



Acquisition and Grants Group
7500 Security Boulevard
Mail Stop C2-21-15
Baltimore, MD 21244-1850

March 1, 1999

Dear Offerors:

Provided is the Request for Proposal (RFP) for all Peer Review Organizations (PROs) for the following states:

Competitive

Delaware
Illinois
Kansas
Hawaii
Wisconsin

Renewal

| | |
|---------------|--------------|
| Arkansas | Nevada |
| Colorado | New York |
| Mississippi | Oregon |
| Montana | Pennsylvania |
| New Hampshire | Tennessee |
| Utah | Vermont |
| West Virginia | Wyoming |
| Maine | |

This single RFP, complete with attachments, shall be used for both competitive and PRO renewals.

The Government anticipates the award of a completion type contract with both cost-plus-fixed fee and cost-plus-award fee payment mechanisms.

Your attention is directed to the following critical dates that impact proposal preparation:

Submission of questions: Due to HCFA not later than 11:00 pm local prevailing time, March 12, 1999

Proposal Due for renewals: Due to HCFA not later than 11:00 am local prevailing time, March 31, 1999

Proposal Due for competitives: Due to HCFA not later than 11:00 am local

As noted in Section L, provision L.6.0.D, a proposal must be delivered into the hands of the Contracting Officer on or before the date specified in the RFP. Offerors are advised that the place for submission of proposals is a secured facility. Therefore, when hand-delivering or utilizing a mail carrier service to deliver proposals, offerors should allow sufficient time to obtain a visitor's parking pass and registration at the Security Guard's Desk(s). Proposal delivery must be made to the exact mail stop noted in the RFP on or before the specified date and time. It is possible that proposals delivered by a mail carrier service other than the U.S. Postal Service, may not be directed to the location and person specified above, but may be sent to the mail room prior to delivery to the Contracting Officer. This could prevent a proposal from being received timely. Offerors are advised to take this possibility into consideration in determining when and how a proposal is to be delivered. Offerors are also advised that a proposal shall be clearly marked including RFP number, with the location and phone number of the Contracting Officer (410-786-0203), and the State for which the Offeror is proposing.

In addition, each offeror's attention is called to the fact that certain Sections of the PRO Manual are being provided as reference material with this mailing for your convenience. However, only those sections of the Manual provided as attachments to the RFP (sections included in Attachment J-4) are considered to be incorporated and part of this contract.

Included with the RFP for **competitives only**, is a pre-formatted diskette containing Excel spreadsheets for completion of a portion of the business proposal. In accordance with the business proposal instructions in Section L, provision L.9.0, offerors are to complete the diskette and return it as a part of their proposal. In addition, **all offerors, competitive and renewal PROs** are required to submit hard copies of all spreadsheets noted in Section L, provision L.9.0 and noted in Attachment J-12.

Offerors are advised that no verbal questions will be accepted in response to this RFP. All questions must be submitted in accordance with the procedures identified in L.6.0.A. Responses to all questions received in a timely manner will be provided as an amendment to the RFP; any and all amendments will be provided in a reasonable amount of time to allow offerors the opportunity to review prior to proposal submission.

The RFP can be downloaded in Word Perfect 6.1 from Internet on or about March 2, 1999 at :

<http://www.hcfa.gov/quality/qlty-5b.htm>

Sincerely,

Edward L. Hughes

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SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

1.0 DESCRIPTION OF SERVICES

This is a contract with a Utilization and Quality Control Peer Review Organization (PRO) in accordance with Section 1151 of the Social Security Act. The purpose of this contract is to promote quality health care services for Medicare beneficiaries and to determine if services rendered are medically necessary, appropriate, and meet professionally recognized standards of care.

2.0 TYPE OF CONTRACT

This is a cost reimbursement (CR) completion type contract with cost plus fixed fee (CPFF) and cost plus award fee (CPAF) pricing arrangements.

