bank account reconciliation. This balance may be subject to interest if it includes overdrawn amounts that were required to be submitted at an earlier date.

G.12.6. Voided or Stale-dated Payments:

G.12.6.1. For payments that are voided or stale-dated that are over $10, a credit voucher through TEDs must be processed in accordance with the standards detailed in TSM Chapter 1, Section 3. If the check was issued as a manual voucher, the credit should be

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submitted as a similar manual voucher. The only exception to issuing a credit voucher would be stale-dates under $10.00.

G.12.6.2. For voided/stale-dated payments of $10.00 or less, the Contractor may elect either to:

- Affect a credit voucher for the check using automated means, or
- Instead of making a voucher transaction, a memorandum record shall be prepared and included on a listing of transactions as submitted monthly in the Non-Underwritten Funds Bank Account Reconciliation Report.

G.12.6.3. Replacement Payments:

G.12.6.3.1. Reissuance of payments will be made against the current fiscal year bank account.

G.12.6.3.2. Replacement payments may be issued upon request of the payee or authorized representative. If the check is not returned by the payee, the payee must provide a statement describing the loss or destruction of the check. Before a replacement check is issued, a stop payment order for the original check must have been issued and accepted by the bank.

G.12.6.3.3. If the claim history is not available to the Contractor, the Contractor shall submit a request for approval of check release to DHA/CRM within 10 workdays from the request by payee. Supporting documentation shall include the original check, the sponsor's SSN, a copy of the EOB, (if available) or other documentation showing the computation and payment of the original check, and the check or copy or statement as described in G.12.6.3.2. above.

G.12.6.3.4. The Contractor shall report the reissuance using the same procedure as was used to void/stale-date the original.

G.12.6.3.4.1. If no credit voucher was made in voiding/stale-dating of the check, no credit voucher is required for the reissue (i.e. if the Contractor gets a returned check and immediately reissues from the same bank account, no TED or other voucher needs to be done). If the reissuance involves a check from a prior year, a TED or other voucher will need to be done to report the reissuance from the current year.

G.12.6.3.4.2. If the amount of the stale-dated check to be reissued is $10.00 or less, the Contractor shall use the same procedure in the reissuance as was used for the stale-dating. If no credit voucher was made in the stale-dating of the check, no credit voucher is required for the reissue. The Contractor shall reissue the payment and include the amount in the Non-Underwritten Funds Bank Account Reconciliation Report.

G.12.6.3.5. Reissuance of Payments When Original Payee is Deceased: Payments issued by the Contractor shall be made payable to the legal representative of the estate of

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the person concerned with an additional line stating "For the estate of _____." Payments shall not be payable to the "estate of" a decedent, nor to a deceased person. Payments shall be to the named payee or mailed to the payee's address of record.

G.12.7. Non-Underwritten Under Payments: When the Contractor makes an additional payment due to a prior underpayment, these payments shall be reported as an adjustment to the original TED record, but in the current fiscal year and current CLIN/ASAP ID regardless of the fiscal year or CLIN/ASAP ID of the original payment.

G.12.8. Non-Underwritten Overpayments: When reporting collections the Contractor makes (whether cash or offset), the collection shall be accomplished as a separate credit transaction as an adjustment to the original TED record. Identified debts shall be reported on the Accounts Receivable Report in accordance with Section F.5.1.3.

G.13. INVOICE AND PAYMENT NON-UNDERWRITTEN - NON-TEDS

The Contractor shall group and electronically process each type of Non-TED voucher by each non-underwritten cost category identified below as a pass-through payment.

G.13.1. Capital and Direct Medical Education Costs (CAP/DME): Are paid by the Contractor from the Non-Underwritten Bank Account to hospitals requesting reimbursement under the TRICARE/CHAMPUS DRG-Based Payment System (excludes children's hospitals). (See TRM Chapter 6, Section 8).

G.13.1.1. The Contractor shall submit a monthly CAP/DME voucher in a .csv format to DHA/CRM no later than the 20th calendar day of the month following receipt of the hospital's request for payment. The format for the .csv file is attached in Section J, Attachment 11, CAP/DME Electronic Data Submission. Supporting documentation, including copies of the hospital's claim and the payment calculation, shall be submitted electronically using approved formats specified in TOM Chapter 2, Section 4. Within two calendar days after receiving disbursement clearance from DHA/CRM, the Contractor shall complete the process by making payment to the hospital.

G.13.1.2. If the Contractor makes an underpayment, the Contractor shall determine the amount and pay any amount due to the hospital with the next group of payments made. If the Contractor overpays a hospital, the Contractor shall recoup this amount and document as follows:

a. Offset funds shall be included as credits on the monthly CAP/DME voucher for the month the credits were processed.
b. Collections shall be included as credits indicating the month the collection was deposited (normally the prior month).
c. Debts established under this paragraph and related transactions shall be reported on the monthly Accounts Receivable Report.

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G.13.1.3. Federal Fiscal Year-end Processing of Non-TED Vouchers: September CAP/DME vouchers that are submitted in the month of October shall utilize the October new fiscal year check stock.

G.13.2. Bonus Payments (HPSA/PSA): Bonus payments are an addition to the amount normally paid under the allowable charge methodology in order to provide services in medically underserved areas [Health Professional Shortage Areas (HPSA) and Physician Scarcity Areas (PSA)]. On a quarterly basis, the Contractor shall submit the voucher electronically as a pass-through payment. Supporting documentation including lists of doctors, their addresses, and the calculation of the payment, shall also be sent electronically based on approved formats as specified in the TOM, Chapter 2. The Contractor shall process and make payment within two (2) business days after receipt of clearance from DHA/CRM. Any other HPSA/PSA transactions (e.g., voids, stale-dated checks, additional payments) shall either be reported to CRM on the quarterly voucher or, if not on the quarterly voucher, on a monthly voucher with supporting documentation and notations as to the type of transaction, e.g., void, refund, etc.).

G.13.2.1. Vouchers shall contain the following:

a. Format for Vouchers
- Period Covered (Quarter)
- Physician Name
- Physician Address
- Physician Provider Number
- Amount Paid/Collected for Bonus Total Bonus Paid [5 and/or 10 percent of the above bullet]
- Total of all Bonuses being paid

b. Sort for Vouchers
- By Contract
- By Automated Standard Application for Payment System (ASAP) ID (Fiscal Year) of Bank Account
- By Type (e.g., standard or active duty)
- By Coverage (Prime, Extra, Standard)
- By State
- By Physician
- By Physician Number
- By Specialty
- By Address & Zip
- By Participating & Non-Participating
- By Contracted (Network) and Not Contracted (Non-network)
- By Modifier (“QB”, “QU” or “AR”)

G.13.2.2. Federal Fiscal Year-end Processing: September HPSA vouchers that are submitted in the month of October shall utilize the October new fiscal year check stock.

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G.13.3. Demonstrations and other New Benefit Programs: These are trial or other new programs and they may vary in many ways from routine TRICARE benefits. TEDs will be used if possible but if the data associated with demonstrations is incompatible with TED data formats, the Contractor shall submit a separate voucher to DHA/CRM, with supporting documentation, no more frequently than monthly to obtain approval prior to making payments on the Non-Underwritten Bank Account. More detailed instructions may be given in contract modifications when these programs are established. These payments and any related credits or collections shall be identified on the bank reconciliations as additional lines listed by program.

G.13.4. Other Payments: Other adjustments are rare situations where a payment needs to be made but does not fall into routine processing such as TEDs, etc. For example, these payments may be the result of a very old claim, or legal settlements that do not apply to a given individual or payments directed by DHA. These must be submitted to the Contracting Officer and to DHA/CRM with supporting documentation explaining the issues that do not allow a TED record to be created, a copy of the claim, computation of the amount to be paid, and other applicable documents. After release approval by DHA/CRM, the Contractor shall make payment within two (2) working days. The Contractor shall report these payments on the Bank Reconciliation Report under DHA approved manual transactions.

G.14. TRICARE RESERVE SELECT/TRICARE RETIRED RESERVE, TRICARE YOUNG ADULT, CHCBP (East Region), and PRIME PREMIUMS:

The Contractor shall establish separate non-interest bearing account for the collection and disbursement of premiums/fees. The Contractor shall make daily deposits of premium/fee collections to the established account. The Contractor shall wire-transfer the premium/fee collections, net of refund payments, monthly to a specified Government account as directed by DHA/CRM Finance and Accounting Office. The Government will provide the Contractor with information for this Government account. The Contractor shall notify the DHA/CRM by e-mail within one business day of the deposit specifying the date and amount of the deposit. The Contractor shall submit a monthly report with premium/fee activity supporting the wire transfer of dollars, including premium/fee billings, collections, and enrollments (Section F) **for each type of premium/fee.**

(END OF SECTION)

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SECTION H
SPECIAL CONTRACT REQUIREMENTS

H.1 CONTRACTOR FINANCIAL UNDERWRITING OF HEALTH CARE COSTS

H.1.1. The Managed Care Support (MCS) Contractor shall underwrite the cost of civilian health care services (also referred to as "purchased care" which is defined as care rendered outside the Direct Care System) provided to all TRICARE-eligible beneficiaries who are enrolled in the contract region, or for non-enrollees who reside in the contract region, except for the following non-underwritten categories:

- Outpatient retail and mail order pharmacy services (on separate contract)
- Active Duty Service Members including TRICARE Prime Remote (TPR) for Active Duty Service Members (Active Duty Family Members are underwritten)
- Continued Health Care Benefits Program (CHCBP)
- Foreign/OCONUS beneficiaries and CONUS-based beneficiaries who receive care OCONUS (on separate contract)
- Medicare dual-eligible TRICARE CHAMPUS* beneficiaries (on separate contract)
- State of Alaska (care for beneficiaries who are enrolled in the state of Alaska and care for non-enrollees who reside in the state of Alaska)
- Bonus Payments in Medically Underserved Areas [Health Professional Shortage Areas (HPSA) and Physician Scarcity Areas (PSA)]
- Capital and Direct Medical Education (Cap/DME)
- TRICARE Reserve Select
- Custodial Care Transitional Program (CCTP)
- Individual Case Management Program for Persons with Extraordinary Conditions (ICMP-PEC)
- Residual Claims (date of service prior to the start of health care delivery under the contract)
- Autism Services Demonstration
- TRICARE Retired Reserve (TRR)
- Temporary Military Contingency Payment Adjustments
- TRICARE Young Adult Program
- TRICARE Transitional Outpatient Payments
- Laboratory Developed Tests Demonstration Project
- Temporary Disability Retirement List Physical Exams
- Disability Compensation and Pension Examinations (DCPE)
- Transitional Care for Service Related Conditions
- Respite Benefit for Seriously Injured or Ill ADSM

*CHAMPUS-eligible beneficiaries are defined as those beneficiaries that meet the requirements in Title 10, United States Code, Chapter 55.

H.1.2. In this contract, these underwritten beneficiaries may be referred to as "underwritten beneficiaries" or "non- TRICARE/Medicare dual-eligible CHAMPUS eligible beneficiaries". In this contract, the health care costs the Contractor underwrites may be referred to as "health care cost" or "underwritten health care cost".

H.1.3. Other supplemental details regarding underwritten health care follow:

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H.1.3.1. Beneficiaries may enroll in TRICARE Prime with an Military Treatment Facility (MTF) Primary Care Manager (PCM). Even though they may have an MTF PCM, Prime enrolled non-TRICARE/Medicare dual-eligible CHAMPUS beneficiaries' costs outside of the MHS direct care system are underwritten by the Contractor, except for Active Duty Service Members (ADSM)s.

H.1.3.2. The health care costs for beneficiaries enrolled in Prime are underwritten by the Contractor in whose region the beneficiary is enrolled, regardless of the address or location of the beneficiary.

H.1.3.3. Enrollment fees collected by the Contractor are not considered health care costs. These fees are considered as a part of the Per Member Per Month (PMPM) price of the contract and are retained by the Contractor.

H.1.3.4. The costs of medical management activities, such as case management, disease management and utilization management, are not considered underwritten health care costs. Cost under separate Clinical Support Agreement orders, if issued, are not considered underwritten health care costs.

H.1.4. Underwritten health care is cost-reimbursable. These costs are reimbursed with obligated funds that are disbursed under this contract. The associated underwritten fixed fee in Section B of the contract is considered the underwriting fee, or underwriting premium.

H.1.4.1. For administrative purposes, underwritten health care cost is broken down into two main Contractor underwriting risk categories:

H.1.4.1.1. Contractor Network Prime Enrollees: These are TRICARE Prime enrollees with network PCMs. The Contractor underwrites TRICARE healthcare services provided to Prime enrollees with network PCMs (exclusive of TRICARE Prime Remote [TPR] beneficiaries).

H.1.4.1.2. Non-Prime Beneficiaries and MTF Prime Enrollees: This category includes health care services provided to all other underwritten beneficiaries, including:

- Non-Prime enrolled, non-TRICARE/Medicare dual-eligible beneficiaries
- TRICARE Standard,
- TRICARE Extra
- TPR-ADFM Enrollees
- MTF Prime Enrollees (Prime Enrollees with MTF PCMs)

H.1.4.1.3. For underwritten healthcare claims, the Contractor shall assume full financial liability for care which is not eligible for cost-share and was provided subsequent to the contractor's erroneous authorization of services and/or supplies listed as exclusions in the TRICARE Policy Manual (TPM). This underwriting mechanism applies to services/supplies specifically named under an exclusion, and does not apply to general exclusions such as services subsequently determined to not be medically necessary. For cases involving such specific exclusions, the contractor shall neither deny payment nor recoup erroneous payments from either the provider or

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the beneficiary. Payment will be made from the contractor's funds and not reimbursed by the Government. The Contractor shall not be held liable for non-covered services/supplies provided that were beyond the scope of the Contractor's authorization. The Contractor's financial liability under this provision is in addition to and not limited by the 2% claims error rate established by TRICARE Operations Manual, Chapter 1, Section 3, Paragraph 1.6.1. "Claim Payment Errors" nor the corresponding performance guarantee.

H.2. HEALTH CARE UNDERWRITING INCENTIVES

H.2.1. Introduction and Administration: This section addresses the administration of the positive and negative incentives that are part of the underwriting mechanism of the contract. The Contractor may earn an underwriting incentive by either exceeding a minimum standard, or for performance above a fully satisfactory level in areas that reduce health care cost and are measurable as defined in this section for each respective option period. The financial administration of the incentives' assessment for a given option period will be conducted after completion of the option period. When performance exceeds the standard, or exceeds the fully satisfactory level specified in the paragraphs below, the Government administratively obligates funding equal to, or greater than, the stated incentive amount into the applicable Performance Incentive Funding contract line item in Section B. After the Government has completed measurement and any administrative funding action(s), and the Contracting Officer notifies the Contractor of the incentive earned (if any), the Contractor may invoice and receive payment for the amount authorized by the Contracting Officer. The Government will obligate funds at any time on the performance incentive funding contract line item as the Contracting Officer determines necessary to ensure sufficient funds are available to pay the Contractor any earned incentive amount. If the Contractor fails to meet the fully satisfactory levels described below and earns a negative incentive, the funded amount on the performance incentive contract line item may be netted, or the payments from the performance incentive contract line item are offset by the negative incentive amount. If the offset amount is greater than any earned incentive (if any),
or the Contractor only earns a negative incentive, the Contracting Officer will deduct that amount from the next payment from any administrative contract line item of this contract.

H.2.1.2. For purposes of administering underwriting incentives, the underwritten population will be divided into two separate underwriting risk groups, which are identified as two separate CLINs in Section B:

- -Contractor Network Prime Enrollees
- -Non-Prime Beneficiaries and MTF Prime Enrollees

H.2.2. There is no limit on the dollar amount, positive or negative, of the underwriting incentives that may be earned or assessed.

H.2.2.3. The incentives are independent of the results of the annual healthcare cost audits for overpayments to providers. The assessment, including recovery from the Contractor, of any negative incentive dollar amount is conducted separately from the underwriting fixed-fee payments for each option period. The administration of the Network Discount Incentive and

Network Usage Incentive described herein is assessed before any cost audit that determines allowable and unallowable health care costs.

H.2.3. Incentives. The Contractor will be assessed the following positive and negative incentives, based on performance:

H.2.3.1. Network Discount Incentive. The purpose of this incentive is to encourage Contractors to proactively negotiate discounts with network providers and thereby reduce underwritten health care costs. There are two separate aspects of this incentive, one negative (H.2.3.1.1) and one positive (H.2.3.1.2). The incentive will be calculated separately for two different categories of beneficiaries. The first category includes all Contractor network Prime enrollees and the second category consists of all non-prime beneficiaries and MTF Prime enrollees

H.2.3.1.1. Guaranteed Network Provider Discounts (negative incentive): The Contractor guarantees the following discounts:

	OP 1	OP 2	OP 3	OP 4	OP 5
Contractor Network Prime Enrollees					
MTF Prime Enrollees and Non-Enrolled Beneficiaries					

H.2.3.1.1.1. At the end of each option period, the Guaranteed Network Provider Discounts will be calculated separately for the two beneficiary categories, above. For care provided to each of the two categories of beneficiaries, the achieved discount will be measured as the overall average value of discounts from TRICARE allowable charges. The network discount incentive will be calculated after the end of the option period based on TED records accepted during that option period (excluding OHI claims) for each of the above two categories of beneficiaries for care provided by Contractor network providers. The total value of discounts will be the sum of all dollar amounts reported on TED records in the field "Amount Network Provider Discount." For care provided to Contractor network enrollees by Contractor network providers (excluding OHI claims), the total allowable cost will be the sum of all dollar amounts reported on TED records for all amount allowed fields and all amount of network provider discount fields.

H.2.3.1.1.2. The TED record must reflect the actual dollar amount of network discount, excluding other health insurance (OHI) claims. The dollar amount of the network discount is the difference between the network provider's negotiated rate and what TRICARE reimbursement methodology would have allowed in the absence of the negotiated discount rate. See the TRICARE Systems Manual, Chapter 2 for the TED record requirements for correctly coding the provider network discount.

H.2.3.1.1.3 If either or both of the calculated average percentage network discount obtained for the option period do not exceed the levels listed above, the Government will offset the calculated dollar amount from the Performance Incentive Pool line item and any payment under any administrative line item. If the contractor exceeds the guaranteed discount amount in one category, this amount will not be used to offset any losses on the other category.

H.2.3.1.1.4. These guaranteed discounts shall not be adjusted for changes to TRICARE allowable amounts, the expansion of TRICARE coverage to additional procedures and DME; or any other actions and conditions that may affect providers' willingness to accept discounts. The Contractor fully understands the risks in financially underwriting the delivery of health care services under this contract, and assumes all risks of future conditions and changes that may affect the Contractor's ability to achieve the guaranteed discounts.

H.2.3.1.2. Additional Discount Amounts (positive incentive) This incentive will be calculated as ten percent (10%) of the average value of discounts from TRICARE allowable charges for care provided by civilian network providers to Contractor network Prime enrollees, and MTF Prime enrollees and non-enrolled beneficiaries that exceed the minimum average discount levels listed in H.2.3.1.1 above (The incentive will be calculated once for care provided to Contractor network Prime enrollees and once again for care provided to MTF Prime enrollees and non-enrollees.) The method of calculation is the same as set forth in H.2.3.1.1. If the estimated network discounts obtained for the option period do not exceed the average level of discounts identified above, no incentive payment will be made.

H.2.3.2. Network Usage Incentive. The purpose of this incentive is to promote a higher percent of usage of network providers by all prime enrollees, thereby reducing the enrollees' out-of-pocket costs and potentially reducing underwritten health care costs.

H.2.3.2.1. Network Usage by Prime Enrollees (Combined MTF enrollees and Contractor network enrollees). This incentive can only result in either no payment or a negative incentive. It will be measured based on the number of civilian network provider claims for Prime Enrollees compared with the total number of civilian claims for these beneficiaries, after excluding claims with OHI, Prime Point-of-Service (POS) claims, claims for care provided out-of-region, TRICARE Prime Remote, and claims for emergency care. The exclusion applies if any line item on the claim meets the exclusion criteria. If the percentage of network versus total claims meets or exceeds the minimum standard for a given month, no negative incentive will be applied. If the network percentage falls below that standard, a negative incentive will be assessed on a per-claim basis for the calculated number of non-network claims that fall below the standard. This will be done according to a series of percentage corridors, with larger negative incentives applied for successively larger discrepancies between the standard and the actual level of performance.

Region:	Option Period 2: 75%
	Option Period 3: 76%
	Option Period 4: 77%

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Option Period 5: 78%

H.2.3.2.2. No incentive will be applied for Option Period 1. Beginning with Option Period 2 for each month that the minimum claims percentage is not met, a negative incentive shall apply. The network usage incentive will be calculated after the end of the option period based on TED records accepted during each month of the option period. The Government will apply an incentive for every claim that falls below the minimum standard. The amount assessed per claim is based on the percentage below the standard as follows:

Option Period Two:
If less than 75% and more than or equal to 72% = $7.00 per claim
If less than 72% and more than or equal to 70% = $14.00 per claim
If less than 70% and more than or equal to 69% = $21.00 per claim
If less than 69% = $28.00 per claim

Option Period Three:
If less than 76% and more than or equal to 73% = $7.00 per claim
If less than 73% and more than or equal to 71%= $14.00 per claim
If less than 71% and more than or equal to 70% = $21.00 per claim
If less than 70% = $28.00 per claim

Option Period Four:
If less than 77% and more than or equal to 74% = $7.00 per claim
If less than 74% and more than or equal to 72% = $14.00 per claim
If less than 72% and more than or equal to 71% = $21.00 per claim
If less than 71% = $28.00 per claim

Option Period Five:
If less than 78% and more than or equal to 75% = $7.00 per claim
If less than 75% and more than or equal to 73% = $14.00 per claim
If less than 73% and more than or equal to 72% = $21.00 per claim
If less than 72% = $28.00 per claim

H.2.3.2.3. For example, in month 2 of Option Period 2, if the actual percent of Prime enrollee claims with a network provider is 71%, then a negative performance incentive equal to 4% of the claims will be assessed (4% represents the difference between the actual number of claims for care provided by a network provider and the standard). If 4% equates to 200 claims not meeting the standard, the performance incentive assessment for that month will be $2,800.00 or 200 claims times $14.00.00. In determining the performance incentive, the applicable amount will be determined based on the Contractor's actual performance. For instance, in the example above, the Contractor's actual performance was 71% so the performance incentive will equal $14.00 for every claim falling below the minimum performance standard of 75%. In other words, the highest per claim amount will

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be applied to all claims failing the standard. The Government will not stratify the performance incentive based on the variable per claim amounts.

H.2.3.2.4. The percentage standards above, and the claims volumes used to calculate performance against those standards, will reflect claims for both MTF Prime enrollees and Contractor Network Prime enrollees combined. In the event a negative incentive amount is assessed, the resulting dollar amount will then be administratively allocated to MTF Prime enrollees and Contractor Network Prime enrollees based on their respective percentage shares of the overall network plus non-network claims volume used in the incentive measurement (after the exclusions of OHI claims, POS claims, etc.). As an example of this allocation approach, if the composite network usage standard were not met and a $1 million negative incentive result were assessed, and if MTF Prime enrollees comprised 70% of the network plus non-network claims then $700,000 of the incentive result would be allocated to MTF Prime enrollees and $300,000 would be allocated to Contractor Network Prime enrollees.

H.3. PERFORMANCE INCENTIVES

H.3.1. Introduction: Monetary performance incentives are available to the Contractor. The Contractor may receive a positive performance incentive payment by either exceeding a minimum standard, or for performance above a fully satisfactory level in program integrity as defined in this section for each respective option period. If the Contractor fails to meet the minimum standard for electronic claims processing, a negative incentive is applied.

H.3.1.1. Incentive Administration: Contractor performance for a given option period will be measured after completion of each option period. When performance exceeds the standard, or exceeds the fully satisfactory level described below, the Government administratively obligates funding on the applicable performance incentive contract line item in Section B. If the Contractor fails to meet the minimum standard for electronic claims processing, the funding level on the performance incentive contract line item may be netted, or the payments from the performance incentive contract line item offset by the applicable negative incentive amount described in this section. If the offset amount is greater than any earned incentive (if any), the Contracting Officer will deduct that amount from the next payment from any administrative line item to the Contractor under this contract. After the Government has completed measurement, and the Contracting Officer notifies the Contractor, the Contractor may invoice the net amount authorized by the Contracting Officer. The Government may obligate funds into the performance incentive pool at any time as the Contracting Officer determines necessary to ensure sufficient funds are available to pay performance incentives under H.2 and H.3 to the Contractor after the option period is completed.

H.3.2. Program Integrity Incentive: The Government will evaluate the referral of fraud and abuse cases referred during each respective option period and determine if the Contractor satisfactorily met all minimum requirements contained in each of the following sections of TRICARE Operations Manual (TOM) Chapter 13:

Section 1 Contractor's Program Integrity Responsibility

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Section 2 Controls, Education, and Prevention
Section 3 Case Analysis, Referral and Administrative Action
Section 4 Reports
Section 5 Provider Exclusions, Terminations, and Suspension of Claims Processing
Section 6 Provider Reinstatements

H.3.2.1.

H3.2.1.1. For East Region:
The Contractor will earn a performance incentive if performance results in referral of over 20 complete cases to the DHA Office of Program Integrity during each option period that are rated "5" on a quality scale.

H.3.2.1.2. For West Region:
The Contractor will earn a performance incentive if performance results in referral of over 10 complete cases to the DHA Office of Program Integrity during each option period that are rated "5" on a quality scale.

H.3.2.2. The monetary incentive amount applied to the performance incentive pool will be as follows:

H.3.2.2.1. For the East Region:

21-25 cases referred with a "5" rating as assigned:	$300,000.00
26-30 cases referred with a "5" rating as assigned:	$360,000.00
31 or more cases referred with a "5" rating as assigned:	$410,000.00

H.3.2.2.2. For the West Region:

11-15 cases referred with a "5" rating as assigned:	$180,000.00
16-20 cases referred with a "5" rating as assigned:	$240,000.00
21 or more cases referred with a "5" rating as assigned:	$300,000.00

H.3.2.2.1. Rating criteria: The rating of the individual cases will be based on the Government's analysis of the case referral as follows: does the case identify a pattern of fraud or abuse; have the allegations been substantiated; how has TRICARE been affected (monetarily, patient harm, etc.); is the case referral complete (thoroughly documented with evidentiary data); was appropriate back-up information included (audit files, provider files, correspondence, etc.); and was the applicable TRICARE regulation and/or policy cited and included in the package. The PI "Case Referral Evaluation" sheet will be used to rate each referral. All case ratings will be determined by the Government solely based on the information within the initial case submittal. Any information, rebuttals, or arguments provided by the Contractor subsequent to the initial submittal of a case will not be considered for the rating determination. Any case prepared, dated, or submitted prior to the start date of the delivery of care under this contract will not be considered for this incentive. If, in the opinion of the Contracting Officer, a newly referred case

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should reasonably have been referred under a separate contract, that case will not be considered for an incentive. The rating assignment is final and unappealable.

H.4. PERFORMANCE GUARANTEES

H.4.1. The performance guarantee described in this Section is the Contractor's guarantee that the Contractor's performance will not be less than the performance standards described below. The rights of the Government and remedies described in the Performance Guarantee Section are in addition to all other rights and remedies of the Government. Specifically, the Government reserves the rights and remedies set forth in the Inspection of Services clause (FAR 52.246-4, 52.246-5) and the Default clause (FAR 52.249-8, 52.249-6).

H.4.2. The Contractor guarantees that performance will meet or exceed the standards in this Section. For each occurrence the Contractor fails to meet each guaranteed standard, the Government will withhold from the Contractor the amount listed for each standard below. The total performance guarantee amount that can be assessed per option period is shown below. The total option period amount will be divided equally among the three performance guarantees. Assessments for a specific performance guarantee will continue until the guarantee amount for the respective guarantee (i.e., one-sixth of the total option period amount) is depleted. For administrative purposes, the Contractor will be notified of performance guarantee withholds on a quarterly basis via a unilateral modification in accordance with FAR 43.103(b)(3) with this section as the cited authority for the modification. Withholds will be made from the next available contract payment under an administrative line item. The amount of the performance guarantee will not change after contract award.

H.4.3. Performance Guarantee Amounts:

Option Period 1
Option Period 2
Option Period 3
Option Period 4
Option Period 5

H.4.4. Claims Processing Timeliness (30 days)

H.4.4.1. Standard: Ninety-eight (98%) of retained claims and adjustment claims shall be processed to completion within 30 calendar days from the date of receipt. One hundred percent (100%) of all claims (both retained and excluded, including adjustments), shall be processed to completion within 90 calendar days unless the Government specifically directs the contractor to continue pending a claim or group of claims.

H.4.4.2. For each month that the claims processing timeliness standard is not met, a performance guarantee shall be applied as follows: Based on data from the DHA TEDs data base, the Government will assess a performance guarantee amount of $1.00 per retained claim

in excess of the 98% standard. For example, if the actual percent of retained claims processed in 30 calendar days is 94% a performance guarantee equal to %4 of the retained claims processed that month will be assessed (4% represents the difference between the actual performance of 94% and the standard of 98% . If 4% equates to 600 retained claims not processed in 30 calendar days, the performance guarantee withhold will be $600.00, or 600 times $1.00.

H.4.4.3. The Government will calculate the contractor claims processing cycle time performance utilizing TED records. Included in the monthly measurement will be TED records in initial submission batch/vouchers (Batch/Voucher Resubmission Number equals zero), and TED records in adjustment/cancellation submission batch/vouchers, which are received by DHA during the reporting period, and that have passed the DHA batch/voucher header edit(s). TED records in initial submission batch/vouchers, or TED records in adjustment /cancellation submission batch/vouchers, which fail the DHA batch/voucher header edits or which are otherwise unprocessable as submitted by the Contractor, and TEDS in resubmission batch/vouchers (Batch/Voucher Resubmission Number is greater than zero), will be excluded from the claims processing cycle time calculation. Only a single processing time will be calculated per claim. The cycle time calculation for initial submission TED records is one plus the difference between the Julian date the claim processed to completion, and the claim receipt date. The cycle time calculation for TED adjustments is one plus the difference between the Julian date the TED record was identified as an adjustment (Date Adjustment Identified not zero), and the date the adjusted record processed to completion.

H.4.5. Claim Processing Timeliness (90 Days)

H.4.5.1 Standard: 100% of all claims (both retained and excluded, including adjustments) shall be processed to completion within 90 calendar days unless the Government specifically directs the Contractor to continue pending a claim or group of claims.

H.4.5.2. For each month that the claims processing timeliness standard is not met, a performance guarantee shall be applied as follows: Based on data from the TMA TEDs data base, the Government will assess a performance guarantee amount of $1.00 per claim in excess of the 100% standard. For example, if the actual percent of all claims processed in 90 calendar days is 98%, a performance guarantee equal to 2% of all claims processed that month will be assessed (2% represents the difference between the actual performance of 98% and the standard of 100%). If 2% equates to 450 claims not processed in 90 calendar days, the performance guarantee withhold will be $450.00, or 450 times $1.00.

H.4.5.3 A performance guarantee assessment will be applied independently to each claim processing timeliness standard for claims that fail to meet the minimum performance. For example, a retained claim that received a performance withhold because the 98% in 30-day standard was not met, is again subject to withhold if it is not processed in 90 calendar days (and the Contractor's performance is below the minimum standard of 100%).

H.4.5.4. The Government will calculate the contractor claims processing cycle time performance utilizing TED records. Included in the monthly measurement will be TED records in initial submission batch/vouchers (Batch/Voucher Resubmission Number equals zero), and TED records in adjustment/cancellation submission batch/vouchers, which are received by DHA during the reporting period, and that have passed the DHA batch/voucher edit(s). TED records in initial submission batch/vouchers, or TED records in adjustment/cancellation submission batch/vouchers, which fail the DHA batch/voucher header edits or which are otherwise unprocessable as submitted by the Contractor, and TEDS in resubmission batch/vouchers (Batch/Voucher Resubmission Number is greater than zero), will be excluded from the claims processing cycle time calculation. Only a single processing time will be calculated per claim. The cycle time calculation for initial submission TED records is one plus the difference between the Julian date the claim processed to completion, and the claim receipt date. The cycle time calculation for TED adjustments is one plus the difference between the Julian date the TED record was identified as an adjustment (Date Adjustment Identified not zero), and the date the adjusted record processed to completion.

H.4.6. TED Edit Accuracy

H.4.6. Standard: The accuracy rate for TED edits shall not be less than:

90% in months seven through nine;
95% in months ten through eleven
96% in months twelve through twenty-three
97% in month twenty-four through contract close.

H.4.6. Beginning in month seven of Option Period 1, for each month that the accuracy rate for TED edits is not met, a performance guarantee shall be applied as follows: Based on data from the TMA TEDs data base, if the Contractor fails to meet the standard, a performance guarantee amount of $3.00 for each TED record not meeting the standard will be assessed. For example, if only 85% of all TEDs pass editing in month seven, then a performance guarantee amount equal to 5% of all TEDs submitted during the month will be assessed (5% equals the difference between the Contractor’s actual performance and the standard in this example). If 5% equates to 1,000 TEDs, the performance guarantee amount will be $3,000.00 or 1,000 times $3.00.

H.5. EVOLVING PRACTICES, DEVICES, MEDICINES, TREATMENTS AND PROCEDURES

H.5.1. Medical practices and procedures are expected to continue developing during the period of this contract: some will increase and some will decrease the cost of medical care. These changes will include practices, devices, medicines, treatments and procedures that previously were excluded from the benefits as unproven. The Contractor underwrites the cost of all drugs covered under this contract; and devices, and medical treatments or medical procedures that move from unproven to proven; and shall implement the move from unproven to proven as required at no change in contract price or underwriting fixed fee. Changes to the requirements

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caused by changes in the statutory definitions of the benefit or new benefits added by statute will be implemented under the Changes clause.

H.5.2. TRICARE can only cover costs for medically necessary supplies and services. Regulatory procedures are in place at 32 C.F.R. 199.4(g)(15) that describe the procedure for evaluating the safety and efficacy of unproven drugs, devices, medical treatments, or medical procedures. The Contractor shall be responsible for routinely reviewing the hierarchy of reliable evidence, as defined in 32 C.F.R. 199.2.

H.6. Post-Award Organization Conflicts of Interest / Impaired Objectivity

The Contractor is responsible to prevent, avoid, or mitigate any situation where the Contractor may have potential performance conflicts of interests due to Contractor financial interests, multiple internal allegiance or impaired objectivity where the best interests of the Government could be compromised. This includes, but is not limited to, the Contractor's role as a fiscal intermediary and in its role in pursuing waste, fraud and abuse (TOM Chapter 13) involving organizations in which the Contractor has a financial interest. If situations that had not previously been addressed before award of the contract change or emerge after the award of this contract, and at any time during performance of the contract, the Contractor will immediately notify the Contracting Officer, in writing, of the nature of the actual or potential performance conflict. The Contractor shall submit a plan of action to the Contracting Officer within 30 days of notification, outlining the actions the Contractor has taken or proposes to take to avoid, neutralize, or mitigate the actual or potential performance conflicts of interest. The Government reserves the right, in case of a breach, misrepresentation or nondisclosure, to terminate this contract, disqualify the Contractor from subsequent related contractual efforts, or pursue any remedy permitted by law or this contract.

H.7. Third Party Information

It may become necessary in the performance of this contract to review proprietary information from other Contractors. The Contractor shall protect all proprietary information from unauthorized use or disclosure and refrain from using the information for any purpose other than that for which it was furnished. At the request of the other Contractor or the Contracting Officer, the Contractor shall execute agreements with third party companies furnishing data in connection with work performed under this contract. Nondisclosure agreements shall be completed by the Contractor, all employees, and subcontractors who obtain access to proprietary information. Safeguards shall be implemented to restrict access to proprietary information and to avoid, neutralize, or mitigate potential conflicts of interest.

H.8. AWARD FEE

The award fee will be administered two times per contract option period (semi-annually) in accordance with the award fee plan. The award fee pool is as shown in Section B and awarded portions, if any, will be disbursed two times per contract option period. Unawarded portions of

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the award fee pool do not carry forward and are not available for any subsequent award fee period. The amount of the award fee pool will not change after contract award.

H.9. QUARTERLY CLAIMS PROCESSING AND PAYMENT ACCURACY COMPLIANCE REVIEWS

H.9.1. TRICARE Encounter Data (TED) batch/voucher payment records are utilized to validate the accuracy of claims payment for this compliance review. Results from this review will be used to measure the Contractors claims processing performance and assess the Contractor's compliance with TRICARE claims processing performance standards as stipulated in the TOM, Chapter 1, Section 3, Paragraph 7.1 – Claims Processing Accuracy. At the time of the compliance review, TED records in batch/vouchers that have not passed TEDS validity edits, or which are otherwise unprocessable as submitted by the Contractor, will be excluded from this review sample.

H.9.2. Quarterly Compliance Review Sampling Methodology, Required Contractor Documentation, Payment Error Determinations and Compliance Review Rebuttal Procedures.

H.9.2.1. Sampling Methodology: There will be one non-denied payment sample type for this compliance review. Records to be sampled will be "net" records (i.e., the sum of transaction records available at the time the sample was drawn related to the initial transaction record). Payment samples will be stratified at multiple levels, either by payment amount or by other claims-based parameters, such as type of care and/or type of provider (variables of the stratification will be defined prior to the data pull). Samples will be drawn from all TED records with Government payment amounts greater than zero, although the Government may choose to exclude certain claims strata from the sampling frame. In addition, the Government will conduct a one-hundred percent (100%) review of all records with Government payment amounts meeting or exceeding a high dollar threshold determined by the Government (i.e., $200,000).

H.9.2.2. Required Contractor Documentation: Upon receipt of the TEDs ICN listing from the DHA, the Contractor shall retrieve and compile claims processing documentation for each selected TED record. All documentation must be received at DHA or the designated compliance review Contractor within forty-five (45) calendar days from the date of the DHA letter transmitting the ICN listing. The Contractor shall submit one legible copy of each claim (i.e., CMS 1500, UB 92/04, etc.) and the following required documents in the agreed upon electronic data file format and electronic transmission method as stipulated in the MOU established between the Contractor and the designated compliance review Contractor (reference Section C-2.7.12.2). Required documentation includes, but is not limited to, the following:

a) Claim-related correspondence when attached to claim or related to the adjudication action, such as status inquiries, written and/or telephone, development records, and other telephone conversation records.
b) Other claim-related documentation, such as medical reports and medical review records, coding sheets, all authorization and referral forms and their supporting documentation, referrals for civilian medical care (e.g. SF Forms 513 or 2161),

other health insurance and third party liability documents, discounted rate agreements to include the following information:
1) Provider name and identification number; and
2) Effective and termination dates of agreements.

c) Negotiated rate(s), per diem rate(s), state prevailing fee(s) or fee schedule(s), Diagnosis Related Group (DRG), Hospital Outpatient Prospective Payment System (OPPS), Skilled Nursing Facility (SNF), pricing information and such other documents as are required to support the reimbursement action(s) taken on the claim.
d) Copy of the Explanation of Benefits (EOB) (or EOB facsimile) for each claim selected.
e) Documentation to support DHA or contractor approved beneficiary participation in any DHA demonstration program.

H.9.2.2.1. The Contractor shall also send, via electronic data input, the current patient/family history (15 to 27 months) for each selected claim. This electronic data shall contain all agreed to and required data fields. The data file must be received by the DHA or the designated compliance review Contractor within forty five (45) calendar days from the date of the DHA letter transmitting the ICN listing.

H.9.2.2.2. Additional Data to be Furnished by the Contractor: The Contractor shall provide description of data elements by field position in family history file printout and field definitions for pricing, Other Health Insurance (OHI), authorization and/or referral screens, current claims adjudication guidelines used by processors, any unique internal procedure codes with narrative and cross-reference to approved TRICARE codes and pricing manuals used in claims processing. Initial submission of documentation is due to the DHA by the commencement of claims processing with the submission of revisions as they occur, by not later than the fifth (5) work day of the month following the change.

H.9.2.2.3. Documentation for any claim selected with adjustment transactions completed prior to the date of the sample must include the documentation to indicate both initial and adjustment processing actions to include claims EOBs, and pricing information.

H.9.2.3. Payment Error Determinations: Payment errors are based on the claim information available and those processing actions taken up to the time the compliance review sample is pulled. Consideration will be given to subsequent processing actions that occur prior to the date the compliance review sample is pulled, including actions that have not passed the TEDS validity edits, only if supporting documentation to indicate the action taken and the date the action was completed is submitted. Actions and determinations occurring after the date the compliance review sample is pulled will not be considered in the compliance review described in this section regardless of whether resolution of a payment error exits.

H.9.2.3.1. There are two categories of payment errors: (1) a payment error which cannot be removed by Contractor post payment processing actions; and (2) a payment error which can be removed by Contractor post payment processing actions (see list of compliance review error

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codes defining payment error categories). Payment errors which can be removed by Contractor post payment actions will also be assessed a process error at review. If Contractor post payment actions substantiate the initial processing decision, the payment error will be removed but the process error will remain. If the initial processing action is not substantiated, both the payment and the process error will remain. Claims containing process errors will not affect payment or occurrence error rates, but will be used as a performance indicator.

H.9.2.3.2. Payment errors are the amount of over/under payments on a claim, including but not limited to misapplication of the deductible, payment of non-covered services/supplies, or payment of services/supplies for which a benefit cannot be determined based on the information available at the time of processing or a payment in the correct amount but sent to the wrong payee. The measure of the payment error is the TED record.

H.9.2.3.3. Payment errors will be assessed if a claim is selected for review and the Contractor cannot produce the claim or the claim provided is not auditable. For TEDs that do not represent a legitimate condition requiring submission of a record as defined in the TRICARE Systems Manual (TSM), a 100 percent error will be assessed. This condition is considered to be an unsupported TED. The payment error amount(s) will be based on either the institutional TEDs data field - Amount Paid by Government Contractor (TOTAL) or the non-institutional TEDs data field – Amount Paid by Government Contractor by Procedure Code, as submitted by the Contractor. The Contractor has the option of submitting the original document in those cases where the copy is not legible. DHA or the designated compliance review Contractor will return the original documents upon completion of the compliance review process.

H.9.2.3.4. Computation of the “Total Amount Billed” for Non-Denied Institutional Claims. For treatment encounters for which no per diem, negotiated rate or DRAG based amount applies for consideration of payment, the “Total Amount Billed” is the actual amount billed on the claim and as it appears on the TED record. This applies to treatment encounters involving services from DRG-exempt hospitals and hospital units, those involving DRG-exempt services and those which would otherwise be subject to the DRG-based payment methodology but for which a DRG allowed amount cannot be computed, regardless of whether or not these claim are paid.

H.9.2.3.5. For treatment encounters subject to the TRICARE per diem payments, negotiated rate, or the DRG reimbursement methodology, the “total amount billed” is the correct per diem, negotiated rate, or DRG-based allowable amount including any applicable outlier amounts.

H.9.2.3.6. The following are payment errors on which post payment actions are either not applicable or would not remove the payment errors assessed.

04K - Cost-Share/Deductible Error
07K - Duplicate Services Paid
08K - Eligibility Determination — Patient
09K - Eligibility Determination — Provider
12K - Non-Availability Statement Error

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13K - Other Health Insurance (OHI) / Third Party Liability (TPL) – Government Payment Miscalculated
14K - OHI Payment Omitted
15K - Payee Wrong-Sponsor/Patient
16K - Payee Wrong- Provider
17K - Participating/Non-Participating Error
18K - Pricing Incorrect
19K - Procedure Code Incorrect
20K - Signature Error
22K - DRG Reimbursement Error
23K – Contract Jurisdiction Error
24K - Incorrect Benefit Determination
25K - Claim Not Provided
26K - Claim Not Auditable
27K - Incorrect MCS System

H.9.2.3.7. The following are payment errors on which post-payment actions may support original processing. On rebuttal, if documentation is provided that supports the processing actions, the payment errors could be removed but the process errors would remain.

01K -Authorization/Pre-Authorization needed (all except the Extended Care Health Option (ECHO) and Adjunctive Dental Authorizations)
02K - Unsupported Benefit Determination
03K - Billed Amount Incorrect
05K - Development Claim Denied Prematurely
06K - Development Required
10K - Medical Emergency Not Substantiated
11K - Medical Necessity/Review Not Evident
21K - Timely—Filing Error
99K - Other - This payment error is very general and claims would have to be reviewed on an individual basis with regard to post-payment actions.

H.9.2.3.8. The following are procedural/documentation errors which will be assessed to document the Contractor's procedural errors and documentation problems which impact the compliance review process or indicate a situation of contractual non-compliance which is identifiable during the compliance review and requires follow-up corrective action. These errors are not payment errors and are not used to calculate the payment error rate or to determine unallowable costs.