The following is the breakout of the pricing mechanisms per the tasks identified in the Statement of Work:

| <u>TASK</u> | <u>EFFORT</u> | <u>PRICING MECHANISM</u> |
|-------------|---|-----------------------------|
| Task 1 | National Health Care Quality Improvement Projects (HCQIP) | cost plus award fee |
| Task 2 | Local Quality Improvement Projects | cost plus fixed fee |
| Task 3 | Quality Improvement re: Medicare + Choice | cost plus fixed fee |
| Task 4 | Prevention Error Payment Program (PEPP) | cost plus award fee |
| Task 5 | Other Mandated Activities | cost plus fixed fee |
| Task 6 | Special Studies | cost or cost plus fixed fee |

3.0 CONSIDERATION AND PAYMENT

[NOTE: Numbers provided are for illustrative purposes only based upon an average size III PRO in terms of FTE and cost; actuals will be inserted upon award]

A. The total estimated cost of Tasks 1-6 is: \$9,202,326

The total pass-through cost of this contract is: \$30,000. Pass-through costs are included in the total estimated cost; however, no base or fixed fee is attached to pass-through.

The total IT cost of this contract is: \$ 70,000. IT costs are included in the total estimated cost. Per the chart below, fixed fee is attached to IT costs.

The total fixed and base fee under this contract are:

Fixed Fee: \$226,756
 Base Fee: \$142,117
 Total Fixed and Base Fee Combined: \$368,873

The award fee pool is: \$328,801

The total estimated cost and all fees applicable to this contract is: \$10,000,000.

The following delineates the hours, cost, fixed fee, base fee and award fee breakout:

| TASK NO. | LABOR HOURS | COST | FIXED FEE (5%) | BASE FEE(3%) | AWARD FEE POOL |
|--------------|-------------|-----------|----------------|--------------|----------------|
| TASK 1 | 82,364 | 2,232,558 | | 66,977 | 154,958 |
| TASK 2 | 61,776 | 1,674,419 | 83,721 | | |
| TASK 3 | 61,776 | 1,674,419 | 83,721 | | |
| TASK 4 | 92,407 | 2,504,651 | | 75,140 | 173,843 |
| TASK 5 | 41,184 | 1,116,279 | 55,814 | | |
| TASK 6 | | | | | |
| IT Efforts | 2,583 | 70,000 | 3,500 | | |
| Pass-Through | | 30,000 | | | |
| TOTAL | 343,200 | 9,302,326 | 226,756 | 142,117 | 328,801 |

B. The Contractor shall be paid a fixed monthly fee payment (fixed fee plus base fee) in accordance with the following payment schedule. The Contractor's monthly voucher shall contain a line item for the fixed monthly payment. The final fixed fee payment set forth in the schedule is applicable to only the fixed fee shall not exceed 15 percent of the total fixed fee or \$100,000 whichever is less, and will be paid upon completion of the contract closeout audit.

| MONTH | PAYMENT/MONTH | TOTAL |
|-------|---------------|-----------|
| 1-35 | \$ xxxxxx | \$ xxxxxx |
| 36 | \$ xxxxxx | \$ xxxxxx |
| Final | \$ xxxxxx | \$ xxxxxx |
| TOTAL | | \$ xxxxxx |

C. The award fee earned by the Contractor shall be based on the Government's evaluation of the Contractor's performance in accordance with the award fee plan (Attachment J-2).

4.0 CONTRACT PERFORMANCE AND POTENTIAL FEE ADJUSTMENTS

- A. Throughout the period of performance of this contract, the Contractor will be monitored to ensure its adequate and appropriate use of the negotiated resource hours, as incorporated into the contract (See Section B.3.0 chart), for Tasks 2, 3, 5 and IT Efforts. As Special Studies are incorporated into this contract (e.g., those continuing from 5th Scope Contracts or those added during the life of the 6th Scope Contract), the resource hours shall be included with those for Tasks 2, 3, 5 and IT Efforts; the total of these hours (Tasks 2, 3, 5, 6 and IT Efforts) shall be subject to the provisions of this schedule B subsection.
- B. It is understood that the utilization of the negotiated resource hours for each labor category for each of the Task 2, 3, 5, 6 and IT Efforts may vary during the term of this contract. However, it is expected that the Contractor shall judiciously monitor the use of the negotiated resources to ensure that the hours and skill mix utilized are comparable to those proposed, negotiated and incorporated into the contract in the chart at Section B.3.0 for each labor category in each of the Tasks (2, 3, 5, 6, and IT Efforts) as well as the cumulative total of these tasks. In this regard, the Contractor shall be required to certify, annually, the total number of labor hours expended for each labor category for each Task (2, 3, 5, 6 and IT Efforts).
- C. In the event that it is determined that for Tasks 2, 3, 5, 6 and IT Effort the Contractor is incurring costs at a rate inconsistent with the utilization of the hours and skill mix negotiated and incorporated into the contract in the chart at B.3.0, the Government shall have the option to:
1. make a downward adjustment in the fixed fee amount for Tasks 2, 3, 5, 6 and IT Efforts. The downward adjustment may be proposed at any time during the term of the contract and may be based upon a unilateral determination of the Contracting Officer;
 2. increase the estimated cost for the combination of Tasks 2, 3, 5, 6 and IT Efforts without increasing the fixed fee;
 3. accepting all deliverables and work performed to the date of the performance review without any adjustments to the estimated cost and/or fixed fee.