01L - Compliance Review Documentation Incomplete
02L - Compliance Review Documentation Illegible
03L - Documentation Submitted Late
04L - EOB Incorrect

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05L - CA/NAS Questionable
06L - Error in Claims History
07L - Reserved
08L - Erroneous Claim Split
09L - Erroneous TED Record Split
10L - Adjustment – No Authorizing Official
11L - Contract Jurisdiction Error

H.9.2.4. Compliance Review Rebuttal Procedures: Contractor rebuttals of initial payment error findings must be submitted to the DHA or designated compliance review Contractor within thirty (30) calendar days of the date of the DHA transmittal letter. Rebuttal comments not postmarked or received by the designated compliance review Contractor within 30-calendar days of the transmittal letter will be excluded from further consideration. Rebuttal error determinations are considered final and will not receive further consideration except when during the rebuttal process the Contractor submits a claim not previously submitted with the initial claims compliance review process and an error is assessed on rebuttal, or when the Contractor's rebuttal explanation of the basis on which a claim was processed results in the assessment of a new error not previously reviewed by the Contractor. Contractor rebuttal responses to new errors must be post marked or received by the designated compliance review Contractor within 30-calendar days of the DHA transmittal letter. Rebuttal comments to new errors not submitted within 30-calendar days from the date of the DHA transmittal letter will be excluded from further consideration.

H.9.2.4.1. The due dates of the Contractor's rebuttal comments will be calculated by adding 30 days to the Julian calendar date of the DHA rebuttal transmittal letter or by adding 30 days to the Julian calendar date of the DHA second rebuttal transmittal letter.

H.9.3. DENIED CLAIM COMPLIANCE REVIEWS

H.9.3.1. TED batch/voucher payment records are utilized to determine the validity of claims payment denials by the Contractor. Results from this review will be used to assess the Contractors compliance with TRICARE claims processing performance standards as stipulated in the TOM, Chapter 1, Section 3, Paragraph 7.1 – Claims Processing Accuracy. At the time of the reviews, TED records in batch/vouchers that have not passed TEDS validity edits, or which are otherwise unprocessable as submitted by the Contractor, will be excluded from this review sample.

H.9.3.2. Sampling Methodology: The Government shall review denied claims (i.e., TED records with Type of Submission equal to 'D' and "O") to ensure that healthcare services/supplies are not being denied inappropriately and to validate the correct application of other health insurance (OHI) payments that render a claim with zero government liability. The denied claims compliance reviews will occur on a six month basis but at the Government's discretion, the frequency may change to a 12-month compliance review cycle based on review results or other factors that my impact this review. The Government will review one-hundred

percent (100%) of all denied claims with Billed Amounts meeting or exceeding a high dollar threshold determined by the Government (i.e., $200,000), and claims falling below this threshold will be randomly selected for review. The total sample size is not expected to exceed 100 claims per review cycle, but this may change at the Government's discretion if it is determined that the Contractor's performance does not meet the TRICARE claims processing performance standard for denied claims.

H.9.3.3. Required Contractor Documentation: Reference guidance provided in paragraph H-9.2.2 through H.9.2.2.3 above.

H.9.3.4. Denied Claims Compliance Review Error Determinations: The compliance review error codes (K codes) indicated in Section H.9.2.3.6 and H.9.2.3.7 above, applies to this review. There are two categories of payment errors: (1) a payment error, which cannot be removed by Contractor post payment processing actions; and (2) a payment error, which can be removed by the Contractor's post payment processing action. Payment errors which can be removed by contractor post payment actions will also be assessed a process error at review. If contractor post payment actions substantiate the initial processing decision, the payment error will be removed but the processing error will remain. If the initial processing action is not substantiated, both the payment and the process error will remain. Claims containing process errors will not affect payment or occurrence error rates, but will be used as a performance indicator.

H.9.3.4.1. Payment errors for the denied claims review are the amount of underpayments on a claim, including but not limited to the denial of a payable claim, incorrect denial based on patient/sponsor ineligibility, claim incorrectly denied for duplicate services/procedures or services incorrectly denied as non-covered for which a benefit determination cannot be based on the information available at the time of processing. Process errors result from: noncompliance with a required procedure or process, such as development required but not performed; medical emergency not substantiated; medical necessity review not evident and is cited in conjunction with a payment error (K code). Process error determinations are based on the claim information available and those processing actions which have passed the TEDS validity edits up to the time the review sample is pulled.

H.9.3.4.2. Computation of the "Total Amount Billed" for Denied Institutional Claims. For treatment encounters for which no per diem, negotiated rate or DRG-based amount applies for consideration of payment, the "Total Amount Billed" is the actual amount billed on the claims. This applies to treatment encounters involving services from DRG-exempt hospitals and hospital units, those involving DRG-exempt services and those which would otherwise be subject to the DRG-based payment methodology but for which a DRG allowed amount cannot be computed, regardless of whether or not these claim are paid.

H.9.3.4.3. For treatment encounters subject to the TRICARE per diem payments, negotiated rate, or the DRG reimbursement methodology, the "total amount billed" is the correct per diem, negotiated rate, or DRG-based allowable amount including any applicable outlier amounts.

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H.9.3.4.4. The following are process errors which will be assessed for noncompliance of a required procedure/process. These errors are neither payment errors nor occurrence errors and are not used to calculate the payment error or occurrence error rate. A payment error (K code) will be assessed along with the process error. Upon rebuttal, if the process is followed to conclusion and the actions support the original decision, the payment error will be removed but the process error will remain.

01P - Authorization/Pre-authorization needed (ECHO and adjunctive dental authorizations)
02P - Unsupported Benefit Determinations
05P - Development Claim Denied Prematurely
06P - Development Required
10P - Medical Emergency Not Substantiated
11P - Medical Necessity/Review Not Evident
21P - Timely Filing Error
23P - Contract Jurisdiction Error
99P - Other

H.9.3.4.5. The following are procedural/documentation errors which will be assessed to document the contractor's procedural errors and documentation problems which impact the review process or indicate a situation of contractual non-compliance which is identifiable during the review and requires follow-up corrective action. These errors are not payment errors and are not used to calculate the Contractors denied claims review performance error rates.

01L - Compliance review Documentation Incomplete
02L - Compliance review Documentation Illegible
03L - Documentation Submitted Late
04L - EOB Incorrect
05L - CA/NAS Questionable
06L - Error in Claims History
07L - Reserved
08L - Erroneous Claim Split
09L - Erroneous TED Record Split
10L - Adjustment – No Authorizing Official
11L - Contract Jurisdiction Error

H.9.3.5. Denied Claims Review Rebuttals: Contractor rebuttals of initial payment error findings must be submitted to the DHA or designated compliance review Contractor within 30-calendar days of the date of the review transmittal letters. Rebuttal comments not postmarked or received by the designated compliance review Contractor within 30-calendar days of the transmittal letter will be excluded from further consideration. Rebuttal error determinations are considered final and will not receive further consideration except when during the rebuttal process the Contractor submits a claim not previously submitted with the initial claims review

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process and an error is assessed on rebuttal, or when the Contractor's rebuttal explanation of the basis on which a claim was processed results in the assessment of a new error not previously reviewed by the Contractor. Contractor rebuttal responses to new errors must be post marked or received by the designated compliance review Contractor within 30-calendar days of the DHA transmittal letter. Rebuttal comments to new errors not submitted within 30-calendar days from the date of the DHA transmittal letter will be excluded from further consideration.

H.9.3.5.1. The due dates of the Contractor's rebuttal comments will be calculated by adding 30 days to the Julian calendar date of the DHA rebuttal transmittal letter or by adding 30 days to the Julian calendar date of the DHA second rebuttal transmittal letter.

H.9.4. TED RECORD OCCURRENCE COMPLIANCE REVIEWS

H.9.4.1. The purpose of this review is to assess the Contractor's compliance with TEDS record coding requirements as stipulated in TSM, Chapter 2, Section 2. Results from this review will be used to assess Contractor claims processing performance as stipulated in the TOM, Chapter 1, Section 3, Paragraph 1.7.2 – Claim Occurrence Errors. TEDS batch/voucher payment records are utilized to measure the contractor claims processing performance based on the results of this compliance review. The Contractors occurrence error rate is defined as the total number of errors divided by the total number of data fields in the sample times 100.

H.9.4.2. Sampling Methodology: There will be one sample type for this compliance review. The occurrence sample will be drawn from TED records which passed TEDS validity edits. The sample universe will include underwritten and non-underwritten health care TED records for denied and non-denied payment types. The occurrence compliance reviews will occur on a quarterly contract option period basis, but this may change to a 6 month basis at the Government's discretion. For each compliance review cycle the Government will randomly select up to 500 TED records for review. TED records to be sampled will be "net" records (i.e. the sum of transaction records available at the time the sample was drawn related to the initial transaction record). At the time of the compliance review, TED records in batch/vouchers that have not passed TEDS validity edits, or which are otherwise unprocessable as submitted by the Contractor, will be excluded from this review sample.

H.9.4.3. Required Contractor Documentation: Reference guidance provided in H.9.2.3 through H.9.2.3.3 above.

H.9.4.4. Occurrence Error Determinations: Occurrence error determinations are based on only the claim information available and those processing actions taken at the time of adjudication. Actions and determinations occurring subsequent to the processed date of an reviewed claim, such as obtaining other health insurance documentation, adjusting a claim to correct financial or other data fields, or developing for required information not obtained prior to processing are not a consideration of the compliance review regardless of whether a resolution of the incorrectly coded TEDs results.

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H.9.4.4.1. Occurrence errors result from an incorrect entry in any data field of the TEDs. There are no exceptions. Any error, including errors in financial fields, shall be counted as occurrence errors. Some TED record error conditions are not attributed to any one specific data field but apply to the record as a whole or to certain parts of the record. In addition to erroneous data field coding, incorrect or unsupported records can result in occurrence errors being assessed as indicated.

H.9.4.4.2. The processing errors (P codes) referenced in H.9.5.4.4 and procedural/ documentation errors (L codes) referenced in H.9.2.4.8 above, are applicable as an error condition for the Occurrence compliance reviews. These errors are not occurrence errors and are not used to calculate the Contractors occurrence performance error rate.

H.9.4.5. Quarterly Occurrence Error Determination Rebuttals: Contractor rebuttals of initial occurrence error findings must be submitted to the DHA or designated compliance review Contractor within 30-calendar days of the date of the compliance review transmittal letters. Rebuttal comments not postmarked or received by the designated compliance review Contractor within 30-calendar days of the transmittal letter will be excluded from further consideration. Rebuttal error determinations are considered final and will not receive further consideration except when during the rebuttal process the Contractor submits a claim not previously submitted with the initial claims review process and an error is assessed on rebuttal, or when the Contractor's rebuttal explanation of the basis on which a claim was processed results in the assessment of a new error not previously reviewed by the Contractor. Contractor rebuttal responses to new errors must be post marked or received by the designated compliance review Contractor within 30-calendar days of the DHA transmittal letter. Rebuttal comments to new errors not submitted within 30-calendar days from the date of the DHA transmittal letter will be excluded from further consideration.

H.9.4.5.1. The due dates of the Contractor's rebuttal comments will be calculated by adding 30 days to the Julian calendar date of the DHA rebuttal transmittal letter or by adding 30 days to the Julian calendar date of the DHA second rebuttal transmittal letter.

Error Categories	Errors Condition Specific to Data Field
A	Incorrect Claim Information
B	Incorrect Patient/Sponsor Information
C	Incorrect Provider Information
D	Incorrect Admission/Discharge Information (Institutional TED Record)
E	Incorrect Diagnosis/Treatment Information (Institutional TED Record)
F	Incorrect Diagnosis Information (Non-Institutional TED Records)
G	Incorrect Financial Information
H	Incorrect Institutional Revenue Data

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I Incorrect Non-Institutional Claims/Provider/Utilization

H.10 ANNUAL UNDERWRITTEN UNALLOWABLE HEALTH CARE COST COMPLIANCE REVIEW (Reference FAR Clause 52.216-7, ALLOWABLE COST AND PAYMENT (DEC 2002) (DEVIATION)

H.10.1. TRICARE Encounter Data (TED) batch/voucher payment records are utilized to determine unallowable costs based on the results of this health care cost compliance review. The total unallowable amount is calculated on a per record basis, using all fields used to calculate a batch/voucher header total, and for TED records processed into the TEDS database within a specified option period. The total amount reimbursed by the Government will be calculated using all edited TEDS batch/vouchers with resubmission number equal to zero. At the time of the compliance review, TED records in batch/vouchers that have not passed TEDS validity edits, or which are otherwise unprocessable as submitted by the Contractor, will be excluded from this review sample. The Government reserves its rights under FAR 42.801 to disallow costs identified as unallowable through means other than this compliance review, when such costs are not included in the compliance review sample universe.

H.10.2. Unallowable Cost Sampling Methodology, Application of Results, Required Contract Documentation, Payment Error Determinations and Cost Compliance Review Rebuttals.

H.10.2.1. Sampling Methodology: There will be one non-denied payment sample type for this compliance review. For each contract option period, a stratified random sample of up to 10,000 claims (i.e. TED records) from the universe of non-denied underwritten claim payments will be used to estimate the total overpayment amount (i.e. unallowable costs), in the claims universe. Payment samples will be stratified at multiple levels, either by payment amount or by other claims-based parameters, such as type of care and/or type of provider (variables of the stratification will be defined prior to the data pull). Samples will be drawn from all TED records with Government payment amounts greater than zero, although the Government may choose to exclude certain claims strata from the sampling frame. In addition, the Government will conduct a one-hundred percent (100%) compliance review of all records with Government payment amounts meeting or exceeding a high dollar threshold determined by the Government (i.e., $200,000). The unallowable cost amount found in this 100% compliance review will be added to the unallowable costs estimated based on the sampling of claims with payment amounts under the high-dollar threshold.

H.10.2.1.2. Samples will be drawn from underwritten TED records that have passed all TEDS validity edits and that have processed into the TEDS database through the last TEDS processing cycle following the end of the contract option period. Compliance review samples will be drawn from TED records that have processed into the TEDS database from cycle one of month one through the final TEDS processing cycle of the last month of the compliance review cycle. The Government will draw samples within 60-calendar days following the end of each contract option period. Records to be sampled will be “net” records (i.e., the sum of the compliance review cycle transaction records available).

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H.10.2.1.3. The Government will provide, at the same time the Internal Control Number (ICN) sample listing is issued, a complete listing of all TED records that encompass the compliance review universe for the respective compliance review cycle. At that time, the Contractor shall identify all TED records that are from claims with “admission dates” (for institutional TED records) and/or TED records with “begin dates of care/service” (for non-institutional TED records) prior to the contracts start of healthcare delivery. The Contractor shall provide a list of such claims, including any supporting documentation (if appropriate), not later than forty-five (45) calendar days after receipt of the ICN listing to substantiate the exclusion of such records from the compliance review universe.

H.10.2.2. Application of Compliance Review Results: All claims in the sample determined to have been underpaid will be deemed to have an improper payment amount of zero so as to not offset the overpayments. Overpayments from the sample will be extrapolated to the review universe to determine the total unallowed cost. The extrapolation will be based on the estimated average overpayments to payments in the compliance review universe. The point estimate (E) of unallowed cost in the universe will be deemed the unallowable cost amount, provided that the lower bound (LB) of a one-sided ninety-percent (90%) confidence interval for E is at least 95% as large as E. Otherwise, LB will be deemed as the unallowable cost amount.

H.10.3. Required Contractor Documentation: Reference guidance provided in paragraph H-9.2.2 through H.9.2.2.3 above.

H.10.4. Payment Error Determinations: Reference guidance provided in paragraph H.9.2.3 through H.9.2.3.7 above.

H.10.5. Unallowable Cost Compliance Review Rebuttals: Contractor rebuttals of initial payment error findings must be submitted to the DHA or designated compliance review Contractor within thirty (30) calendar days of the date of the DHA transmittal letter. Rebuttal comments not postmarked or received by the designated compliance review Contractor within 30-calendar days of the transmittal letter will be excluded from further consideration. Rebuttal error determinations are considered final and will not receive further consideration except when during the rebuttal process the Contractor submits a claim not previously submitted with the initial claims compliance review process and an error is assessed on rebuttal, or when the Contractor’s rebuttal explanation of the basis on which a claim was processed results in the assessment of a new error not previously reviewed by the Contractor. Contractor rebuttal responses to new errors must be post marked or received by the designated compliance review Contractor within 30-calendar days of the DHA transmittal letter. Rebuttal comments to new errors not submitted within 30-calendar days from the date of the DHA transmittal letter will be excluded from further consideration.

H.10.5.1. The due dates of the Contractor’s rebuttal comments will be calculated by adding 30 days to the Julian calendar date of the DHA rebuttal transmittal letter or by adding 30 days to the Julian calendar date of the DHA second rebuttal transmittal letter.

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H.10.5.2. Rebuttal comments for the unallowed healthcare cost compliance review shall be certified by a responsible official of the Contractor as to accuracy and completeness. Rebuttals submitted for further consideration by the compliance review Contractor that are then upheld may be re-reviewed by the Government to ensure the accurate assessment of payment errors by the compliance review Contractor.

H.10.6. Unallowable Cost Recoupment Process

H.10.6.1. Upon completion of the unallowable cost compliance review process described above, the Contracting Officer will determine the amount, if any, of unallowable costs /overpayments made by the Contractor. The Contracting Officer will notify the Contractor of the disallowed amount and will either deduct that amount from current payments, or provide other instructions for the return of the disallowed amount The Contractor Officer in said notice will define the method that the Contractor's liability shall be satisfied, i.e. offset; direct reimbursement to the Government.

H.10.6.2. The Contractor may choose to seek recoupments from its providers for overpayments identified in the unallowable cost compliance review. Such collections shall be processed through TEDs in accordance with Section G.2. of the contract. For claims that were included in the unallowable cost compliance review universe, this results in the Contractor reimbursing the Government twice for the same action. The Government recognizes this could potentially constitute a duplicate recoupment action. The Contractor may not retain monies it subsequently recovered from providers which may be in excess of the determined unallowable cost. Monies collected in excess of the unallowed cost amount must be returned to the Government. The following manual process will be utilized to provide reimbursement (if deemed appropriate) to the Contractor for these potentially duplicate recoupments.

H.10.7. Manual Process for Validating Recoupments Arising From Unallowed Cost Compliance reviews

H.10.7.1. The Contractor shall submit quarterly reports for all overpayments recouped from records that were included in the unallowed cost compliance review universe. This report (preferably in Excel format) will be due to the Contracting Officer no later than the end of the month following the end of each contract calendar quarter (i.e., June 30, September 30, December 31, and March 31). The report shall identify:

1) Records included in the compliance review universe by TED Record Indicator (TRI);
2) The date of recoupment/adjusted action;
3) The cycle in which the recoupment/adjusted TED record was accepted into the TEDs database;
4) The amount of the recoupment/adjusted, and;
5) A report indicator of 'C' identifying the recoupment as a unallowed cost compliance review recoupment or a report indicator of 'T' identifying the recoupment as a unallowed cost compliance review Third Party (TP) recoupment.

H.10.7.2. Within 90-business days of receipt of the report, the Government will validate that the identified records were included in the compliance review universe, the recoupment/adjusted amount, and the acceptance of the TED record (passes all validity edits) against the TRICARE transactions file. Any TED record that does not meet the reporting criteria and is unable to be validated will be reported back to the Contractor with a request for additional information to justify reimbursement.

H.10.7.3. When the Government has completed its review of the Contractor's quarterly report, the Contractor will be instructed in writing by the Contracting Officer to invoice the Government for all verified claims amounts. Overpayments collected in excess of the determined unallowed cost shall be returned to the Government.

H.11. INTEGRATED PROCESS TEAMS

H.11.1. The Government may develop major contract and program changes through Integrated Process Teams (IPTs). IPTs will not be formed for all contract changes, but generally will be formed for complex, system-wide issues. The IPT process required in this section begins the date when the Contracting Officer notifies the Contractor in writing. The Contractor will provide the appropriate personnel (as agreed to by the Contracting Officer and the Contractor) to serve on IPTs to develop and/or improve the technical, business, and implementation approach to any proposed TRICARE program contract changes within 14 calendar days after written notification by the Contracting Officer.

H.11.2. The Contractor shall participate in all required meetings as determined by the Government team lead within the change milestones described in this section, regardless of how they are held (in person, via teleconference, by video- teleconference, or through electronic conferences). The frequency and scheduling will vary depending on the topic. The Contractor will participate with the Government team in the entire process from concept development through the final requirement. The IPT process required in this section includes developing the Government's budgetary cost estimates, identifying requirements, developing associated rough order of magnitude cost estimates, and preparing the final specification/statement of work. The IPT process required in this section will end at this point, thus this requirement does not include post-change order activities, such as implementation/coordination meetings, and definitization efforts, whose costs are allocable to the change.

H.12. EXPRESSLY UNALLOWABLE HEALTH CARE COSTS

This contract identifies certain cost categories that are not underwritten health care costs. These are known as expressly unallowable underwritten health care costs. This includes, but is not limited to, the payments over the allowed amounts specified in the TRICARE Manuals. Any payment made by the Contractor that is expressly unallowable is borne by the Contractor and shall not be reported or billed as underwritten health care costs. The Contractor must account

for these payments at the individual claim level. These unallowable amounts shall be available for review by the Contracting Officer or designee.

H.13. INSURANCE LIABILITY COVERAGES

In accordance with FAR 28.306(b) and as incorporated by reference in Section I, FAR 52.228-5, INSURANCE – WORK ON A GOVERNMENT INSTALLATION (JAN 1997), the following minimum liability coverages are stated below:

(a) Workers' compensation and employer's liability. The Contractor is required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with a contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least $100,000 shall be required, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers. (See 28.305(c) for treatment of contracts subject to the Defense Base Act.)

(b) General liability.

(1) The contractor shall be required to provide bodily injury liability insurance coverage written on the comprehensive form of policy of at least $500,000 per occurrence.

(2) Property damage liability insurance shall be required only in special circumstances as determined by the agency.

(c) Automobile liability. The contractor shall be required to provide automobile liability insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the United States shall provide coverage of at least $200,000 per person and $500,000 per occurrence for bodily injury and $20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

H.14. CONFLICTS OF INTEREST

H.14.1. Covered DoD Officials
The Contractor is hereby notified that an actual or potential conflict of interest may exist with Covered DoD officials, as defined by DFARS 252.203-7000. In addition to the requirements of DFARS 252.203-7000, the Contractor must get approval from the Contracting Officer prior to the involvement of the covered DoD official in the performance of this contract or render the

approval of a mitigation plan. Failure by the Contractor to comply may subject the Contractor to rescission of this contract, suspension, or debarment in accordance with 41 U.S.C. 423(e)(3).

H.14.2. Impaired Objectivity
The Contractor is responsible to prevent, avoid, or mitigate any situation where the Contractor may have potential performance conflicts of interests due to Contractor financial interests, multiple internal allegiance or impaired objectivity where the best interests of the Government could be compromised. This includes, but is not limited to, the Contractor's role as a fiscal intermediary and in its role in pursuing waste, fraud and abuse (TOM Chapter 13) involving providers, provider groups, hospitals, entities, or health care related businesses in which the Contractor has a financial interest. If situations that had not previously been addressed before award of the contract change or emerge after the award of this contract, and at any time during performance of the contract, the Contractor will immediately notify the Contracting Officer, in writing, of the nature of the actual or potential performance conflict. The Contractor shall submit a plan of action to the Contracting Officer within 30 days of notification, outlining the actions the Contractor has taken or proposes to take to avoid, neutralize, or mitigate the actual or potential performance conflicts of interest.

H.14.3. Post Award Organizational Conflicts of lnterest:
The Contractor agrees that if an actual or potential organizational conflict of interest is discovered after the award of this contract and at any time during performance of the contract, the Contractor will immediately notify the Contracting Officer, in writing, of the nature of the actual or potential conflict. The Contractor shall submit a plan of action to the Contracting Officer within 30 days of notification, outlining the actions the Contractor has taken or proposes to take to avoid, neutralize, or mitigate the actual or potential organizational conflict of interest. The Government reserves the right, in case of a breach, misrepresentation or nondisclosure, to terminate this contract, disqualify the Contractor from subsequent related contractual efforts, or pursue any remedy permitted by law or this contract.

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FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)
This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:
http://farsite.hill.af.mil
(End of Clause)

FAR 52.202-1 Definitions. (NOV 2013)

FAR 52.203-3 Gratuities. (APR 1984)

FAR 52.203-5 Covenant Against Contingent Fees. (MAY 2014)

FAR 52.203-6 Restrictions on Subcontractor Sales to the Government. (SEP 2006)

FAR 52.203-7 Anti-Kickback Procedures. (MAY 2014)

FAR 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity. (MAY 2014)

FAR 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity. (MAY 2014)

FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions. (OCT 2010)

FAR 52.203-13 Contractor Code of Business Ethics and Conduct. (APR 2010)

FAR 203-14 Display of Hotline Poster (DEC 2007)

FAR 52.203-17 Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights. (APR 2014)

FAR 52.204-4 Printed or Copied Double-Sided Post Consumer Fiber Content (MAY 2011)

FAR 52.204-9 Personal Identity Verification of Contractor Personnel. (Jan 2011)

FAR 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards. (AUG 2012)

FAR 52.204-13 System for Award Management Maintenance (JUL 2013)

FAR 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (AUG 2013)

FAR 52.209-9 Updates of Publicly Available Information Regarding Responsibility Matters. (JUL 2013)

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SECTION I
CONTRACT CLAUSES

FAR 52.209-10 Prohibition on Contracting With Inverted Domestic Corporations (MAY 2012)

FAR 52.210-1 Market Research. (APR 2011)

FAR 52.211-15 Defense Priority and Allocation Requirements. (APR 2008)

FAR 52.215-2 Audit and Records – Negotiation (OCT 2010)

FAR 52.215-8 Order of Precedence - Uniform Contract Format. (OCT 1997)

FAR 52.215-11 Price Reduction for Defective Certified Cost or Pricing Data - Modifications. (AUG 2011)

FAR 52.215-13 Subcontractor Certified Cost or Pricing Data - Modifications. (OCT 2010)

FAR 52.215-15 Pension Adjustments and Asset Reversions. (OCT 2010)

FAR 52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions. (JUL 2005)

FAR 52.215-19 Notification of Ownership Changes. (OCT 1997)

FAR 52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data - Modifications. (OCT 2010) – Alternate III (OCT 1997)

(c) Submit the cost portion of the proposal via the following electronic media:
MICROSOFT EXCEL Format with formulas

(End of Clause)

FAR 52.215-22 Limitations on Pass-Through Charges – Identification of Subcontract Effort (OCT 2009)

FAR 52.215-23 Limitations on Pass-Through Charges (OCT 2009)

FAR 52.216-7 Allowable Cost and Payment (JUN 2013)

FAR 52.216-8 Fixed Fee (JUN 2011)

FAR 52.217-8 Option to Extend Services. (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to

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prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the contractor within 90 calendar days of contract expiration.

FAR 52.217-9 Option to Extend the Term of the Contract. (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the contractor within 30 calendar days before the contract expires; provided that the Government gives the contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 6 years.

FAR 52.219-8 Utilization of Small Business Concerns. (MAY 2014)

FAR 52.219-9, Small Business Subcontracting Plan (DEVIATION 2013-O0014) (AUG 2013) – (ALT II (OCT 2001)
(l) (2) SSR
(i) Reports submitted under individual contract plans
(C) If a prime Contractor and/or subcontractor is performing work for more than one executive agency, a separate report shall be submitted to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over $650,000 (over $1.5 million for construction of a public facility) and contains a subcontracting plan. For DoD, a consolidated report shall be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DoD prime Contractors.
(D) The consolidated SSR shall be submitted annually for the twelve month period ending September 30. The report is due 30 days after the close of the reporting period.

(End of Clause)

FAR 52.219-16 Liquidated Damages – Subcontracting Plan. (JAN 1999)

FAR 52.222-3 Convict Labor. (JUN 2003)

FAR 52.222-17 Non-Displacement of Qualified Workers Under Service Contracts (MAY 2014)

FAR 52.222-21 Prohibition of Segregated Facilities. (FEB 1999)

FAR 52.222-26 Equal Opportunity. (MAR 2007)

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FAR 52.222-35 Equal Opportunity for Veterans. (JUL 2014)

FAR 52.222-36 Affirmative Action for Workers with Disabilities. (JUL 2014)

FAR 52.222-37 Employment Reports on Veterans. (JUL 2014)

FAR 52.222-40 Notification of Employee Rights Under the National Labor Relations Act. (DEC 2010)

FAR 52.222-50 Combating Trafficking in Persons. (FEB 2009)

FAR 52.222-54 Employment Eligibility Verification. (AUG 2013)

FAR 52.223-6 Drug-Free Workplace. (MAY 2001)

FAR 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving. (AUG 2011)

FAR 52.224-1 Privacy Act Notification. (APR 1984)

FAR 52.224-2 Privacy Act. (APR 1984)

FAR 52.225-13 Restrictions on Certain Foreign Purchases. (JUN 2008)

FAR 52.227-1 Authorization and Consent. (DEC 2007)

FAR 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (DEC 2007)

FAR 52.227-14 Rights in Data--General. (MAY 2014)

FAR 52.229-3 Federal, State, and Local Taxes. (FEB 2013)

FAR 52.230-2 Cost Accounting Standards (MAY 2014)

FAR 52.230-6 Administration of Cost Accounting Standards (JUN 2010)

FAR 52.232-1 Payments. (APR 1984) ALT I (FEB 2002)

FAR 52.232-11 Extras. (APR 1984)

FAR 52.232-17 Interest (MAY 2014)

FAR 52.232-18 Availability of Funds. (APR 1984)

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FAR 52.232-19 Availability of Funds for the Next Fiscal Year. (APR 1984)

Funds are not presently available for performance under this contract beyond 30 SEP 20XX. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond these dates identified above, until funds are made available to the Contracting Officer for performance and until the contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

FAR 52.232-23 Assignment of Claims. (MAY 2014)

FAR 52.232-25 Prompt payment. (JUL 2013)

FAR 52.232-33 Payment by Electronic Funds Transfer - Central Contractor Registration. (JUL 2013)

FAR 52.232-39 Unenforceability of Unauthorized Obligations (JUN 2013)

FAR 52.232-99 Providing Accelerated Payment to Small Business Subcontractors (DEC 2013)

FAR 52.233-1 Disputes. (JUL 2002) - Alternate I (DEC 1991)

FAR 52.233-3 Protest after Award. (AUG 1996)

FAR 52.233-4 Applicable Law for Breach of Contract Claim. (OCT 2004)

FAR 52.237-3 Continuity of Services. (JAN 1991)

FAR 52.239-1 Privacy or Security Safeguards. (AUG 1996)

FAR 52.242-13 Bankruptcy. (JUL 1995)

FAR 52.243-1 Changes - Fixed-Price. (AUG 1987) – ALTERNATE I (APR 1984)

FAR 52.243-2 Changes – Cost Reimbursement (AUG 1987)

FAR 52.243-6 Change Order Accounting. (APR 1984)

FAR 52.243-7 Notification of Changes. (APR 1984)

FAR 52.244-2 Subcontracts. (OCT 2010)

FAR 52.244-5 Competition in Subcontracting. (DEC 1996)

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FAR 52.244-6 Subcontracts for Commercial Items. (JUL 2014)

FAR 52.249-2 Termination for Convenience of the Government (Fixed-Price). (APR 2012)

FAR 52.249-6 -- Termination (Cost-Reimbursement).(MAY 2004)

FAR 52.249-8 Default (Fixed-Price Supply and Service). (APR 1984)

FAR 52.252-6 Authorized Deviations in Clauses (APR 1984)

The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(End of Clause)

FAR 52.253-1 Computer Generated Forms. (JAN 1991)

DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) SOLICITATION/CONTRACT CLAUSES

DFARS 252.201-7000 Contracting Officer's Representative. (DEC 1991)

(a) "Definition. Contracting officer's representative" means an individual designated in accordance with subsection 201.602-2 of the Defense Federal Acquisition Regulation Supplement and authorized in writing by the contracting officer to perform specific technical or administrative functions.

(b) If the Contracting Officer designates a contracting officer's representative (COR), the contractor will receive a copy of the written designation. It will specify the extent of the COR's authority to act on behalf of the contracting officer. The COR is not authorized to make any commitments or changes that will affect price, quality, quantity, delivery, or any other term or condition of the contract.

DFARS 252.203-7000 Requirements Relating to Compensation of Former DoD Officials. (SEP 2011)

DFARS 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies. (DEC 2008)

DFARS 252.203-7002 Requirement to Inform Employees of Whistleblower Rights. (SEP 2013)

DFARS 252.203-7003 Agency Office of the Inspector General. (DEC 2012)

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The agency office of the Inspector General referenced in paragraphs (c) and (d) of FAR clause 52.203-13, Contractor Code of Business Ethics and Conduct, is the DoD Office of Inspector General at the following address:

Department of Defense Office of Inspector General
Investigative Policy and Oversight

Contractor Disclosure Program

4800 Mark Center Drive, Suite 11H25
Alexandria, VA 22350-1500

Toll Free Telephone: 866-429-8011

252.203-7004 Display of Fraud Hotline Poster(s). (DEC 2012)

(a) *Definition*. "United States," as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) *Display of fraud hotline poster(s)*.

(1) The contractor shall display prominently in common work areas within business segments performing work in the United States under Department of

Defense (DoD) contracts DoD hotline posters prepared by the DoD Office of the Inspector General. DoD hotline posters may be obtained via the internet at http://www.dodig.mil/HOTLINE/hotline_posters.htm.

(2) If the contract is funded, in whole or in part, by Department of Homeland Security (DHS) disaster relief funds, the DHS fraud hotline poster shall be displayed in addition to the DoD fraud hotline poster. If a display of a DHS fraud hotline poster is required, the contractor may obtain such poster from:

_____________________Not Applicable____________________________________.

(3) Additionally, if the contractor maintains a company website as a method of providing information to employees, the contractor shall display an electronic version of the poster(s) at the website.

(c) *Subcontracts*. The contractor shall include the substance of this clause, including this paragraph (c), in all subcontracts that exceed $5 million except when the subcontract—

(1) Is for the acquisition of a commercial item; or

(2) Is performed entirely outside the United States.

(End of clause)

DFARS 252.204-7000 Disclosure of Information. (AUG 2013)

DFARS 252.204-7002 Payment for Subline Items Not Separately Priced. (DEC 1991)

DFARS 252.204-7003 Control of Government Personnel Work Product. (APR 1992)

DFARS 252.205-7000 Provision of Information to Cooperative Agreement Holders. (DEC 1991)

DFARS 252.209-7004 Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country. (MAR 2014)

DFARS 252.215-7000 Pricing Adjustments. (DEC 2012)

DFARS 252.219-7003 Small Business Subcontracting Plan (DoD Contracts). (Deviation 2013-O0014)

***

(a) *Definitions*. As used in this clause--***

“Summary Subcontract Report (SSR) Coordinator,” means the individual who is registered in eSRS at the Department of Defense (9700).

*****

(h)(1) For DoD, the contractor shall submit reports in eSRS as follows:

(i) The Individual Subcontract Report (ISR) shall be submitted to the contracting officer at the procuring contracting office, even when contract administration has been delegated to the Defense Contract Management Agency.

(ii) To submit the consolidated SSR for an individual subcontracting plan in eSRS, the contractor identifies the Government Agency in Block 7 (“Agency to which the report is submitted”) by selecting the “Department of Defense (DoD) (9700)” from the top of the second dropdown menu. Do not select anything lower.

(2) For DoD, the authority to acknowledge receipt or reject reports in eSRS is as follows:

(i) The authority to acknowledge receipt or reject report in the ISR resides with the contracting officer who receives it, as described in paragraph (h)(1)(i) of this clause.

(ii) The authority to acknowledge receipt or reject SSRs in eSRS resides with the SSR Coordinator.

(End of Clause)

DFARS 252.223-7004 Drug-Free Work Force. (SEP 1988)

DFARS 252.225-7004 Report of Intended Performance Outside the United States and Canada--Submission after Award. (FEB 2014)

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DFARS 252.225-7006 Quarterly Reporting of Actual Contract Performance Outside the United States. (OCT 2010)

DFARS 252.225-7993 Prohibition on Contracting with the Enemy (DEVIATION 2014-00020)

(a) The Contractor shall exercise due diligence to ensure that none of the funds received under this contract are provided directly or indirectly to a person or entity who is actively opposing United States or Coalition forces involved in a contingency operation in which members of the armed forces are actively engaged in hostilities.

(b) The Contractor shall exercise due diligence to ensure that none of their subcontracts are associated with a person or entities listed as a prohibited/restricted source in the System for Award Management at www.sam.gov.

(c) The Head of the Contracting Activity (HCA) has the authority to-

(1) Terminate this contract for default, in whole or in part, if the HCA determines in writing that the contractor failed to exercise due diligence as required by paragraph (a) and (b) of this clause; or

(2) Void this contract, in whole or in part, if the HCA determines in writing that any funds received under this contract have been provided directly or indirectly to a person or entity who is actively opposing or Coalition forces involved in a contingency operation in which members of the armed forces are actively engaged in hostilities.

(d) The substance of this clause, including this paragraph (d), is required to be included in subcontracts under this contract that have an estimated value over $50,000.

(End of clause)

DFARS 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (SEP 2004)

DFARS 252.231-7000 Supplemental Cost Principles (DEC 1991)

DFARS 252.232-7003 Electronic Submission of Payment Requests and Receiving Reports (JUN 2012)

DFARS 252.232-7006 Wide Area Workflow Payment Instructions (MAY 2013)

DFARS 252.243-7001 Pricing of Contract Modifications. (DEC 1991)

DFARS 252.243-7002 Requests for Equitable Adjustment. (DEC 2012)

DFARS 252.244-7001 Contractor Purchasing System Administration. (MAY 2014)

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(End of Section)

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SECTION J
LIST OF ATTACHMENTS AND EXHIBITS

SECTION J ATTACHMENTS

J-1 Government Required MTF Prime Service Areas

J-2 Government Required BRAC Site Prime Service Areas

J-3 Mandatory TSC Locations

J-4 CHAMPVA Fact Sheet 01-16 (AUG 06)

J-5 Clinical Quality Incentive Performance Metrics

J-6 Hypothetical Example of the External Trent Incentive Calculation

J-7 RESERVED FOR Small Business Subcontracting Plan

J-8 NIST Checklist

SECTION L ATTACHMENTS

L-1 Managed Care Support Contract T-3 Award Fee Plan

L-2 List of Data Available to Offerors

L-3 Administrative Support Service Workload Volumes

L-4 Past Performance Questionnaire

L-5 Guaranty Agreement for Corporate Guarantor

L-6 Sections C, L and M Cross Reference Table

L-7 DRAFT Quality Assurance Surveillance Plan

L-8 Government Furnished Equipment

L-9 Government Estimates for Underwritten health Care and Disease Management Costs

L-10 Government Estimated Quantity – Paper and Electronic Claims

L-11 Government Estimates Per Member Per Eligible Month Estimates for Section B

L-12 Maximum Underwritten Health Care Fixed Fee Amounts

LIST OF EXHIBITS

EXHIBIT A Service Assist Teams – Time and Material Rates

EXHIBIT B Contract Data Requirements List(s) - DD1423-1 – See Section F

(END OF SECTION)

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SECTION K
REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF BIDDERS

52.204-8 Annual Representations and Certifications (Oct 2014)

(a)

(1) The North American Industry classification System (NAICS) code for this acquisition is 524114.

(2) The small business size standard is _____$38.5M___.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b)

(1) If the provision at 52.204-7, System for Award Management, is included in this solicitation, paragraph (d) of this provision applies.

(2) If the provision at 52.204-7 is not included in this solicitation, and the offeror is currently registered in the System for Award Management (SAM), and has completed the Representations and Certifications section of SAM electronically, the offeror may choose to use paragraph (d) of this provision instead of completing the corresponding individual representations and certification in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

[_] (i) Paragraph (d) applies.

[_] (ii) Paragraph (d) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c)

(1) The following representations or certifications in SAM are applicable to this solicitation as indicated:

(i) 52.203-2, Certificate of Independent Price Determination. This provision applies to solicitations when a firm-fixed-price contract or fixed-price contract with economic price adjustment is contemplated, unless—

(A) The acquisition is to be made under the simplified acquisition procedures in Part 13;

(B) The solicitation is a request for technical proposals under two-step sealed bidding procedures; or

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(C) The solicitation is for utility services for which rates are set by law or regulation.

(ii) 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. This provision applies to solicitations expected to exceed $150,000.

(iii) 52.204-3, Taxpayer Identification. This provision applies to solicitations that do not include the provision at 52.204-7, System for Award Management.

(iv) 52.204-5, Women-Owned Business (Other Than Small Business). This provision applies to solicitations that—

(A) Are not set aside for small business concerns;

(B) Exceed the simplified acquisition threshold; and

(C) Are for contracts that will be performed in the United States or its outlying areas.

(v) 52.209-2, Prohibition on Contracting with Inverted Domestic Corporations—Representation. This provision applies to solicitations using funds appropriated in fiscal years 2008, 2009, 2010, or 2012.

(vi) 52.209-5; Certification Regarding Responsibility Matters. This provision applies to solicitations where the contract value is expected to exceed the simplified acquisition threshold.

(vii) 52.214-14, Place of Performance--Sealed Bidding. This provision applies to invitations for bids except those in which the place of performance is specified by the Government.

(viii) 52.215-6, Place of Performance. This provision applies to solicitations unless the place of performance is specified by the Government.

(ix) 52.219-1, Small Business Program Representations (Basic & Alternate I). This provision applies to solicitations when the contract will be performed in the United States or its outlying areas.

(A) The basic provision applies when the solicitations are issued by other than DoD, NASA, and the Coast Guard.

(B) The provision with its Alternate I applies to solicitations issued by DoD, NASA, or the Coast Guard.

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(x) 52.219-2, Equal Low Bids. This provision applies to solicitations when contracting by sealed bidding and the contract will be performed in the United States or its outlying areas.

(xi) 52.222-22, Previous Contracts and Compliance Reports. This provision applies to solicitations that include the clause at 52.222-26, Equal Opportunity.

(xii) 52.222-25, Affirmative Action Compliance. This provision applies to solicitations, other than those for construction, when the solicitation includes the clause at 52.222-26, Equal Opportunity.

(xiii) 52.222-38, Compliance with Veterans' Employment Reporting Requirements. This provision applies to solicitations when it is anticipated the contract award will exceed the simplified acquisition threshold and the contract is not for acquisition of commercial items.

(xiv) 52.223-1, Biobased Product Certification. This provision applies to solicitations that require the delivery or specify the use of USDA-designated items; or include the clause at 52.223-2, Affirmative Procurement of Biobased Products Under Service and Construction Contracts.

(xv) 52.223-4, Recovered Material Certification. This provision applies to solicitations that are for, or specify the use of, EPA- designated items.

(xvi) 52.225-2, Buy American Certificate. This provision applies to solicitations containing the clause at 52.225-1.

(xvii) 52.225-4, Buy American--Free Trade Agreements--Israeli Trade Act Certificate. (Basic, Alternates I, II, and III.) This provision applies to solicitations containing the clause at 52.225- 3.

(A) If the acquisition value is less than $25,000, the basic provision applies.

(B) If the acquisition value is $25,000 or more but is less than $50,000, the provision with its Alternate I applies.

(C) If the acquisition value is $50,000 or more but is less than $79,507, the provision with its Alternate II applies.

(D) If the acquisition value is $79,507 or more but is less than $100,000, the provision with its Alternate III applies.

(xviii) 52.225-6, Trade Agreements Certificate. This provision applies to solicitations containing the clause at 52.225-5.

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(xix) 52.225-20, Prohibition on Conducting Restricted Business Operations in Sudan--Certification. This provision applies to all solicitations.

(xx) 52.225-25, Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certification. This provision applies to all solicitations.

(xxi) 52.226-2, Historically Black College or University and Minority Institution Representation. This provision applies to solicitations for research, studies, supplies, or services of the type normally acquired from higher educational institutions; and

(2) The following certifications are applicable as indicated by the Contracting Officer:

[Contracting Officer check as appropriate.]

___ (i) 52.222-18, Certification Regarding Knowledge of Child Labor for Listed End Products.

___ (ii) 52.222-48, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Certification.

___ (iii) 52.222-52 Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Certification.

___ (iv) 52.223-9, with its Alternate I, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (Alternate I only).

___ (v) 52.227-6, Royalty Information.

___ (A) Basic.

___ (B) Alternate I.

___ (vi) 52.227-15, Representation of Limited Rights Data and Restricted Computer Software.

(d) The offeror has completed the annual representations and certifications electronically via the SAM Web site accessed through https://www.acquisition.gov . After reviewing the SAM database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically that apply to this solicitation as indicated in paragraph (c) of this provision have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes

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identified below *[offeror to insert changes, identifying change by clause number, title, date]*. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR Clause	Title	Date	Change

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on SAM.

(End of Provision)

FAR 52.209-7 Information Regarding Responsibility Matters (Jul 2013)

(a) *Definitions*. As used in this provision—

"Administrative proceeding" means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (*e.g.*, Securities and Exchange Commission Administrative Proceedings, Civilian Board of Contract Appeals Proceedings, and Armed Services Board of Contract Appeals Proceedings). This includes administrative proceeding at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include agency actions such as contract audits, site visits, corrective plans, or inspection of deliverables.