5.0 COST CEILINGS

- A. The cost limitations provided below apply only to the amounts applicable to the PRO contract. A Contractor, as a business entity, may exceed the cost limitations provided below as long as any amounts in excess of the HCFA limitations identified are not charged to the HCFA PRO contract.
- B. Health Care Quality Improvement Project Director (HCQIP) (or equivalent position) Salary Cap

The HCQIP Director salary must not exceed the caps provided in Section B.5.0. of this contract. This cap is inclusive of cost of living, merit increases, bonus pay, pension, and other benefits not provided to other employees. This salary cap applies only to the portion of costs that HCFA will reimburse under this PRO contract for the individual named the HCQIP Director for his/her FTE annual salary regardless of whether the individual identified as the HCQIP Director is performing HCQIP functions or other work under the PRO contract.

This position is capped at an annual salary of \$163,000 for any HCQIP Director who is a Medical Doctor (MD). In the event that the HCQIP Director is not an MD, the annual salary is capped at \$145,000.

C. All Other Employee Compensation

HCFA will reimburse the Contractor for the Government's share of any employee's compensation (except for that specified for the HCQIP Director if an MD) at a maximum of \$145,000 annually. This limitation includes salary, bonuses, merit pay increases and pension, and other benefits not provided to other employees. The limitation applies only to the portion of costs that HCFA will reimburse under this PRO contract. The Government's share of an employee's compensation is based on the annual percentage of the employee's time devoted to PRO work.

D. Physician Reviewer Compensation Cap

Physician reviewer reimbursement (excluding preparation for litigation) is limited to an average of \$100/hour. The Contractor may pay an individual physician reviewer more than \$100/hour, as long as the total amount of physician reviewer compensation paid for all reviews (excluding preparation for litigation) does not exceed an average of \$100/hour for physician reviewers.

Physician reviewer reimbursement for preparation of litigation is limited to an average of \$125/hour. The Contractor may pay an individual physician more than \$125/hour as long as the total amount of physician reviewer compensation paid for all litigation preparation does not exceed an average of \$125/hour for physician reviewers.

E. Conferences/Meetings Not HCFA Sponsored or Required

1. This policy pertains only to conferences/meetings NOT sponsored by HCFA or required by the contract (e.g, AHQA meetings, including the Technical Conference).
2. The costs associated with conferences/meetings include travel, per diem, registration costs and other associated costs.
3. The Contractor shall allocate these costs as appropriate. All costs must be reasonable, allowable and allocable and adhere to any applicable laws and regulations.
4. The costs for conferences and/meetings charged directly to the contract

may not exceed the following 3 year budgeted amounts:

TYPE I: \$61,000

TYPE II & III: \$91,000

TYPE IV & V: \$121,000

A chart delineating which group each PRO is in can be found at Attachment J-11.

5. Conferences/meetings not sponsored by HCFA which are indirectly charged to the contract, the Contractor shall remain within the indirect cost ceiling.

F. The indirect cost ceiling of this contract is \$ TBD upon Award.

G. COLAs, Merit Pay Increases, and Bonus Pay

Contractors are restricted to the cost of living allowance (COLA) afforded to Federal employees. Each year of the contract, the Contracting Officer will issue a letter to each PRO identifying the annual COLA for Federal employees.

For any year under this contract, the combination of merit pay increases and bonus pay cannot exceed an organizational average of three percent (3%) and an individual increase of six (6%) for any individual employee.