"Federal contracts and grants with total value greater than $10,000,000" means—

(1) The total value of all current, active contracts and grants, including all priced options; and

(2) The total value of all current, active orders including all priced options under indefinite-delivery, indefinite-quantity, 8(a), or requirements contracts (including task and delivery and multiple-award Schedules).

"Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (*e.g.*, general manager; plant manager; head of a division or business segment; and similar positions).

(b) The offeror [_] has [_] does not have current active Federal contracts and grants with total value greater than $10,000,000.

(c) If the offeror checked "has" in paragraph (b) of this provision, the offeror represents, by submission of this offer, that the information it has entered in the Federal Awardee Performance and Integrity Information System (FAPIIS) is current, accurate, and complete as of the date of submission of this offer with regard to the following information:

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(1) Whether the offeror, and/or any of its principals, has or has not, within the last five years, in connection with the award to or performance by the offeror of a Federal contract or grant, been the subject of a proceeding, at the Federal or State level that resulted in any of the following dispositions:

(i) In a criminal proceeding, a conviction.

(ii) In a civil proceeding, a finding of fault and liability that results in the payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more.

(iii) In an administrative proceeding, a finding of fault and liability that results in—

(A) The payment of a monetary fine or penalty of $5,000 or more; or

(B) The payment of a reimbursement, restitution, or damages in excess of $100,000.

(iv) In a criminal, civil, or administrative proceeding, a disposition of the matter by consent or compromise with an acknowledgment of fault by the Contractor if the proceeding could have led to any of the outcomes specified in paragraphs (c)(1)(i), (c)(1)(ii), or (c)(1)(iii) of this provision.

(2) If the offeror has been involved in the last five years in any of the occurrences listed in (c)(1) of this provision, whether the offeror has provided the requested information with regard to each occurrence.

(d) The offeror shall post the information in paragraphs (c)(1)(i) through (c)(1)(iv) of this provision in FAPIIS as required through maintaining an active registration in the System for Award Management database via https://www.acquisition.gov (see 52.204-7).

(End of provision)

FAR 52.230-1 Cost Accounting Standards Notices and Certification (May 2012)

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

I. Disclosure Statement -- Cost Accounting Practices and Certification

(a) Any contract in excess of $700,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

Caution: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

* (1) *Certificate of Concurrent Submission of Disclosure Statement.* The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows:

(i) Original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable; and

(ii) One copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement: __________________ Name and Address of Cognizant ACO or Federal Official Where Filed: __________________________

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

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* (2) *Certificate of Previously Submitted Disclosure Statement.* The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement: __________________ Name and Address of Cognizant ACO or Federal Official Where Filed: _________________________

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

* (3) *Certificate of Monetary Exemption.* The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling $50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

* (4) *Certificate of Interim Exemption.* The offeror hereby certifies that

(i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and

(ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraph (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

Caution: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of $50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

II. Cost Accounting Standards -- Eligibility for Modified Contract Coverage

If the offeror is eligible to use the modified provisions of 48 CFR 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below.

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Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

* The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than $50 million in awards of CAS-covered prime contracts and subcontracts. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

Caution: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of $50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of $50 million or more.

III. Additional Cost Accounting Standards Applicable to Existing Contracts

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

* yes * no

(End of Provision)

FAR 52.230-7 -- Proposal Disclosure—Cost Accounting Practice Changes. (APR 2005)

The offeror shall check “yes” below if the contract award will result in a required or unilateral change in cost accounting practice, including unilateral changes requested to be desirable changes.

[ ] Yes [ ] No

If the offeror checked “Yes” above, the offeror shall--

(1) Prepare the price proposal in response to the solicitation using the changed practice for the period of performance for which the practice will be used; and

(2) Submit a description of the changed cost accounting practice to the Contracting Officer and the Cognizant Federal Agency Official as pricing support for the proposal.

(End of provision)

DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) SECTION K PROVISIONS

DFARS 252.203-7005 Representation Relating to Compensation of Former DoD Officials (NOV 2011)

(a) *Definition.* “Covered DoD official” is defined in the clause at 252.203-7000, Requirements Relating to Compensation of Former DoD Officials.

(b) By submission of this offer, the offeror represents, to the best of its knowledge and belief, that all covered DoD officials employed by or otherwise receiving compensation from the offeror, and who are expected to undertake activities on behalf of the offeror for any resulting contract, are presently in compliance with all post-employment restrictions covered by 18 U.S.C. 207, 41 U.S.C. 2101-2107, and 5 CFR parts 2637 and 2641, including Federal Acquisition Regulation 3.104-2.

(End of provision)

252.204-7007 Alternate A, Annual Representations and Certifications. (AUG 2014)

Substitute the following paragraphs (d) and (e) for paragraph (d) of the provision at FAR 52.204-8:

(d)(1) The following representations or certifications in the System for Award Management (SAM) database are applicable to this solicitation as indicated:

(i) 252.209-7001, Disclosure of Ownership or Control by the Government of a Terrorist Country. Applies to all solicitations expected to result in contracts of $150,000 or more.

(ii) 252.209-7003, Reserve Officer Training Corps and Military Recruiting on Campus—Representation. Applies to all solicitations with institutions of higher education.

(iii) 252.216-7008, Economic Price Adjustment—Wage Rates or Material Prices Controlled by a Foreign Government. Applies to solicitations for fixed-price supply and service contracts when the contract is to be performed wholly or in part in a foreign country, and a foreign government controls wage rates or material prices and may during contract performance impose a mandatory change in wages or prices of materials.

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(iv) 252.225-7042, Authorization to Perform. Applies to all solicitations when performance will be wholly or in part in a foreign country.

(v) 252.225-7049, Prohibition on Acquisition of Commercial Satellite Services from Certain Foreign Entities—Representations. Applies to solicitations for the acquisition of commercial satellite services.

(vi) 252.229-7012, Tax Exemptions (Italy)—Representation. Applies to solicitations and contracts when contract performance will be in Italy.

(vii) 252.229-7013, Tax Exemptions (Spain)—Representation. Applies to solicitations and contracts when contract performance will be in Spain.

(viii) 252.247-7022, Representation of Extent of Transportation by Sea. Applies to all solicitations except those for direct purchase of ocean transportation services or those with an anticipated value at or below the simplified acquisition threshold.

(2) The following representations or certifications in SAM are applicable to this solicitation as indicated by the Contracting Officer: [*Contracting Officer check as appropriate*.]

___ (i) 252.209-7002, Disclosure of Ownership or Control by a Foreign Government.

___ (ii) 252.225-7000, Buy American—Balance of Payments Program Certificate.

___ (iii) 252.225-7020, Trade Agreements Certificate.

___ Use with Alternate I.

___ (iv) 252.225-7031, Secondary Arab Boycott of Israel.

___ (v) 252.225-7035, Buy American—Free Trade Agreements—Balance of Payments Program Certificate.

___ Use with Alternate I.

___ Use with Alternate II.

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___ Use with Alternate III.

___Use with Alternate IV.

___ Use with Alternate V.

(e) The offeror has completed the annual representations and certifications electronically via the SAM website at https://www.acquisition.gov/. After reviewing the SAM database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically that apply to this solicitation as indicated in FAR 52.204-8(c) and paragraph (d) of this provision have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer, and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below *[offeror to insert changes, identifying change by provision number, title, date]*. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR/DFARS Provision #	Title	Date	Change

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications located in the SAM database.

(End of provision)

252.204-7010 Requirement for Contractor to Notify DoD if the Contractor's Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol. (JAN 2009)

As prescribed in 204.470-3, use the following clause:

REQUIREMENT FOR CONTRACTOR TO NOTIFY DOD IF THE CONTRACTOR'S ACTIVITIES ARE SUBJECT TO REPORTING UNDER THE U.S.-INTERNATIONAL ATOMIC ENERGY AGENCY ADDITIONAL PROTOCOL (JAN 2009)

(a) If the Contractor is required to report any of its activities in accordance with Department of Commerce regulations (15 CFR Part 781 *et seq.*) or Nuclear Regulatory Commission regulations (10 CFR Part 75) in order to implement the declarations required by the U.S.-International Atomic Energy Agency Additional Protocol (U.S.-IAEA AP), the Contractor shall—

(1) Immediately provide written notification to the following DoD Program Manager:

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[Contracting Officer to insert Program Manager's name, mailing address, e-mail address, telephone number, and facsimile number];

(2) Include in the notification—

(i) Where DoD contract activities or information are located relative to the activities or information to be declared to the Department of Commerce or the Nuclear Regulatory Commission; and

(ii) If or when any current or former DoD contract activities and the activities to be declared to the Department of Commerce or the Nuclear Regulatory Commission have been or will be co-located or located near enough to one another to result in disclosure of the DoD activities during an IAEA inspection or visit; and

(3) Provide a copy of the notification to the Contracting Officer.

(b) After receipt of a notification submitted in accordance with paragraph (a) of this clause, the DoD Program Manager will—

(1) Conduct a security assessment to determine if and by what means access may be granted to the IAEA; or

(2) Provide written justification to the component or agency treaty office for a national security exclusion, in accordance with DoD Instruction 2060.03, Application of the National Security Exclusion to the Agreements Between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America. DoD will notify the Contractor if a national security exclusion is applied at the Contractor's location to prohibit access by the IAEA.

(c) If the DoD Program Manager determines that a security assessment is required—

(1) DoD will, at a minimum—

(i) Notify the Contractor that DoD officials intend to conduct an assessment of vulnerabilities to IAEA inspections or visits;

(ii) Notify the Contractor of the time at which the assessment will be conducted, at least 30 days prior to the assessment;

(iii) Provide the Contractor with advance notice of the credentials of the DoD officials who will conduct the assessment; and

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(iv) To the maximum extent practicable, conduct the assessment in a manner that does not impede or delay operations at the Contractor's facility; and

(2) The Contractor shall provide access to the site and shall cooperate with DoD officials in the assessment of vulnerabilities to IAEA inspections or visits.

(d) Following a security assessment of the Contractor's facility, DoD officials will notify the Contractor as to—

(1) Whether the Contractor's facility has any vulnerabilities where potentially declarable activities under the U.S.-IAEA AP are taking place;

(2) Whether additional security measures are needed; and

(3) Whether DoD will apply a national security exclusion.

(e) If DoD applies a national security exclusion, the Contractor shall not grant access to IAEA inspectors.

(f) If DoD does not apply a national security exclusion, the Contractor shall apply managed access to prevent disclosure of program activities, locations, or information in the U.S. declaration.

(g) The Contractor shall not delay submission of any reports required by the Department of Commerce or the Nuclear Regulatory Commission while awaiting a DoD response to a notification provided in accordance with this clause.

(h) The Contractor shall incorporate the substance of this clause, including this paragraph (h), in all subcontracts that are subject to the provisions of the U.S.-IAEA AP.

(End of clause)

DFARS 252.209-7999 (DEVIATION) Representation by Corporations Regarding an Unpaid Delinquent Tax Liability or a Felony Conviction under any Federal Law. (DEVIATION 2012-O0004) (JAN 2012)

(a) In accordance with sections 8124 and 8125 of Division A of the Consolidated Appropriations Act, 2012, (Pub.L. 112-74) none of the funds made available by that Act may be used to enter into a contract with any corporation that –

(1) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless the agency has considered

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suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

(2) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless the agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.

(b) The offeror represents that –

(1) It is ( ) is not ( ) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability,

(2) It is ( ) is not ( ) a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

(END OF SECTION)

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SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.1. SOLICITATION PROVISIONS

FAR 52.252-1 Solicitation Provisions Incorporated by Reference (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es): http://www.arnet.gov/far/loadmainre.html and http://www.acq.osd.mil/dpap/dars/dfars/index.htm

(End of Provision)

FAR 52.204-6 Data Universal Numbering System (DUNS) Number. (JUL 2013)

FAR 52.204-7 System for Award Management (Jul 2013)

FAR 52.211-14 Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use. (APR 2008)

Any contract awarded as a result of this solicitation will be [ ] DX rated order; [X] DO rated order certified for national defense, emergency preparedness, and energy program use under the Defense Priorities and Allocations System (DPAS) (15 CFR 700), and the contractor will be required to follow all of the requirements of this regulation.

(End of Provision)

FAR 52.215-1 Instructions to Offerors - Competitive Acquisition. (JAN 2004)

FAR52.215-16 Facilities Capital Cost of Money. (JUN 2003)

FAR 52.215-20 Requirements for Certified Cost or Pricing Data and Data Other than Certified Cost or Pricing (OCT 2010) ALT III (OCT 1997) AND ALT IV (OCT 2010)

(a) Submission of certified cost or pricing data is not required.
(b) Provide information described below: Submit the proposal cost schedules and supporting information identified in the paragraphs under L.8.2.
(c) Submit the "information other than cost or pricing data" portion of the proposal via the following electronic media: As identified in paragraphs under L.8.2.

(End of Provision)

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FAR 52.215-22 Limitations on Pass-Through Charges-Identification of Subcontract Effort (OCT 2009)

FAR 52.216-1 Type of Contract. (APR 1984)

The Government contemplates award of a primarily cost-plus fixed-fee contract; firm-fixed price; time and material; with performance award fee and performance incentive fees resulting from this solicitation.

FAR 52.216-30 Time and Materials/Labor-Hour Time-and-Materials/Labor-Hour Proposal Requirements-Non-Commercial Item Acquisition Without Adequate Price Competition (FEB 2007) (CLINs XXX, XXX, XXX)
(a) The Government contemplates award of a Time-and-Materials or Labor-Hour type of contract resulting from this solicitation.
(b) The offeror must specify separate fixed hourly rates in its offer that include wages, overhead, general and administrative expenses, and profit for each category of labor to be performed by:
(1) The offeror;
(2) Each subcontractor; and
(3) Each division, subsidiary, or affiliate of the offeror under a common control.
(c) Unless exempt under paragraph (d) of this provision, the fixed hourly rates for services transferred between divisions, subsidiaries, or affiliates of the offeror under a common control:
(1) Shall not include profit for the transferring organization; but
(2) May include profit for the prime Contractor.
(d) The fixed hourly rates for services that meet the definition of commercial item at 2.101 that are transferred between divisions, subsidiaries, or affiliates of the offeror under a common control may be the established catalog or market rate when it is the established practice of the transferring organization to price interorganizational transfers at other than cost for commercial work of the offeror or any division, subsidiary or affiliate of the offeror under a common control.
(End of Provision)

FAR 52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation (FEB 1999)

FAR 52.222-46 Evaluation of Compensation for Professional Employees (Feb 1993)

FAR 52.233-2 Service of Protest. (SEP 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer by obtaining written and dated acknowledgment of receipt from the Contracting Officer, address in Block 7 of the Standard Form 33.
(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

(End of Provision)

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SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

FAR 52.237-1 Site Visit (APR 1984)

FAR 52.252-5 Authorized Deviations in Provisions. (APR 1984)
The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the provision.

(End of Provision)

DFARS 252.204-7004 Alternate A, System for Award Management (FEB 2014)

DFARS 252.225-7003 Report of Intended Performance Outside the United States and Canada--Submission with Offer (OCT 2010

L.2. GENERAL INSTRUCTIONS

L2.1. The Government will conduct full and open competition after exclusion of sources in this solicitation to foster an adequate number of viable Contractors to reduce any risk to the stability of the administration of the TRICARE program, and to ensure the continuous availability of health care services for TRICARE beneficiaries. Therefore, the Government will award two contracts for managed care support services to two different prime Contractors under this solicitation. There will be one TRICARE Region (i.e., geographical area for contract performance) per contract award. The selection of two different prime Contractors will occur even if a potential Contractor submits proposals for more than one contract region and each of the proposals is evaluated as the best value for the Government for the contract region of submission. In such a situation, the Government will select the awardees in accordance with Section M.2.1.2.

L.2.2. The Government will, subject to FAR 9.604 Limitations, recognize the integrity and validity of Contractor team arrangements provided the arrangements are identified and company relationships are fully disclosed in an offer. For purposes of exclusion of sources under this solicitation, a company or business entity identified in an offer as a potential prime Contractor shall be considered to include the named company or business entity, its parent or subsidiary, or a company or business entity directly related to the company or business entity through common (regardless of the percentage) ownership, control, or management (whether by a parent company or otherwise). Under this solicitation, no company or business entity may be awarded more than one contract as a prime Contractor. In addition, if a contract is awarded to a prime Contractor in which a company or business entity has formed a business arrangement (e.g., partnership, joint venture, LLC) to act as a prime Contractor, any offeror which includes that company or business entity in a business arrangement to act as a potential prime Contractor, shall be excluded from award of the other one contract under this solicitation.

L.2.3. Offerors are cautioned to follow the instructions provided in this section carefully to assure the Government receives consistent information in a form that will facilitate proposal evaluation. Proposals that take exception to inclusion of specific requirements in the resultant contract shall not be considered. Offerors may propose on one or both regions. Offerors shall

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submit only one offer per region, and alternative offers will not be accepted or evaluated by the Government. Although offerors may propose separately on both regions, an offeror will only be awarded a single region. Proposals with conditional pricing for the award of both regions will not be considered.

L.2.4. This section provides general guidance for preparing proposals as well as specific instructions on the format and content of the proposal. In addition to the offer, the offeror's proposal must include all data and information requested in this solicitation and must be submitted in accordance with these instructions. The offer shall be compliant with the requirements as stated in the solicitation and applicable attachments. Non-conformance with the instructions provided in the solicitation and this section may result in an unfavorable proposal evaluation or rejection of the proposal. The proposal shall be clear, concise, and shall include sufficient detail for effective evaluation and for substantiating the validity of stated claims. Attachment L-7, Sections L, M, and C Cross Reference Table are provided to assist offerors.

L.2.5. The offeror's initial offer should contain the offeror's best terms from a price or cost and technical standpoint. The Government reserves the right to seek information clarifying any element of an offer or other information submitted in Volumes I-V prior to awarding without discussions. This request for information serves to clarify certain aspects of proposals (e.g. the relevance of an offeror's past performance information and adverse past performance information to which the offeror has not previously had an opportunity to respond) or to resolve minor or clerical errors. This exchange shall not be used to cure weaknesses or material omissions of the offer, or materially alter the technical or cost information in the proposal. Under no circumstances will the offeror revise its offer in response to clarification questions; any such revision will not be considered. If the Government determines that it is necessary to conduct discussions; the Contracting Officer will establish the competitive range. If the Contracting Officer decides that an offeror's proposal should no longer be included in the competitive range, the proposal will be excluded from consideration for award; and written notice of this decision will be provided to unsuccessful offerors in accordance with FAR 15.503. If it is determined necessary, the Contracting Officer will notify offerors remaining within the competitive range to schedule discussions..

L.2.6. The proposal shall not simply rephrase or restate the Government's requirements, but rather shall provide convincing rationale to address how the offeror intends to meet these requirements. Offerors shall assume that the Government has no prior knowledge of their facilities, capabilities, and experience. The Government will base its evaluation on the information presented, plus any additional past performance information obtained by the Government from other sources.

L.2.7. Offerors shall submit their anticipated organizational structure at least fifteen (15) calendar days prior to the initial proposal due date. The organizational structure must include the prime Contractor and first tier subcontractors. The organizational structure shall include addresses and telephone numbers. In the case of a joint venture or other business structure, a clear description of the organizational relationships must be disclosed.

L.2.8. ORGANIZATIONAL CONFLICTS OF INTEREST

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L.2.8.l. The Offeror's attention is directed to FAR, Subpart 9.5, "Organizational and Consultant Conflicts of Interest."

L.2.8.2. It is the position of DHA that the following companies, due to the nature of their performance with DHA, have an actual or potential organizational conflict of interest, which must be avoided, neutralized, or mitigated: A-Team Solutions, LLC; Architecture, Engineering, Consulting, Operations and Management (AECOM); Axiom Resource Management Inc; Booz Allen Hamilton; Cherokee Information Services Inc. and their subcontractors: OST Global Solutions Inc. and ThinkQ; Kennell and Associates Inc; Compliance Automation Inc; E.R. Williams Inc; Information Technology Solutions & Consulting, LLC (ITSC); Intellidyne, LLC; Keystone Peer Review Organization, Inc. (KePRO); Kforce Government Solutions, Inc (KGS); Lockheed-Martin; National Government Services, Inc.; SofTec Solutions, Inc.

L.2.8.3. The offeror shall represent in writing within the proposal that, to the best of the offeror's knowledge, there are no relevant facts or circumstances concerning any past, present, or potential contracts or financial interest relating to the work to be performed, which could give rise to an organizational conflict of interest, as described in FAR, Subpart 9.5. In the event an actual or potential organizational conflict of interest exist, the offeror shall submit a mitigation plan to the Contracting Officer as soon as possible, but no later than 15 calendar days prior to the proposal due date, that effectively demonstrates how the offeror will mitigate any actual or potential organizational conflict of interest while supporting this contract and any other DHA contract. The offeror shall also provide the Contracting Officer, no later than 15 calendar days prior to the proposal due date, with information of previous or ongoing work that is in any way associated with this solicitation.

L.2.8.4. The Contracting Officer will review all mitigation plans to determine whether award to the offeror is consistent with FAR, Subpart 9.5. If the Contracting Officer determines that no conflict would arise or that the mitigation plan adequately protects the interest of the Government, the offeror will be eligible for award. If the Contracting Officer determines that the mitigation plan is inadequate, remedial actions will be considered, including elimination from the solicitation process, termination of related contract efforts already awarded, or negotiation of the mitigation plan.

L.2.8.5. The above restrictions shall be included in all subcontracts, teaming arrangements, and other agreements calling for performance of work which is subject to the organizational conflict of interest restrictions identified in these provisions.

L.2.8.6. The offeror acknowledges the full force and effect of these provisions. The Government reserves the right, in case of a breach, misrepresentation or nondisclosure, to terminate the resultant contract, disqualify the offeror from subsequent related contractual efforts, or pursue any remedy permitted by law, regulation or the terms and conditions of this solicitation.

L.2.9. Use of Former DoD/Defense Health Agency (DHA) Employees and Uniformed Service Members in Proposal Preparation.

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The involvement of a former DoD/DHA employee/member in an offeror's proposal preparation may give rise to an unfair competitive advantage or the appearance thereof, if the former DoD/DHA employee/ member acquired non-public, competitively-useful information in his or her former position. Such knowledge could include proprietary information of competitor's performance on past or current contracts with similar requirements or source selection sensitive information pertaining to this procurement. Consequently, the Offeror must notify the Contracting Officer *prior to* the involvement in the proposal preparation by a former DoD/DHA employee/member reasonably expected to have had access to such information. Based on the notification, the Contracting Officer will make a determination whether involvement of the former DoD/DHA employee/member in proposal preparation could create an unfair competitive advantage or appearance thereof. The Contracting Officer will further determine whether any mitigation measures taken or proposed by the offeror are adequate to alleviate this concern. Failure to comply with these procedures may result in the offeror's disqualification for award.

L.2.10. Offerors shall submit proposals to the Contracting Officer at the address indicated below. The proposals are to be in electronic and hard copy format. Hardcopies and DVD/CD-ROMs shall be submitted to:

Contracting Officer
TRICARE 2017 Managed Care Support
DHA Acquisition Management & Support
16401 East Centretech Parkway, Aurora, CO 80011-9066

Each DVD/CD and/or volume shall be marked as follows:
OFFEROR's COMPANY NAME, e.g., XYZ Corporation
H94002-15-R-0002
TRICARE 2017 Managed Care Support, Region Volume Number
DVD/CD number (e.g., 1 of 3)
Identify if the data is protected by the Privacy Act, HIPAA or both as appropriate
Date the DVD/CD was created
Software and version used

L.3. INFORMATION

L.3.1. The Contracting Officer is the sole point of contact for this procurement. Questions regarding the solicitation or other concerns are to be submitted in accordance with L.3.9.

L.3.2. Summary level data on eligible beneficiaries, direct care workload, purchased care costs, electronic and paper claims quantities, administrative support services workload volumes, and other categories are available at no cost to all interested parties. This data is located on the DHA web site and in attachments to Section L.

L.3.3. Detail level data on purchased care costs, direct care workload, eligible beneficiaries, and pharmacy workload may be ordered by potential offerors for a processing fee of $2,500.00 that will include the original data set and updated data sets, if any, for the acquisition. Offerors

should refer to the "Detail Level Data Files: Ordering Instructions and Fees" icon at the DHA solicitation web site page.

L.3.4. Offerors may access the TRICARE Manuals through the DHA website at http://manuals.tricare.osd.mil/.

L.3.5. The remarks, explanations, and answers provided by Government representatives whether orally, or in writing, shall not change or qualify any of the terms or conditions of the solicitation. The solicitation can only be changed by a formal written amendment issued by the Contracting Officer.

L.3.6. Non-Government Advisors: The expertise of Non-Government advisors may be required to support evaluation of technical proposals. When the identity of the Non-Government advisor(s) is known, DHA will immediately, provide the name(s) of the Non-Government advisor(s) by correspondence to the offerors. These advisors will have broad and comprehensive knowledge of the civilian health care industry and managed health care in particular, and will apply their expert knowledge of civilian health care industry practices and standards to assist the Government in evaluation of proposals. Non-Government advisors are subject to the limitations of FAR 7.503 and FAR Part 37.2; and shall not determine ratings or rankings of offeror's proposals or perform any inherently Governmental function.

(a) The Release of Proposal Information to Non-Government Advisors: The release of proposal information to non-Government advisors will be subject to the controls of DHA. Non-Government advisors are not allowed access to past performance information or proprietary financial data (dollar figures) contained in the price/cost proposal; however, to make technical judgments, they are allowed access to man-hours, labor categories, and lists of materials proposed.

(b) Prohibitions: Non-Government advisors are prohibited from proposal rating, ranking, or recommending the selection of a source. They are not normally allowed to participate in discussions, but may attend if requested by the chairperson(s). Non-Government advisors are not normally allowed to participate in Government decision-making meetings (Source Selection Evaluation Board (SSEB) sessions or SSA briefings), unless invited by the chairperson(s) to be present during a particular portion to provide specific technical information.

(c) Access to Proprietary Information: Non-Government advisors that have access to proprietary information in performing their roles for the Government must agree to protect the information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished. All non-Government advisors are required to sign a Non-Disclosure Statement, DHA Form 821. The Contracting Officer shall retain the signed agreements in the contract file.

(d) Organizational Conflict Of Interest (OCI): OCI clauses are included in the contracts under which non-Governmental technical advisors are performing services for the Government. The OCI clauses require the companies and individual non-Government advisors to protect offeror proprietary data and Government source selection information and prohibit the companies from

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otherwise participating as an offeror, a subcontractor as a consultant to an offeror/subcontractor in relation to this acquisition participation.

(e) Permission from Offerors: Upon review of the above limitations, and after the identity of the Non- Government advisor(s) is provided by letter to the offerors, any offeror having concerns/issues regarding these Non- Government advisors having access to its proposal information should notify the Contracting Officer of said objection or obtain a written agreement between the Non-Government advisor and the offeror in accordance with FAR 9.505-4(b), and submit to the Contracting Officer within seven (7) working days at time of notification. If no agreement or objection to the proposed non-Government advisors is submitted within the seven (7) working days, the offeror will be deemed to have consented to the limited access described above.

L.3.7. Solicitation Questions

Questions regarding this solicitation shall be submitted in writing. The Government will answer all questions prior to the deadline for proposal submittal provided those questions are received by **2:00PM Mountain Standard Time, DD MMM 201X**

Written questions may be submitted by fax or email to:

Defense Health Agency – COD-A
ATTN: Charles Hargett

Facsimile: 303-676-3987
Email: charles.hargett@dha.mil

Alternate POC:

At no time will the government answer questions regarding the solicitation to a single potential offeror without providing the answer to all potential offerors. The Government reserves the right not to respond to any questions received concerning this solicitation after the question receipt date and time above. Accordingly, offerors are encouraged to carefully review all solicitation requirements and submit questions to the Government early in the proposal cycle. It is not anticipated that the closing date for receipt of proposals will be extended.

The Government will post the answers to questions on the solicitation on www.fbo.gov .

L3.8. Pre-Proposal Conference/Site Visits

(a) A Pre-Proposal Conference/Site Visit will be conducted as follows:

Location: (s):	Site POC/Address/Phone:	Date/Time/Bldg & Room Number:
TBD	TBD	TBD

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(b) All prospective offerors are urged to attend the Pre-Proposal Conference/Site Visit. However, each company is restricted to **three (3)** attendees at the Pre-Proposal Conference/Site Visit. Exact building/room number location for the Pre-Proposal Conference/Site Visit (if changed from above) will be provided by the POC in paragraph (a) above upon receipt of visitor requests (see paragraph (c) below for Visit Requests information). Subcontractor requests are to be requested through the Prime Contractor, and Subcontractor attendees count toward the limit of three attendees.

(c) In order to attend the Pre-Proposal Conference/Site Visit, each offeror shall submit visit requests for those company officials who will attend. **Send electronic Visit Requests for the Pre-proposal Conference/Site Visit, a minimum of four (4) business days prior to the scheduled visit, on prime contractor letterhead, to the POC. A courtesy copy of the electronic visit requests shall also be submitted to the contracting officer.** The visit requests must include the reason for visit, name, date of birth, last 4 digits of the SSN, their business address and company name, and the date.

(d) Questions generated at the Pre-Proposal Conference/Site Visit shall be submitted in writing IAW L.3.9 above. At no time during the pre-proposal conferences/site visits will the government answer questions regarding the solicitation to a single potential offeror without providing the answer to all potential offerors. The government will not engage in "side-bar" question and answer sessions with any individual potential offeror. Questions submitted formally (by the date noted in paragraph L.3.9) will be answered and distributed to offerors..

(e) Failure of a prospective offeror to attend the conference or to submit any questions will be construed to mean that the offeror fully understands all requirements of the solicitation. Prospective offerors are advised that the conference will be held solely for the purpose of allowing prospective offerors the opportunity to see first-hand the operational interdependencies between the Direct Care and Purchased Care systems within the Military Health System (MHS). All prospective offerors are advised that this solicitation will remain unchanged at the conclusion of the conference, unless this solicitation is amended in writing. If an amendment is issued, normal procedures relating to the acknowledgement and receipt of any such amendment shall be applicable.

L.4. PROPOSAL PREPARATION

L.4.1. Offerors are required to provide separate proposals volumes I-V for each region it chooses to submit an offer. The overall proposal shall consist of five (5) physically separated and detachable parts/volumes, individually entitled as indicated below. Offerors are required to submit separate proposals for each region if proposing more than one region. The offeror shall provide one original, plus the number of copies as follows:

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PART/VOLUM	NAME	NO. OF COPIES
Volume I	Executed Offer, to include: • SF 33 • Completed Schedule B • Completed Section K Certs & Reps • Completed copy of paragraph G.3.5 (Points of Contact) • Completed copy of paragraph H.4.3 (Performance Guarantees) • Subcontracting Plan	3/3
Volume II	Technical to include • Written Technical Proposal (see L.6.1.) • Offered elements exceeding minimum	15/3
Volume III	Past Performance (see L.7.)	10/3
Volume IV	Price/Cost (see L.8.) • Completion of H.2	3/3
Volume V	Financial Data (see L.9.) to include Guarantee Agreement for Corporate Guarantor	3/2

L.4.2. Electronic Copies: The electronic portion of the proposal shall be submitted on DVD/CD-ROMs compatible with Microsoft Office 2010 applications. In addition, each DVD/CD must be made “final.” “Final” is a recording option that renders the DVD/CD totally used so no other data tracks can be added. Do not use compressed file formats. Use separate files to permit rapid location of all portions, including exhibits, annexes, and attachments, if any. A separate DVD/CD is required for each Volume identified above. A directory shall also be placed on the CD/DVD, if it contains more than one file. Indicate on each DVD/CD: the offeror’s name; proposal volume number; technical, past performance, price/cost proposal or financial data; proposal date; and solicitation number.

L.4.3. Paper Copies: Each paper volume must correspond to a directory on the DVD/CD. Paper copies shall be separated by Volume, each in a three-ring binder and identified with the region proposed, offeror’s name, volume number and title, proposal date and solicitation number. A separate binder is required for each Volume. All paper copy proposal narrative material shall be submitted on white paper with one inch (1") margins on all sides. The font for both DVD/CD and paper submissions shall be Times New Roman, not smaller than 12 points; however, smaller fonts on areas of the proposal that will not easily accommodate 12 point font and limited to illustrations, organization charts, supporting data exhibits, report listings or labels on process

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flows are permitted. Elaborate brochures or documentation, binding, detailed artwork, or other embellishments shall not be submitted. Footnotes on text pages shall also be in 12 point font. Proposals shall be printed double-sided only with non-duplicative, sequential page numbers at the bottom of each printed page; however, pages may be printed single-sided for Volume IV, Price/Cost only.

L.4.4. Specific Instructions for the Price/Cost Proposal: The electronic price/cost proposal shall duplicate the hardcopy version. Do not use compressed file formats. In instances where the paper copy differs from the electronic copy, the original paper volume prevails. Submitted files shall contain all formulae, calculations, and worksheet/workbook links used to compute the proposed amounts. The cell formulae, calculations, and links shall not be hidden. Print image files or those Excel files/ Excel worksheets containing only "values" are not acceptable. There is no page limit for the price/cost proposal Volume IV or for the financial viability/statements; however, brief but concise explanations, summaries, and worksheets are advised and appreciated.

L.4.5. Page Limitations: Page limitations shall be treated as maximums. If exceeded, the excess pages will not be considered in the evaluation of the proposal and will be destroyed without review. The following table contains all page limit requirements. If there is a requirement for information to be submitted in the proposal, but it is not included in the following table, then a page limitation is not applicable.

Reference and Description	Page Limit
Organization Chart	3
Written Technical Proposal	150
List of Offered Elements Exceeding Minimum Standards/Requirements	4
Past Performance Narrative	10
Summary Description of Largest Clients (see L.7.3. and L.7.4.)	3 pages per client
Resumes for Key Personnel (if applicable, see L.7.10.)	1 page per resume

L.4.6. Proposals will be reviewed for completeness and compliance with the solicitation and preparation instructions. If an offeror (1) fails or refuses to assent to any of the terms and conditions of the RFP, (2) proposes additional terms and conditions of this RFP (beyond the List of Offered elements exceeding minimum standards/requirements permitted in L.6.1.), or (3) fails to submit any of the information required by this RFP, then DHA may consider the offer to be unacceptable, which could make the offer ineligible for contract award. Offerors shall not include price information anywhere in the proposal package other than in the Price/Cost volume,

and prices in completed Section B. All pages of each proposal shall be appropriately numbered and identified with the solicitation number.

L.4.7. If final proposal revisions are required (if requested by the Contracting Officer), the offeror shall follow the final proposal revision instructions provided by the Contracting Officer.

L.5. VOLUME I, EXECUTED PROPOSAL

L.5.1. Volume 1 shall contain the signed original of all documents requiring signature of the offeror. Use of reproductions of the signed original is authorized in the copies. Offerors shall commit in writing to fulfilling the terms and conditions of the contract. All certifications and representations, to include Section K, required by the solicitation shall be completed and provided in Volume 1. The provision in Section K, FAR 52.204-8, Annual Representations and Certifications, must be completed and submitted with the proposal. An online Representations and Certifications Application is available at https://www.uscontractorregistration.com/.

L.5.2. Offerors shall include In Volume I the requirements for Small Business Participation

L.5.2.1. Offerors designated as large businesses shall include in Volume I a subcontracting plan as required by FAR 19.702, FAR 19.704, FAR 52.219-8 Utilization of Small Business Concerns, FAR 52.219-9 Small Business Subcontracting Plan, and DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts). Please note that network providers are not considered subcontractors of the prime contractor, and therefore healthcare services provided by network providers may not be counted in the subcontract plan. Additionally, offerors are advised in accordance with 10 U.S. Code 2410d, contractors may use the services and/or products of the AbilityOne program (National Industry for the Blind/National Industry for the Severely Handicapped) in meeting their small business subcontracting goals.

L.5.3. Offerors must complete, sign, and date the offer at Blocks 12 through 18 of the Standard Form 33. Source selection procedures including the evaluation of offers received in response to the solicitation are projected to require up to 270 days to complete. As a result of this, the Government requires that the Minimum Acceptance Period identified in Item 12 of the Standard Form 33 be a minimum of 270 days. The Contractor's information for paragraph G.3.5., Contractor Points of Contact shall be included in this Volume.

L.5.4. Offerors must acknowledge receipt of the amendments when submitting the offer and include the acknowledgements in this volume.

L.5.5. Offerors shall submit a completed original Section B in Volume I. Offerors are required to complete Section B, Supplies or Services and Prices/Costs. Offers submitted in response to this solicitation shall be in terms of U.S. dollars. Offerors are instructed to price the appropriate contract line items and sub-line items in Section B.

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L.6. VOLUME II, TECHNICAL PROPOSAL

L.6.1. Written Technical Proposal Submission: The offeror shall submit a written technical proposal which effectively demonstrates the offeror's understanding of the requirements, and provides a successful technical solution for the prospective contract. The written technical proposal shall also include a separate list of those elements of the offer that exceed the Government's minimum requirements including performance standards that exceed the minimum standard or additionally offered performance standards ("enhancements"). The separate list shall have a clear cross reference to where each offered element is located in the technical proposal. The technical proposal shall clearly describe each element offered and demonstrate how the offeror will meet the higher standards or exceed minimum requirements and why it is beneficial to the Government. An enhancement may be incorporated into the contract, if the Government also determines that it exceeds requirements/standards and finds it to be beneficial. Accordingly, for each enhancement, the offeror shall include adequate language that may be incorporated into the contract as an enforceable provision. The Government, at its sole discretion, may incorporate some, none or all proposed enhancements.

L.6.1.2. The proposal shall not reflect a marketing or sales presentation. Unnecessarily elaborate proposals beyond those sufficient to present a complete and effective response to this solicitation are not desired. The proposal should illustrate the offeror's capability, and clearly demonstrate the organization and methodology that will satisfy the solicitation requirements. The proposal should clearly describe the technical solution and overall approach to the solicitation requirements and address all of the subfactors identified in Section L which will be evaluated against the criteria specified within Section M of this solicitation. The proposal may have information on the offeror's experience (for this purpose, experience refers to what an offeror has done, not how well it was accomplished) in performing proposed processes and procedures. This information may be considered in the evaluation of specific technical approaches and related technical proposal risk. However, any such information in the technical proposal will not be considered for purposes of the overall past performance rating as described in Section M.7. The price/cost proposal, past performance information, and financial information shall not be addressed in the technical proposal volume, and no part of the technical proposal shall incorporate by reference portions of other volumes of the proposal.

L.6.2. Technical/Management

L.6.2.1. Subfactor 1 - Network Management

L.6.2.1.1. The offeror's proposal will include its approach for developing and maintaining an accredited, stable, high-quality network that supplements services provided by the MTF within access to care standards as defined in 32 CFR 199. Within its description, the offeror will explain its consideration of the effect of any guaranteed network discounts on the development and maintenance of this network. The offeror will provide its network sizing model, including the number of providers, types of providers, consideration of MTF capacity/capability and beneficiary population and plan to address network shortages. The offeror's proposal will

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include examples of how its network sizing model will be applied to the PSAs surrounding the following locations:

- Colorado Springs eMSM (West Region)
- Ft. Bliss (West Region)
- Camp Pendleton (West Region)
- Tidewater eMSM (East Region)
- Ft. Hood (East Region)
- Dover (East Region)

L.6.2.1.2. The offeror will describe how it will ensure access to care if MTF capabilities and capacities change, including its plan for responding to such changes on short notice. The offeror will describe how it will stay informed of potential changes, and how activities will be coordinated with the Regional Director and/or the MTF Commander.

L.6.2.1.3. The offeror will describe its methodology for directing beneficiaries to providers who demonstrate quality outcomes, lower costs and demonstrate administrative efficiencies.

L.6.2.1.4. The offeror's proposal will describe its plan, required by Section C.2.1.7, to facilitate the timely return of network provider consult reports to the MTFs.

L. 6.2.1.5. The offeror's proposal will include its approach for maintaining an accurate, real-time network provider directory. The offeror shall include in its proposal its proposed accuracy percentage (which shall be inserted into Section C.2.1.3 upon contract award).

L.6.2.2. Subfactor 2 – Referral Management

L.6.2.2.1. The offeror will describe its process for managing referrals from/to the MTF/civilian network in accordance with the TOM, Chapter 8, Section 5. The offeror will include its approach on how its referral management process directs MHS beneficiaries to the MTF; how this process will be supported through network management activities; and how the offeror proposes to meet the referral processing requirements.

L.6.2.3. Subfactor 3 – Medical Management

L.6.2.3.1. The offeror will describe its design and approach for implementing/maintaining a medical management program for MHS-eligible beneficiaries receiving care in the civilian sector. This description will include how the program will complement the medical management services available in the MTFs. The offeror will include its approach to utilization management, case management, and disease management. The offeror will describe how its process will objectively document improvements in outcomes.

L.6.2.3.2. The offeror will provide its approach in providing a Prime beneficiary-centric data warehouse, industry analytic tools, data analysis technique with evidence-based algorithms. The

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offeror will describe its systems and processes that will be utilized to discover and correct gaps in care, medical errors, and quality issues for Prime beneficiaries. The offeror will demonstrate how proposed processes for applying data stratification and predictive modeling will produce positive patient outcomes, measurable gains in quality of patient care and result in lower costs.

L.6.2.3.3 The offeror will describe its plan to implement a clinical quality management and patient safety program for MHS beneficiaries. The offeror will describe systems and processes for standardizing error reduction, as well as maintain transparency and adherence to evidence-based practices and national clinical recommendations.

L.6.2.3.4. The offeror will demonstrate how its case management program for TRICARE-eligible beneficiaries will support and manage the health care of individuals with high-cost conditions or with specific diseases for which evidenced-based clinical management programs exist.

L.6.2.3.5. The offeror will describe its disease management program and how that program will improve the clinical and satisfaction outcomes for TRICARE beneficiaries and reduce the financial burden to the Government.

L.6.2.4. Subfactor 4 – Beneficiary Satisfaction/Customer Service

L.6.2.4.1. The offeror will describe its approach in providing accurate, comprehensive customer service with knowledgeable, courteous, and responsive staff. The offeror will describe its approach for providing customer service via multiple, contemporary avenues of access.

L.6.2.4.2. The offeror will describe its approach for establishing and maintaining maximum beneficiary and provider satisfaction in a manner that meets the contract requirements throughout the period of performance.

L.6.2.4.3. The offeror will describe its approach to identifying and responding to beneficiary and provider educational needs consistent with the contract requirements.

L.6.2.5. Subfactor 5 – Claims Processing

L.6.2.5.1. The offeror will describe its plan for providing an adaptable, scalable claims processing system which incorporates industry best practices and utilizes modern, state-of-the-art software. The offeror will show how the system can easily be configured such that changes are quickly made at the lowest possible cost to the Government.

L.6.2.5.2. The offeror will describe how its proposed claims processes/methods will ensure that claims processing timeliness and accuracy standards are met.

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L.6.2.6. Subfactor 6 – Program Planning and Control

L.6.2.6.1. The offeror shall describe its staffing plan and how it will establish and maintain experienced and qualified key personnel in order to meet the requirements of this contract and support the offeror's technical approach.

L.6.2.6.2. The offeror will provide a Risk Mitigation plan which includes transition risk areas and provides risk mitigation strategies. (Note: The Risk Mitigation plan can be a separate attachment to the proposal and does not count towards the page limitation for the written technical proposal.)

L.6.2.7. Subfactor 7 - Transition

L.6.2.7.1. The offeror shall provide an Integrated Master Plan (IMP) and Integrated Master Schedule (IMS) which details of the offeror's approach to meeting transition milestones. The IMP and IMS shall demonstrate the offeror's approach to the Integrated Product and Process Development framework wherein the IMP and IMS include all necessary activities performed by all functional disciplines to produce the product required by this RFP. The IMP and IMS for purposes of the proposal will be limited to a Level 3 work breakdown structure. The IMS/IMP must be congruent with and reference all CDRLs with due dates prior to the start of healthcare delivery. (Note: The IMP/IMS can be a separate attachment to the proposal and does not count towards the page limitation for the written technical proposal).

L.7. VOLUME III, PAST PERFORMANCE INFORMATION

L.7.1. This section applies to the Prime Contractor and its first tier subcontractors. The term "Prime Contractor," for the purpose of submitting past performance information, includes an entity that is a consortium of entities. For purposes of this section, a first tier subcontractor is a company with a direct contractual relationship with the offeror and whose total contract price exceeds $100,000,000 or a subcontractor who has direct responsibility for providing/authorizing health care, managing or directing health care of TRICARE beneficiaries, or who provides claims processing services regardless of the price. For purposes of this section, a first tier subcontractor excludes institutional, professional and other providers as defined in 32 CFR 199.6. The Government will only consider relevant past performance information for ongoing contracts/agreements and contracts/agreements concluded within the last three years. (The last three (3) years is defined as: three (3) years as of 60 calendar days prior to the proposal due date.) All relevant past performance shall be submitted.