This provision shall in no way authorize payments in excess of the cost ceilings described above.

H. Photocopying-Pass-Through/Mailing

The Contractor shall be paid upon receipt of a properly certified invoice/voucher for photocopying costs at the rate of \$.07 per page for reproduction of PPS hospital records and \$.10 per page for reproduction of non-PPS institutions and practitioner records, plus first class postage. This provision excludes Medicare providers that are reimbursed on a cost reimbursement basis (e.g. speciality hospitals).

Overnight mailing expenses are allowable costs for review of Hospital Issued Notices of Noncoverage (HINNs).

All other photocopying costs are to be directly charged to the Task to which they apply and shall be reimbursed on the basis of reasonableness, allowability and allocability.

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

1.0. SCOPE

A. Background

This Statement of Work (SOW) is based upon Title XI of the Social Security Act, Part B (hereinafter referred to as The Act) as amended by the Peer Review Improvement Act of 1982. This legislation established the Utilization and Quality Control Peer Review Organization Program -- the PRO Program. As a result of legislative mandates and HCFA's experience in administering the Program, HCFA has identified the following requirements of the PRO program:

1. Improve quality of care for beneficiaries by ensuring that beneficiary care meets professionally recognized standards of health care;
2. Protect the integrity of the Medicare Trust Fund by ensuring that Medicare only pays for services and items that are reasonable and medically necessary and that are provided in the most economical setting;
3. Protect beneficiaries by expeditiously addressing individual cases such as beneficiary complaints, hospital issued notices of noncoverage (HINNs), EMTALA violations (dumping), and other statutory responsibilities.

A descriptive listing of frequently used acronyms and terms associated with the Peer Review Organization Program can be found at Attachment J-1.

B. Contract Purpose

The purpose of this Sixth Scope Contract is to satisfy the requirements of the PRO Program as defined above.

C. Technical Considerations

PROs shall consider their experiences and the findings under previous PRO contracts in determining their approaches to the Sixth Scope Contract requirements.

2.0. REQUIREMENTS

- A. The Contractor, acting independently and not as an agent of the Federal Government, shall furnish the necessary personnel, materials, services, facilities (except as otherwise specified in the contract), and otherwise do all things necessary for, or incident to the performance of the work as set forth in the SOW.
- B. The PRO shall be subject to the following requirements as they apply to the specific Tasks described in III.
 1. Data Plan

The PRO shall prepare a Standard Data Processing System (SDPS) Data

Management Plan, a deliverable for the PRO in the Sixth Scope Contract, to document the policies and procedures the PRO has developed to conduct the required activities detailed in Part 8 of the PRO Manual. The Data Management Plan shall follow the format in Part 8.

The PRO shall have a completed SDPS Data Management Plan on file at its business address no later than 90 days after the start of the Sixth Scope Contract (see Section F.2.0). The PRO's Project Officer may request to view a copy at any time after the 90th day of the start of the PRO's Sixth Scope Contract. The PRO's data management will be evaluated against its SDPS Data Management Plan by the SDPS Project Officer.

For multi-state contracts, if all elements for all sections of the SDPS Data Management Plan are the same across States¹, then only one document shall be kept on file. If any element differs across States, a separate SDPS Data Management Plan shall be maintained for each State.

The PRO shall update its SDPS Data Management Plan as necessary (i.e. whenever an element changes) throughout the Sixth Scope Contract.

[Note: See Attachment J-17 for the SDPS Interface Document]

2. Hardware/Software

The SDPS Contractor will provide each PRO with the necessary hardware/software for the purpose of SDPS (See Attachment J-16, SDPS Site Plan). In the event that the Contractor requires additional equipment, request must be processed through the ERB (see Section G.13.0).

3. Reporting Requirements

The PRO shall report to HCFA as identified in Section F and the appropriate portions of the PRO Manual referenced below. The PRO shall use all components of PROvantage, e.g., Quality Improvement Project, Case Review, Beneficiary/Outreach Hotline, Document Tracking, MedQuest, and other new components/adjustments, when implemented, to manage and report work done under the current Statement of Work. (See the SDPS PROvantage Users Guide for specifics and details on reporting formats.)