L.7.2. The offeror shall provide a narrative that describes the relevant past performance that the prime Contractor and first tier subcontractor(s) have in performing work that is relevant to this solicitation. Within the narrative the offerors are required to explain what aspects of the past performance are deemed relevant to the proposed efforts, and to what aspects the proposed efforts relate. The offeror is required to clearly demonstrate management actions employed in resolving problems and the effects of those actions, in terms of improvements achieved or problems resolved (i.e., submittal of quality performance indicators or other management indicators).

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L.7.3. In addition to the narrative described in L.7.2., the offeror shall identify the five (5) largest contracts/agreements based on gross revenues, for itself and each of its first-tier subcontractors that are currently ongoing or have concluded in the last three (3) years. For each contract/agreement, the offeror shall provide information regarding the customer, a verified point of contact for the customer (name, title, address, phone number) who will be able to discuss the offeror's performance with the Government, the functions performed, the time period covered, number of beneficiaries covered, dollar value of the contract (specifying administrative versus health care dollars), key contract standards, and the measure of performance achieved against the standard(s). A separate description shall be provided for each client not to exceed three (3) pages per client. (This summary does not count against the ten (10) page narrative limitation.)

L.7.4. The offeror and each of its first-tier subcontractors shall identify their three largest federal and/or state Government contracts, in terms of contract price, and provide the same information that is required for the top five (5) contracts as described in L.7.3. The offeror, and its first tier subcontractors, must state if it has fewer than three (3) Government contracts. (If any of the top three (3) Government accounts are already included in the top five (5) accounts, it is not necessary to repeat the information. The offeror is only to provide information for the top three (3) Government accounts if they are not already included in the top five (5) accounts in L.7.3.). A separate description shall be provided for each Government contract not to exceed three pages per contract. (This does not count against the 10-page narrative limitation.)

L.7.5. If the offeror, or its first-tier subcontractors, has had any contracts terminated for default or cause within the last three years preceding submission of the proposal, the offeror shall provide documentation detailing the reason for the termination. The documentation shall identify the customer, its address, the contracting official, and his/her telephone number. For any contract terminated for default or cause, the offeror shall provide what actions have been taken to prevent similar failures from reoccurring.

L.7.6. If the offeror, or its first tier subcontractor(s), were formed solely for the purpose of proposing on this solicitation and the parent corporation or consortium has relevant past performance, the offeror shall submit information on its top five (5) contracts/agreements on its parent organization or each member of the consortium. The offeror must document how the parent corporation's or consortium's past performance is relevant to this solicitation and the amount of involvement the parent or consortium member will have in the daily operations of the offeror.

L.7.7. The offeror shall submit for itself and each of the first tier subcontractor(s) a completed past performance questionnaire for each of the contracts/programs required in L.7.3 and L.7.4. (See Attachment L-5, Past Performance Questionnaire). These clients may return the completed questionnaires directly to DHA at the source selection office identified in Block 7 on the SF33. If not returned directly by the client, the offeror shall include the completed questionnaire(s) in the past performance proposal. It is the offeror's responsibility to have the questionnaire completed by the referenced client. The questionnaires shall be completed by the most cognizant officer of the contract/program, or if it is a Government contract, by the Contracting Officer or Contracting Officer's Representative (COR). The offeror shall not include accounts from their own

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subsidiaries, subcontractors, or other team members. The offeror, and/or its first tier subcontractor, must state if it has fewer than five (5) accounts that are relevant to this solicitation.

L.7.8. The offeror shall submit a record of its compliance with FAR 52.219-8 Utilization of Small Business concerns and 52.219-9, Small Business Subcontracting Plan including past SF294/SF295, if applicable, and all correspondence by the Contracting Officer or Small Business Specialist regarding your compliance for the past two (2) years on current or past Government contracts. There is no page limit applicable to this information.

L.7.9. The offeror shall also include past records of monetary targets for Small Disadvantaged Business participation expressed in terms of dollars for the total contract value (if this had been incorporated in past contracts as required by FAR 19.12).

L.7.10. Many companies have acquired, been acquired by, or otherwise merged with other companies, and/or reorganized their divisions, business groups, or subsidiary companies. If an offeror provides past performance information that was rendered by a predecessor company, the offeror must include a "roadmap" describing all such changes in the organization of the offeror in order to facilitate the relevancy determination. The offeror shall describe how the past performance efforts of a predecessor company are relevant to this solicitation.

L.7.11. Any offeror without past performance history relevant to this solicitation shall submit information relating to key personnel in the firm who have relevant past performance history. Offerors shall specifically identify relevant past performance efforts for each individual cited, the nature of the history and the results of the individuals efforts. Resumes of key personnel are not required and shall not be submitted if the offeror submits relevant past performance history, including that of the parent corporation, consortium, or predecessor company in accordance with L.7.6. and L.7.9.

L.8. VOLUME IV PRICE/COST ORGANIZATION/INSTRUCTIONS

L.8.1. "Data Other than Certified Cost or Pricing Data" shall be submitted by the Offeror to support the price reasonableness of its proposal. All "Data Other than Certified Cost or Pricing Data" submitted pursuant to this section is for the exclusive use of the Government. It will be handled as **business confidential and source selection sensitive**.

L.8.2. Section B. Section B constitutes the price portion of the "offer" to the Government. The unit prices, carried to two decimal places ($0.00), multiplied by the estimated quantity for each respective CLIN/SLIN shall equal the extended amount in Section B, with no rounding. For all CLINs/SLINs, if there is a discrepancy between the proposed unit prices extended by the estimated quantities and the offeror's proposed extended amounts, the proposed unit prices shall be presumed to be correct and extended accordingly by the government supplied quantities. A zero dollar figure ($0.00) entered or a line item left blank will be interpreted as the CLIN/SLIN shall be provided at no charge to the Government. In the event there is a discrepancy between the proposed prices in Volume IV, Price Proposal and the SF 33, Section B, the amounts on the SF 33, Section B - Supplies or Services and Prices/Costs shall prevail.

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L.8.3. Price/Cost Proposal Narrative: Major Cost Element Information. The offeror's proposal shall include a Price/Cost Proposal Narrative discussing its proposed prices for Transition-In, Per Member Per Month (PMPM), and Transition-Out by major cost element. The offeror shall provide the bases for the proposed costs by major cost element, including the rationale and assumptions used for its estimates. All calculations shall be fully disclosed with explanations for how the amounts were derived; the proposal data shall allow for replication and validation of the calculations, with clear tracking of key figures among the support schedules. The proposal shall identify any judgmental factors applied and the nature of any contingencies included in the proposed costs. The estimated cost to the government shall reflect the use of prudent judgment and sound business practices, including, but not limited to, compliance with governing regulations concerning estimating and accounting for costs. The proposal cost breakdowns should follow the cost accounting and estimating practices of the offeror.

L.8.4. Price/Cost Evaluation Template. In order to facilitate the government's price/cost evaluation, the offeror shall use the Price/Cost Evaluation Template provided with the RFP. The Price/Cost Evaluation Template is a set of simple Excel spreadsheets, following the general cost element configuration common in federal government contracting. The government will use the Price/Cost Evaluation Template to analyze the offeror's submitted proposed prices. There are several worksheets comprising the Price/Cost Evaluation Template: Total Proposed Prices by CLIN/SLIN, Section B Proposed Unit and Extended (Total) Prices by CLIN/SLIN, PMPM by Major Cost Element, Rate Table, Direct Labor Cost, and Other Direct Costs (ODCs).

Please Note: The government acknowledges that the contractors' cost Accounting/estimating systems may differ. No attempt was made to anticipate every method of presenting or calculating costs. The offeror is given the latitude to introduce minor adjustments to the Template. Minor adjustments would be inserting columns or rows for additional indirect rates, adding a column/row for fringe benefits not calculated with a percent applied to a base amount, etc. If adding or deleting columns/rows is not sufficient to present the proposed cost item, the offeror may add a linked spreadsheet to support and explain a cost item presented in the Template.

The offeror is responsible for its own proposal data entered into the Price/Cost Evaluation Template submission. <u>All</u> data entries, cell calculations, and links among spreadsheets and files shall be checked and verified by the offeror as correct.

The amounts and rates (direct labor and indirect rates, profit, etc.) used in the model are examples only. These figures, especially profit/fee, are not recommended by the government or in any way reflect suggested amounts. The offeror shall enter its proposed direct labor and indirect rates, profit/fee, airfare, etc., into the Template.

The FAR and DFARS provide guidance in proposal preparation and presentation. The offeror is advised to read/review the table at FAR 15-408, TABLE 15-2—INSTRUCTIONS FOR SUBMITTING COST/PRICE PROPOSALS WHEN COST OR PRICING DATA ARE REQUIRED. Though the table specifically refers to "cost or pricing data," it is still applicable to proposals requiring "other than

certified cost or pricing data." The government believes the solicitation lends itself to the offeror's proposal being prepared and presented in the format discussed in the FAR.

L.8.5. Staffing/Man-Loading. The offeror shall list its proposed staffing/man-loading by the functional areas of the template: claims, customer service, referral management, network management, medical management, enrollment, and other. **NOTE:** The offeror's staffing and staffing charts in the technical and price/cost volumes shall match/be identical.

L.8.6. Direct Labor Categories. The offeror shall provide brief descriptions/duties of the proposed labor categories. There is no limit to the number of labor categories that may be entered.

L.8.7. Full Time Equivalents (FTEs)/Productive Labor Hours Direct Labor Hours. The offeror should enter the number of FTEs in the FTE column for each labor category; the FTEs should reflect the offeror's proposed man-loading. Productive hours are the actual employee work hours for the year. It is calculated taking the total available hours (52 weeks/year x 40 hours/week = 2,080 annual hours) and deducting holidays, vacation, personal leave, etc. The annual number of work hours available and the time off may differ among offerors.

L.8.8. Direct Labor Rates: The offeror shall provide and discuss the basis for the proposed direct labor rates, such as whether the rates are current/actual (with the effective date), Forward Pricing Rate Agreement (FPRA) or Submission (FPRS), Bureau of Labor Statistics (BLS) or commercial consulting firm wage/salary survey (for example: Economist Intelligence Unit), or offeror estimate. Recent (within the last twelve [12] months) DCAA audits may serve as support documentation for the proposed direct labor rates. If weighted labor rates are used, provide the weighting factors.

L.8.9. Economics/Escalation. For the Direct Labor Rates, the offeror shall provide the bases for any proposed/projected price changes and the assumptions used: forecast source (such as Global Insight, or Economy.com), index used (index name, number/code, and title), calculations (index values used: base and projected values), and dates used (month and year for applicable index numbers). The offeror shall provide copies of the escalation forecasts as support documentation in the proposal.

L.8.10. Fringe Benefits/Allowances. The offeror shall provide a list of allowances and benefits for its OCONUS employees. The basis of the proposed allowances and benefits shall be provided and discussed. The allowance/benefit method of calculation shall be detailed, including its percentage or flat amount, the base for the application of percentages, and other relevant information.

L.8.11. Subcontractors, Team Members, and/or Interdivisional Transfers.

The offeror shall list all anticipated team member and subcontractor effort in the format of the table below, to include: team member/subcontractor name, proposed price by option period and total contract price, and service provided.

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SUBCONTRACTOR OR TEAM MEMBER NAME	PRICE PER OPTION PERIOD	TOTAL PRICE	SERVICE PROVIDED

The same level of cost element detail as required for the prime contractor shall be submitted by the team members, major subcontracts, and inter-organizational transfers. A major subcontract or interdivisional transfer is defined as one over $10-million. The team members and major subcontractors shall submit their proposals in the same format as the prime contractor, using the Price/Cost Template, and providing a proposal narrative discussing their estimating assumptions/rationale.

L.8.12. Fringe Benefits, Indirect Costs/Overhead Rates (Material Handling, Manufacturing, Engineering), General and Administrative Expenses (G&A), and Facilities Capital Cost of Money (FCCOM or COM). The offeror shall provide the basis of the proposed indirect cost and/or rates, such as the following: actual/current with date, Forward Pricing Rate Agreement (FPRA)/Submission (FPRS), budget, or estimate, with supporting documentation. If weighted indirect rates are used, provide the weighting factors. If the proposed rates are budgetary estimates, the expense pools and bases shall be presented with a comparison to the offeror's last two fiscal years. If current, actual, or year to date data were used, the offeror shall provide support documentation (pools and bases) for the proposed figures. If FPRA/FPRS was used, a hardcopy shall be included in the proposal; the offeror shall track the proposed rates back to the FPRA/FPRS for easy verification by the government. Recent (within the last twelve (12) months) DCAA audits may serve as support documentation for indirect rates. A copy of the audit may be included in the proposal. If the award of this contract will have a significant impact on the offeror's business volume, the effects of those changes on the expense pools and bases shall be identified and disclosed.

L.8.13. Other Direct Costs (ODCs). The offeror shall list the ODC line items types and proposed amounts for each program year. The line item costs shall be fully supported with narrative rationale and calculations.

L.8.14. Profit/Fixed Fee, and Award Fee. The offeror shall provide proposed profit and fee rates, the profit/fee bases, and the calculated amounts.

L.8.15. Option Period Price Changes. The offeror shall provide the basis for its proposed price changes between option periods. The offeror shall discuss the price change rationale used in preparing its proposal. If a price index was used to escalate the proposed prices, the offeror shall identify the index title, source, index number, and provide its calculations.

L.8.16. CLIN Transition-In and CLIN Transition-Out.

L.8.16.1 CLIN Transition-In. The offeror shall propose a firm-fixed price for its transition-in effort.

L.8.16.2. CLIN Transition-Out. The Transition-Out CLIN is cost plus fixed fee. The offeror shall propose a single price (not a price for each option period) for its transition-out effort, assuming the work will be performed at the conclusion of the five (5) option periods. The

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offeror shall enter separate proposed amounts for its estimated cost and proposed fixed fee in Section B.

L.8.17. Prime Contractor's Price and/or Cost Evaluations of Subcontractor and Interdivisional Transfer Prices per FAR 15.404-3. Describe the evaluation rationale that leads to the Prime's conclusion that the subcontract/interdivisional prices are reasonable. Explain all adjustments made to the subcontractor's proposed costs and prices. Include the price or cost analyses performed for all major subcontracts as defined in Section L.8.11.

L.8.18. Completeness and Technical/Cost Congruence. To assist the Contracting Officer in determining price reasonableness, the offeror shall demonstrate that all RFP requirements and its technical approach have been priced/costed-out in the Cost/Price Volume. A table/matrix shall be included that cross-references the Technical Volume/proposed technical approach to the Cost/Price Volume. The cross-references shall note the page numbers, paragraphs, etc., between the Technical and Cost/Price Volumes; the Cost/Price Volume shall include the appropriate page numbers from the Technical Volume, demonstrating the appropriate cost for a corresponding technical approach item.

L.8.19. Professional Employees' Compensation Plan per FAR 52.222-46. Offerors are to submit a total compensation plan setting forth the salaries and fringe benefits proposed for the professional employees who will work under the proposed contract, as prescribed in FAR 52.222-46. (For a definition of a 'professional employee,' offerors are advised to review the Code of Federal Regulations section referenced in FAR 52.222-46.) Attention should be drawn to the following sentences from the cited clause: "The supporting information for the proposed plan will include data, such as recognized national and regional compensation surveys and studies of professional, public and private organizations, used in establishing the total compensation structure." In addition, "Offerors are cautioned that lowered compensation for essentially the same professional work may indicate lack of sound management judgment and lack of understanding of the requirement." The supporting information provided should be clearly traceable to the salaries proposed in the price/cost proposal by CLIN. The professional employee job category, salary rates or ranges must be identified.

L.8.20. Management Reduction/Absorption of Costs. If an offeror intends to absorb a portion of cost and/or provide other benefits that affect the offered prices(s), the offeror shall provide a detailed explanation of the absorbed amount and its impact on the price(s).

L.8.21. Field Pricing Support. The Defense Contract Audit Agency (DCAA) and/or Defense Contract Management Agency (DCMA) may be requested to perform proposal direct labor or indirect rate reviews, financial analyses of the offeror's organization, and/or provide other pricing/audit support, as deemed necessary. The DCMA and DCAA Point of Contacts (office names, office addresses, name of cognizant ACO and DCAA supervisory auditor/auditor, e-mail addresses, and phone numbers) for the offeror and any team members/subcontractors shall be included in the proposal.

L.8.22. Adequate Accounting System. The offeror shall have an accounting system capable of handling a cost-reimbursement type of contract. The offeror shall provide evidence that its

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accounting system is capable of tracking and segregating cost data in sufficient detail to administer the contract. This may include a letter from either DCMA or DCAA stating that the offeror has an acceptable accounting system, with the approval date. In those cases where the accounting system does not have DCMA or DCAA approval, the offeror shall describe the action taken to obtain such approval prior to contract award.

Cost Note: The Government reserves the right to request additional information in support of any proposed cost, as required for a reasonableness determination.

L.8.23. Underwritten Health Care.

L.8.23.1. Underwritten Health Care Cost. The Government has provided the estimated Underwritten Health Care Costs for each option period, 1 through 5, for each Region in Attachment ***X***. There are separate estimated costs for Prime network enrollees and MTF Prime enrollees, plus non-enrolled beneficiaries. These estimates are based on TRICARE's actual allowable health care costs; they do not include credits (reductions) for any network discounts. The offeror shall not propose its own estimated health care costs, but use those supplied by the government. The offeror may propose a **fixed-dollar amount** for network discounts; the Government shall not accept any proposed percentage figure discounts. The offeror's proposed fixed dollar network discount amounts shall be subtracted from the Government's health care cost estimates for the applicable region for each option period. The net underwritten health care amounts (government estimate less offeror's proposed network discounts) shall be entered into the appropriate option period CLIN of Section B. The offeror's proposed fixed dollar network discount amounts shall be clearly identified in the price proposal.; **NOTE:** The costs for administering and managing the underwritten health care costs are considered "administration" costs, included in the offeror's proposed Per Member Per Month (PMPM) CLIN prices; they are not considered indirect costs added to or cost factors applied to the underwritten health care costs.

L.8.23.2. Underwritten Health Care Fixed Fee. For all option periods, offerors shall offer the underwriting fee as a dollar amount. The fees offered shall not exceed the maximum amounts for option periods 1-5 for the ______ Region as stated in Attachment L-13 for: (i) the Contractor Network Prime Enrollee cost; and (ii) the Non-Prime Beneficiaries and MTF Prime Enrollees cost. These underwritten categories, which have differing levels of control by a Contractor, are summarized in Section H-1. Offerors are reminded to consider the underwriting costs and risks associated with underwriting, including: the time involved for DHA to reimburse health care costs; the offeror's actual cash flow; the terms of the Allowable Cost and Payment (Deviation) Clause regarding frequency of reimbursement payments and unallowable costs; the cost incentives described in Section H-2; and the Government's health care cost estimate. The offered fee should take into account the benefit contractors receive for the earlier payment (7th day upon receipt of valid TEDS record) rather than as required by the Prompt Payment Clause (30th day); and also for a payment term as frequent as every Government business day as permitted by the Allowable Cost and Payment (Deviation) clause.

L.8.24. Per Member Per Month (PMPM)/Administration Costs.

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The offeror shall include all its contract administrative costs in the proposed CLIN Per Member Per Month (PMPM) price. The price shall include but not be limited to the costs for the requirements detailed in Section C of the solicitation such as Disease Management, Claims Processing (both paper and electronic), Customer Service, Referral Management, Network Management, and Medical Management. For the Clinical Support Agreement Program, the administrative costs, not the actual direct labor for performing the services, shall be included in the PMPM price. Attachment L-12, Government Estimate for PMPM, includes the estimated eligible member months for each option period by bi-annual periods for each region.

L.8.25. Network Discounts.
A guaranteed network provider discount shall consist of a fixed dollar amount for each option period for medical care by civilian network providers for each of the two underwritten populations (contractor Prime network enrollees and MTF Prime enrollees plus non-enrolled beneficiaries) by option period, even if the dollar amount explicitly proposed for each of the two populations is the same number (amount). The network provider discount guarantee proposed by the offeror will be measured as an overall discount for care by civilian network providers, using the same measurement methodology and data specifications described for the discount incentive provision in Section H.2.3.1. Within the price/cost proposal volume, the offeror shall affirmatively agree to accept all risks of future conditions that may impact the offeror's ability to obtain provider discounts and shall not include conditions or qualifications to limit risk. The offeror shall further agree that the guaranteed network provider discount shall not be adjusted for any action by the Government, including unilateral contract changes, allowable rates, and payment methodology.

L.8.26. Service Assist Teams. The Offeror is to offer fully burdened rates for the categories of labor shown in Exhibit A, Service Assist Teams –Time and Material Rates. In support of the proposed loaded labor rates (direct labor rates, fringe benefits, overhead, other direct costs, G&A expenses, and profit), the offeror shall provide a breakdown by major cost element, along with a discussion of its estimating assumptions and rationale.

L.8.27. Reports, Contract Data Requirements List (CDRL) (DD1423). The reports shall not be separately priced. In accordance with DFAR Supplement 215.470, Estimated Data Prices, DoD requires estimates of the prices of data in order to evaluate the cost to the Government in terms of their management, product, or engineering value. The offeror shall state what the proportional value for each CDRL is to the total price of the contract attributable to the production or development of the listed data for the Government (Section J, Appendix B).

L.8.28. TRICARE Reserve Select, TRICARE Young Adult, TRICARE Retired Reserve, CHCBP (East Region) and Prime Enrollment Premium/Fees. The premium/fees collected for these programs by the Contractor will be forwarded to the Government. Offered prices should not include cost offsets.

L.8.29. Excessive Pass-through Charges - Identification of Subcontractor Effort, per FAR 52.215-22. For this solicitation, this requirement applies to the total cost of work performed for all of the following CLINs: Per Member Per Month, Service Assist Teams, and Transition-Out.

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L.9. VOLUME V, FINANCIAL

L.9.1. Financial Viability. The offeror must demonstrate adequate financial resources to perform the prospective contract or demonstrate an ability to obtain adequate financial resources. Offerors shall submit the financial data listed below on the offeror, any parent corporation, and any prior or prospective significant merger candidates.

L.9.2. The offeror shall submit the following:

a. The offeror's most recent Dun and Bradstreet (D&B) Comprehensive Report, or if not available, another rating company report that is essentially equivalent to D&B (e.g., A.M. Best Company).

b. Annual Reports for the offeror's three most recent fiscal years (including audit opinions)

c. Balance Sheets, Income Statements, Statement of Retained Earnings, and Statements of Cash Flows

d. Statement of projected quarterly cash flows for a one year period beginning with the start of the contract (i.e., transition base period).

e. DCMA Form 1620 04-04 Guaranty Agreement for Corporate Guarantor (Exhibit L-8).