4. Communications/Marketing/Outreach/Publication

The PRO shall conduct communications, marketing, and outreach activities only to the extent that they support one or more of the three purposes of the PRO Program: improving the quality of care, protecting the integrity of the Trust Fund, and protecting beneficiaries. As such, the PRO shall conduct communications,

¹There are 53 PRO contracts, one in each of the fifty states, and in the District of Columbia, Puerto Rico, and the Virgin Islands. For the purposes of this SOW, the term *state* will also include the three non-state geographic areas.

marketing, and outreach activities within the limits of one of the specific Tasks outlined below. Incidental to Tasks 1 - 5 listed below, PROs are encouraged to distribute materials supporting the National Medicare Education Program (NMEP) and PRO representatives shall attend HCFA sponsored training on this subject. Any other communications, marketing, and outreach activities that the PRO cannot relate directly to a particular activity undertaken as a result of the Tasks 1-5 included in Section III below must be approved as a Special Study, as described in Task 6 below. All PRO printed outreach materials must conform to the DHHS/HCFA standards provided in Attachment J-3. While there are no printing requirements as a result of this contract, Attachment J-3 is provided. The PRO should refer any questions concerning appropriate communications, marketing, and outreach activities to its Project Officer.

The PRO shall involve beneficiaries, physicians, providers, State agencies, HCFA contractors, and other pertinent agencies/organizations in its communications, marketing, and outreach activities. The PRO shall also be innovative in its use of media and emerging technologies to communicate with the health care community, beneficiaries, and the general public.

PROs who seek to publish reports of results on specific activities in technical or professional journals or to present such results at technical or professional meetings, shall follow the procedures included in sections 16300 - 16330 of the PRO manual. (See Attachment J-4).

5. Internal Quality Control

The PRO shall follow the Internal Quality Control procedures contained in the PRO Manual Sections 13000 - 13030. (See Attachment J-4.)

6. Confidentiality

The PRO shall adhere to the confidentiality and disclosure requirements set forth in section 1160 of the Act, 42 CFR Part 476 of the Code of Federal Regulations, Section H of the contract, the PRO Manual, and other administrative directives.

7. Survey Activities

The PRO shall conduct any survey activities in accordance with the Paperwork Reduction Act (see Section H), the PRO Manual (see sections 16200 - 16290 provided in Attachment J-4), and other administrative directives.

8. Government Data

A specific list of the data to be supplied by HCFA and the schedule in which they will be provided in Attachment J-5.

9. Personnel and Core Competencies

Within 30 calendar days of the contract effective date, the PRO shall employ the following four personnel:

- a. The Chief Executive Officer/Executive Director or equivalent (CEO) is responsible for leading the organization and obtaining the staff and resources necessary to conduct the contract. The PRO CEO must have had experience in managing a quality improvement organization, PRO-like entity, or other similar type organization.
- b. The Health Care Quality Improvement Program (HCQIP) Director, who will be responsible for leading the PRO's HCQIP activities, including providing oversight and direction. The HCQIP Director must have experience in directing health care quality improvement activities.
- c. The Payment Error Prevention Program (PEPP) Director, who will be responsible for leading the PRO's PEPP Program, including providing technical oversight and direction. The PEPP Director must understand Medicare's payment policies for inpatient services (the Prospective Payment System) and must have experience in developing and implementing educational intervention programs, and working in a hospital environment.
- d. The Communications Director, who will be responsible for leading the PRO's communication program with health care providers, plans, practitioners and beneficiaries. The Communications Director must have experience in marketing, public relations, communications campaigns, health care education, and/or developing communications materials for providers, plans, practitioners and/or beneficiaries.

These functions may only be sub-contracted with the express prior approval of the HCFA contracting officer. Replacement of any of these positions must be done in accordance with Section G.5.0 Key Personnel.

The PRO shall also have available the professional and technical expertise required to meet performance expectations described below. Such core competencies might include but are not limited to:

- (i) medicine, nursing and related medical/clinical disciplines;
- (ii) health education, health promotion, social marketing and formative research, public relations, market research and related communications disciplines;
- (iii) diagnostic coding expertise,
- (iv) quality of care and performance improvement disciplines;
- (v) epidemiology, statistics, survey research, data analysis, information systems, computer science, and related empirical and analytic disciplines;

- (vi) social and behavioral science disciplines;
- (vii) expertise in the administrative and clinical aspects of case review, and project management.
- (viii) For SDPS hardware and software support refer to the PRO Manual Section 8005 - Staffing Functions (See Attachment J-4).