L.9.2.1. Offerors shall clearly label all financial statements as "audited" or "unaudited," and include the date last audited, audit opinion, auditor's name, and the date of any certification of the financial statements by the responsible company official. All off-balance sheet arrangements and related party transactions must be clearly disclosed and explained.

L.9.2.2. The offeror shall also identify and explain any audit report opinions that are other than a "Clean" or "Unqualified Opinion," any audit findings, and any required corrective action plans.

L9.2.3. An offeror without audited financials shall provide historical documents (i.e., tax returns), projected income statements and balance sheets, and narrative documentation supporting its ability to obtain financial resources to perform the contract.

L.9.2.4. The offeror shall submit copies of adverse financial items uncovered in any of the last 3 years' State Insurance Department audits if applicable. Offerors shall provide a supporting narrative, including a brief description of anomalies in the submitted financial data and a brief description of any projected increases and decreases in the offeror's business base.

L.9.3. The offeror shall include a guarantee from the offeror's holding or parent company, or owner(s), if applicable, indicating its willingness to guarantee complete and faithful performance of the offeror and to provide the offeror all necessary and required resources, including financing, which are necessary to assure the full, complete and satisfactory performance of the contract. The format to be used for this guarantee is DCMA Form 1620 04-04 Guaranty Agreement for Corporate Guarantor (Section L Exhibit L-8). A signed original shall be included in Volume I, and a copy of the signed guarantee shall be included in Volume V. Failure to provide this guarantee, if applicable to the offeror, may result in the CO making a determination that the offeror is not responsible, and thus ineligible for award (FAR 9.105).

L.9.4. As part of the CO's responsibility determination (FAR 9.1), the CO will evaluate the offeror's financial viability to ensure the offeror has adequate financial resources to perform the prospective contract or demonstrates an ability to obtain adequate financial resources. If an

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offeror fails submit the required financial information, the CO may make a determination the offeror is not responsible and thus ineligible for award.

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M.1. SOLICITATION PROVISIONS

52-217-5 EVALUATION OF OPTIONS (JUL 1990)

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement, but excluding Award Fee for all Option Periods. Evaluation of options will not obligate the Government to exercise the option(s).

M.2. BASIS OF EVALUATION

M.2.1. This is a best value source selection conducted in accordance with Federal Acquisition Regulation (FAR) Part 15.3, Source Selection, as supplemented by the Defense Federal Acquisition Regulation Supplement (DFARS). These regulations are available electronically at http://farsite.hill.af.mil.

M.2.1.1. The Government will select the best overall offer, based upon an integrated assessment of technical/management, past performance, and price factors. The Government seeks to award to the offeror who meets or exceeds the requirements and gives DHA the best value. This may result in an award to a higher rated, higher priced offeror, where the decision is consistent with the evaluation factors and the Source Selection Authority (SSA) reasonably determines that overall benefit of the non-price factors outweighs the cost difference. In making the trade-off between the non-price factors and the price factor, the SSA will base the source selection decision on an integrated assessment of proposals against all source selection criteria in the solicitation (described below).

M.2.1.2. Should a contractor be determined to have submitted best-value proposals for both the East and West Regions, the contractor will be awarded the East Region contract, provided at least one other acceptable offer has been submitted for the West Region contract.

M.2.2. Unrealistic Proposals. The Government may reject any proposal that is evaluated to be unrealistic in terms of program commitments, contract terms and conditions such that the proposal is deemed to reflect an inherent lack of competence or failure to comprehend the complexity and risks of the program.

M.2.3. Evaluation Approach. The Government will evaluate the extent to which the proposal exhibits a clear understanding of the work requirements and the means required to fulfill the requirements. The Government will also evaluate the extent to which the proposal demonstrates an ability to meet or exceed the requirements defined in the Request for Proposal (RFP) and the quality of service which is likely to result from implementation of an offeror's proposed methods.

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M.2.4. Defense Contracting Audit Agency (DCAA). DCAA and/or DHA will conduct a review of offerors' and/or subcontractors' health care or claims processing cost accounting systems in order to determine if an offeror's accounting system is adequate for award of a cost reimbursement type contract in accordance with the FAR part 9.104.

M.3. EVALUATION FACTORS. The Government will evaluate each proposal against the following factors and subfactors.

Factor 1-Technical/Management

Subfactor 1-Network Management
Subfactor 2-Referral Management
Subfactor 3-Medical Management
Subfactor 4-Beneficiary Satisfaction/Customer Service
Subfactor 5-Claims Processing
Subfactor 6- Program Planning and Control
Subfactor 7-Transition Management

Factor 2-Past Performance

Factor 3-Price/Cost

Factor 4-Small Business Participation Factor

M.4. EVALUATION FACTOR RELATIVE VALUES

M.4.1. Factor 1, Technical/Management, is the most important factor. Factor 2, Past Performance, is less important than Factor 1, and is more important than Factor 3, Price/Cost. Factor 3, Price/Cost, is the least important factor of Factors 1, 2 and 3. Factor 4 is significantly less important than Factors 1, 2 and 3. The seven subfactors under Technical/Management are all weighted equally. The non-price evaluation factors when combined, are significantly more important than Factor 3, Price/Cost.

M.5. EVALUATION OF FACTOR 1, TECHNICAL/MANAGEMENT FUNCTIONS

M.5. The Government will determine a Technical Rating (Table M.5.1.) and a Proposal Risk Rating (Table M.6.2.) for each of the subfactors. Each proposal for the Technical/Management factor will be evaluated to determine how well it satisfies the Government's requirements for the subfactors stated herein. Failure to address any of the specified subfactors requirements may result in an offeror being ineligible for award.

M.5.1. Technical Rating

M.5.1.1. For each of the subfactors of the Technical/Management factor, the Government will evaluate the quality of the offeror's technical solution for meeting the Government's requirement and assign a Technical Rating (Table M.5.1.). The color rating depicts how well

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the offeror's proposal meets the subfactor requirements. Subfactor ratings shall not be rolled up into an overall color rating for the Technical/Management factor.

M.5.1.2. A "strength" is an aspect of an offeror's proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance. If the Government deems an aspect of the proposal to be a strength, the strength will be credited to only one subfactor. The Government will have the sole discretion in determining which subfactor the strength best fits. Strengths will not be assessed for criteria which are evaluated on an acceptable/non-acceptable basis. A "deficiency" is a material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level. A "weakness" means a flaw in the proposal that increases the risk of unsuccessful contract performance. A "significant weakness" in the proposal is a flaw that appreciably increases the risk of unsuccessful contract performance.

TABLE M.5.1. – TECHNICAL RATINGS		
Color	**Rating**	**Description**
Blue	Outstanding	Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. The proposal contains multiple strengths and no deficiencies.
Purple	Good	Proposal meets requirements and indicates a thorough approach and understanding of the requirements. Proposal contains at least one strength and no deficiencies.
Green	Acceptable	Proposal meets requirements and indicates an adequate approach and understanding of the requirements. Proposal has no strengths or deficiencies.
Yellow	Marginal	Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the requirements.
Red	Unacceptable	Proposal does not meet requirements and contains one or more deficiencies and is unawardable.

M.6. TECHNICAL/MANAGEMENT RISK RATING

M.6.1. The Government will evaluate the subfactors of the Technical/Management factor for proposal risk. The Government will assess the degree to which the proposed approach has the potential for disruption of schedule, increased cost,

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degradation of performance, the need for increased Government oversight, and the likelihood of unsuccessful contract performance.

M.6.2. Each of the Technical /Management subfactors will receive one of the risk ratings described in Table M.6.2. – Technical/Management Risk Ratings, below. Subfactor ratings shall not be rolled up into an overall risk rating for the Technical /Management subfactors. The risk evaluation includes, but is not limited to, the proposed approach; method or process of completing tasks; and the demonstrated experience in performing tasks (including experience in performing a proposed approach, method, or process).

TABLE M.6.2. - TECHNICAL/MANAGEMENT RISK RATINGS	
Rating	**Description**
Low	Has little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will likely be able to overcome any difficulties.
Moderate	Can potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties.
High	Is likely to cause significant disruption of schedule, increased cost or degradation of performance. Is unlikely to overcome any difficulties even with special contractor emphasis and close Government monitoring

Table M.6.2.

M.7. EVALUATION OF TECHNICAL/MANAGEMENT SUBFACTORS

M.7.1. Subfactor 1 – Network Management.

M.7.1.1. The Government will evaluate the offeror's proposal for developing and maintaining an accredited, stable, high-quality provider network that, within access to care standards as defined in 32 CFR 199, supplements services provided by the Military Treatment Facility (MTF). The Government will evaluate whether the offeror's network sizing model effectively considers the number of providers required, types of providers required, MTF capacity/capability, and the beneficiary population. The Government will assess whether the offeror has an effective plan for identifying and mitigating network shortages.

M.7.1.2. The offeror's proposal will be evaluated on how they will respond to changes in MTF capabilities and capacities. This includes the ability to respond to such changes on short

notice, how the offeror will stay informed of potential changes, and how activities will be coordinated with the Regional Director and/or the MTF Commander.

M.7.1.3. The offeror's proposal will be evaluated for the offeror's plan to direct beneficiaries to providers with demonstrated high quality outcomes, lower costs, and administrative efficiencies.

M.7.1.4. The offeror's proposal will be evaluated for its plan to facilitate the timely return of network provider consult reports to the MTFs.

M.7.1.5. The offeror's proposal will be evaluated for its approach for maintaining an accurate, real-time network provider directory.

M.7.2. Subfactor 2 – Referral Management.

M.7.2.1. The offeror's proposal will be evaluated on the effectiveness of its process for managing referrals between the MTFs and the civilian network. The Government will consider how and when the offeror's referral management process directs MHS beneficiaries to the MTF; how this process will be supported through network management activities; how the offeror proposes to meet the referral processing requirements in the TOM, Chapter 8, Section 5.

M.7.3. Subfactor 3 – Medical Management.

M.7.3.1. The Government will evaluate the offeror's proposed approach for designing, implementing, and maintaining a comprehensive medical management program for all care received in the civilian sector and for complementing medical management services available within the MTF. The offeror's proposal will be evaluated for its approach to utilization management, case management, and disease management. Successful programs will be able to objectively document improvements in outcomes.

M.7.3.2. The Government will evaluate the offeror's approach to providing a Prime beneficiary-centric data warehouse, industry analytic tools, data analysis technique with evidence-based algorithms. The Government will evaluate the offeror's proposed methodology for applying data stratification and predictive modeling to produce positive patient outcomes, measurable gains, and lower cost. The Government will evaluate the offeror's proposed methodology for identifying and reducing gaps in care, medical errors, and quality issues for Prime beneficiaries. A successful plan will be one that best enables extraction of actionable data from large databases of information that can improve quality of care and patient perception of care.

M.7.3.3. The Government will evaluate the offeror's proposed plan to implement a clinical quality management and patient safety program for MHS beneficiaries for effectiveness and compliance with TOM Chapter 7, Section 4.

M.7.3.4. The Government will evaluate the offeror's proposal for its case management program for TRICARE-eligible beneficiaries and how the program is will support and manage the health

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care of individuals with high-cost conditions or with specific diseases for which evidenced-based clinical management programs exist.

M.7.3.5. The Government will evaluate the offeror's proposal for its proposed disease management program for effectiveness in improving the clinical and satisfaction outcomes for TRICARE beneficiaries and reducing the financial burden to the Government.

M.7.4. Subfactor 4 - Beneficiary Satisfaction/Customer Service.

M.7.4.1. The Government will evaluate whether the offeror presents an effective approach for customer service and providing accurate, comprehensive customer information with knowledgeable, courteous, and responsive staff via multiple, contemporary avenues of access.

M.7.4.2. The Government will evaluate whether the offeror presents an effective approach for establishing and maintaining maximum beneficiary and provider satisfaction in a manner that meets the contract requirements throughout the period of performance. The Government will not evaluate offeror-proposed beneficiary surveys.

M.7.4.3. The Government will evaluate whether the offeror proposes an effective approach to identify and respond to beneficiary and provider educational needs consistent with the contract requirements.

M.7.5. Subfactor 5 – Claims Processing.

M.7.5.1. The offeror's proposal will be evaluated for the inclusion of an adaptable, scalable claims processing system which incorporates industry best practices and utilizes modern, state-of-the-art software which can be configured such that changes are quickly made at the lowest possible cost to the Government.

M.7.5.2. The offeror's proposal will be evaluated for sound processes and methods designed to ensure that claims processing timeliness and accuracy standards will be met.

M.7.6. Subfactor 6 – Program Planning and Control

M.7.6.1. The Government will evaluate the extent to which the offeror's proposal demonstrates an effective approach for establishing and maintaining experienced and qualified personnel, including those in management positions, with appropriate skill sets.

M.7.6.2. The Government will evaluate the offeror's Risk Management plan for completeness and the effectiveness of the proposed mitigation strategies to include transition and operations.

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M.7.7. Subfactor 7- Transition

M.7.7.1 The proposal will be evaluated for an effective Integrated Master Schedule and Integrated Master Plan which meets or exceeds the Government transition milestones identified in the TOM.

M.8. EVALUATION OF FACTOR 2, PAST PERFORMANCE

M.8.1. The Government will evaluate past performance information, provided in accordance with Section L and other sources, to determine how well an offeror has performed in the past on recent relevant work. The Government will only consider relevant past performance information for ongoing contracts and contracts concluded within the last three years as defined in L.7.3 and L.7.4. The Government will consider the entire period of performance of the contract to include any transition-in and phase-out periods. The past performance evaluation will result in an assessment of the offeror's probability of meeting the solicitation requirements. One performance confidence assessment rating will be assigned for each offeror.

M.8.2. When assessing the offeror's performance confidence, the Government will use the offeror's past performance proposal, past performance questionnaires, and additional information the Government obtains from the offeror's clients listed in the proposal. The Government may also use relevant past performance information from other customers known to the Government, Past Performance Information Retrieval System (PPIRS), Contractor Performance Assessment Reporting System (CPARS), Federal Awardee Performance and Integrity Information System (FAPIIS), Electronic Subcontract Reporting System (eSRS), and other sources of useful and relevant information including the Government's own internal records.

M.8.3. Relevancy

M.8.3.1. The Government will evaluate past performance deemed relevant in terms of scope and the magnitude of effort and complexities as it relates to the requirements for this solicitation. Assessment of relevancy will be based on those functions the contractor or subcontractor will be performing on this solicitation. For example, the relevancy of scope will only be assessed on claims processing services if that is the only function the subcontractor will be providing. Past performance history deemed "Not Relevant" will not be considered when determining the performance confidence rating.

M.8.3.2. The Government will assign one of the following relevancy ratings to each contract provided by the offeror as specified in table M.8.3.2.

TABLE M.8.3.2. PAST PERFORMANCE RELEVANCY RATINGS	
Degree	**Description**
VERY RELEVANT (VR)	Past/present performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires.
RELEVANT (R)	Past/present performance effort similar scope and magnitude of effort and complexities this solicitation requires.
SOMEWHAT RELEVANT	Past/present performance effort involved some of the

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(SR)	scope and magnitude of effort and complexities this solicitation requires.
NOT RELEVANT (NR)	Past/present performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires.

M.8.4. Quality

M.8.4.1. Once a relevancy rating has been determined (if determined at least somewhat relevant), the Government will review all available information to determine the quality of performance for each of the contracts. If an individual contract has been assessed as not relevant, no performance review will be conducted. The Government will identify any positive and/or negative findings noted during the review. If any negative findings are identified during the review in which the offeror has not had the opportunity to provide comments, the Government will notify the offeror of the findings and allow the offeror the option to provide comments on these negative findings.

M.8.4.2. If an offeror has no past performance history relevant to providing the services required by the solicitation, the offeror's past performance rating will be neutral and will not be evaluated favorably or unfavorably. This rating is neither negative nor positive. Neutral is merely indicative of a lack of prior performance in providing the service required by this solicitation. If an offeror with no relevant past performance submits relevant past performance information from a predecessor company, parent organization, consortium member, key personnel or subcontractors, this information will be considered in rendering a performance confidence level rating. This rating will be based on the relevance to providing the services required by this solicitation, and the amount of involvement the parent organization or consortium member will have in the operations of the offeror. When an offeror submits past performance information on its key personnel as stated in Sections L.7.11., the Government will evaluate the key personnel information and then determine to what extent, if any, it will affect the performance confidence rating. This rating will be based on considerations such as the employee's role in the company, the nature and quality of the services delivered, and the relevant amount of past performance the employee had related to providing the service required by this solicitation. Regardless of whether the past performance data relates to a parent organization, consortium member, or an employee or group of employees, the Government may still render a performance confidence level of neutral if adequate, convincing and relevant past performance information is not available.

M.8.4.3. In assessing quality of performance, the Government will consider the offeror's past performance in compliance with clause FAR 52.219-8, Utilization of Small Business Concerns; clause FAR 52.219-9, Small Business Subcontracting Plan, including all subcontracting goals; and any contract monetary targets for Small Disadvantaged Business Participation Program, if any.

M.8.5. Performance Confidence Assessment

M.8.5.1. Based on the relevancy and quality, the Government will then assess a performance confidence assessment rating relative to the offeror's ability to successfully perform the requirements of this solicitation.

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M.8.5.2. Each offeror will be assigned one of the performance confidence ratings below as specified in table M.8.5.2.

TABLE M.8.5.2. - PERFORMANCE CONFIDENCE ASSESSMENTS	
Rating	**Description**
SUBSTANTIAL CONFIDENCE	Based on the offeror's performance record, the Government has a high expectation that the offeror will successfully perform the required effort.
SATISFACTORY CONFIDENCE	Based on the offeror's performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort.
LIMITED CONFIDENCE	Based on the offeror's performance record, the Government has a low expectation that the offeror will successfully perform the required effort.
NO CONFIDENCE	Based on the offeror's performance record, the Government has no expectation that the offeror will be able to successfully perform the required effort.
UNKNOWN CONFIDENCE	No performance record is available or the offeror's performance record is so sparse that no meaningful confidence assessment rating can be reasonably assigned.

M.8.5.3. If an offeror has no past performance relevant to this solicitation, the Government will assess an "Unknown Confidence" (neutral) performance confidence rating and the Government may not evaluate the offeror's past performance favorably or unfavorably (see FAR 15.305 (a)(2)(iv)).

M.8.5.4. If an offeror with no relevant past performance submits relevant past performance information from a predecessor company, a parent organization or consortium member, this information will be considered in rendering a performance confidence level rating. This rating will be based on the amount of past performance, its relevance to providing the services required by this solicitation, and the amount of involvement the parent organization or consortium member will have in the daily operations of the offeror.

M.8.5.5. When an offeror submits past performance information on its key personnel as stated in Section L, Instructions, Conditions, and Notices to Offerors, paragraphs L.7.11., the Government will evaluate the key personnel information to determine to what extent, if any, it will affect the performance confidence rating. In evaluating key personnel past performance, the Government will consider the key person's role in the company, the nature and quality of the services delivered, and the relevant amount of past performance the key person had related to providing the service required by this solicitation.

M.8.5.6. Regardless of whether the past performance data relates to a parent organization, consortium member, or an employee or group of employees, the Government may still render a performance confidence level of Unknown Confidence (Neutral) if an offeror does not have adequate, convincing and relevant past performance information.

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M.9. EVALUATION PRICE/COST FACTOR

M.9.1. Each offeror's Price/Cost proposal will be evaluated based upon the Government's calculated total price. Evaluation of options shall not obligate the Government to exercise such options.

M.9.2. Total Evaluated Price (TEP). For the purpose of determining the contract Best Value, the Government will use the "Total Evaluated Price" for each offeror. The TEP will be the sum of the extended amounts of the priced CLINs and Sub-CLINs, base and all five option periods, in Section B for Transition-In, Underwritten Health Care Cost, Underwritten Health Care Cost Fixed Fee, Per Member Per Month (PMPM), and Transition-Out (estimated cost and fixed fee). The TEP excludes all Award Fee CLINs. The following considerations will apply.

M.9.3. The offeror's compensation plan for professional employees shall be evaluated on an acceptable/nonacceptable basis.

M.9.2.1. Cost Realism Analysis:

M.9.2.1.1. Transition-Out: The Government will perform a cost realism analysis, in accordance with FAR 15.404-1(d), on the offeror's proposed Transition-Out price. Any Government probable cost adjustment resulting from the realism evaluation of this Transition-Out CLIN will be considered in determining the TEP.

M.9.2.1.2. Extension of Services: In the calculation of TEP, the Government will add 50% of the total proposed price for Option Period 5 for the possible 6 month extension of services under FAR 52.217-8, Option to Extend Services. This fifty percent will be added to all Option Period 5 CLINS considered in the TEP (see M.9.2), with the exclusion of Transition-Out.

M.9.3. Reasonableness. The Government will use the proposal analysis techniques discussed in FAR § 15.404-1 in determining price reasonableness.

M.10. EVALUATION OF FACTOR 4, SMALL BUSINESS PARTICIPATION

M.10.1. The Government will evaluate the subcontracting plan and participation of small businesses on an acceptable/non-acceptable basis. Acceptable – Proposal clearly meets the minimum requirements of the solicitation (Strengths are not assessed for this evaluation). Unacceptable – Proposal does not clearly meet the minimum requirements of the solicitation. The Contracting Officer will review the subcontracting plan submitted under Volume I for the submission requirements identified under FAR 19.702, Statutory requirements; FAR 19.704, Subcontracting plan requirements; FAR 52.219-8 Utilization of Small Business Concerns, FAR 52.219-9 Small Business Subcontracting Plan, and DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts). The Contracting Officer will access the addressing of the 11 elements of the plan described in FAR 19.704.

M.10.2. The Government will assess how the offeror's proposed subcontracting goals compare with the following subcontracting goals. If the offeror does not propose the subcontracting

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goals below, the Government will assess how well the offeror describes how and why their proposed goals are set at levels that are realistic and that the parties can reasonably expect. The Government will assess the extent the offeror identifies businesses in the Plan and demonstrated good faith efforts or plans to meet the below goals using small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (which includes historically black colleges and minority institutions in its goal), and women-owned small business subcontractors to the maximum practicable. The Subcontracting goals are as follows:

- Small Business Subcontracting: 36.7%
- Women-Owned Small Businesses (WOSB): 5%
- Small Disadvantaged Businesses (SDB): 5%
- Veteran Owned Small Business (VOSB): 3%
- Service-Disabled Veteran-Owned Small Businesses (SDVOSB): 3%
- Historically Underutilized Business Zone (HUBZone) SBs: 3%

(END OF SECTION)

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