10. Subcontracts

a. Clinical Data Abstraction Centers (CDAC)

The PRO shall sign a subcontract with both CDACs. The first subcontract shall be with the CDAC which provided services to the PRO under the previous PRO contract. This CDAC shall remain the "prime" CDAC for each respective PRO and shall provide the majority (and possibly all) of the services under this contract. The PRO shall sign a second subcontract with the other CDAC which did not provide services to the PRO under the previous contract. This is necessary in order to provide workload flexibility under the Sixth Scope Contract. Under this arrangement, PROs will have the necessary authority to work with both CDACs for certain activities, such as CASPRO activity for the national clinical topics, and HCFA will have the flexibility to shift workload from one CDAC to another should that prove necessary.

Under the subcontracting arrangements, the PRO is to obtain whatever external data abstraction/entry services it requires from the CDAC(s), as prescribed in the standard subcontract. The PRO shall work directly with the CDAC on records management activities; i.e., the CDAC will request medical records on behalf of the PRO, will work with the PRO to track which medical records have been received and will maintain, track and report to the PRO on all photocopying and mailing costs incurred by providers or practitioners and may pay the pass-through costs if the PRO so chooses.

The PRO may choose to subcontract additional functions to the CDAC. However, these subcontracting arrangements must be handled separately from the data abstraction agreement, must be individually negotiated between the PRO and the CDAC, and a separate subcontract document must be developed by the PRO.

b. Telecommunications Subcontract

The PRO is to enter into a contractual arrangement with a Telecommunications company (to be named at a later date) as a

subcontractor. Under the subcontracting arrangement, the PRO is to obtain telecommunications support services for all PRO video-conferencing needs during this contract. The subcontract will pertain only to PRO video-conferencing support and in no way requires the PRO to enter into an agreement for any other telecommunications.

3.0. TASKS

A. General Guidelines

Under this contract, the PRO shall be responsible for completing the specific Tasks which follow. Tasks 1, 2 and 3 continue the Health Care Quality Improvement Program (HCQIP). The percentage of funds allocated for Task 3 should be roughly the same percentage of the total allocated for all three Tasks as the percentage of beneficiaries who are members of Medicare+Choice (M+C) plans in the State (i.e., if 15% of a State's Medicare population are members of M+C plans then approximately 15% of the HCQIP allocation should be devoted to projects under Task 3). Task 4 is a new approach designed to address HCFA's need to protect the integrity of the Trust Funds. Task 5 covers those PRO activities specifically mandated by statute or regulation. Task 6 covers other projects or studies requested by HCFA or proposed by a PRO and approved by HCFA.

1. Task 1: National Quality Improvement Projects
2. Task 2: Local Quality Improvement Projects
3. Task 3: Quality Improvement Projects in Conjunction with Medicare+Choice Plans
4. Task 4: Payment Error Prevention Program (PEPP)
5. Task 5: Other Activities
6. Task 6: Special Studies

B. Specific Tasks

1. Task 1: National Quality Improvement Projects

- a. Background

One goal of the PRO program is to improve the quality of care for Medicare beneficiaries. PROs achieve this goal by collaborating with providers, plans, practitioners and beneficiaries to implement quality improvement projects. PRO quality improvement projects typically focus on specific preventive services and care processes known to improve patient outcomes. Quality indicators are

measures of how often these critical processes or services are performed, or how often desired outcomes are achieved. In a quality improvement project, the PRO analyzes data to determine whether there is an opportunity to improve care by increasing the utilization of preventive services, increasing the use of optimal care processes, and/or improving the rate of desired outcomes. When a PRO has identified an opportunity to improve care on one or more of the quality indicators, it, as appropriate, recruit collaborators (specific providers, plans, or practitioners) and/or partners (specific specialty societies, hospital associations, advocacy groups, etc.). With these collaborators and partners the PRO jointly adopts, designs, implements and/or supports quality improvement interventions; and then collects and analyzes new data to determine whether an improvement in the quality indicator(s) has occurred. The PRO and its collaborators and partners frequently implement second or subsequent cycles of interventions and remeasurements, to further improve or sustain the higher performance levels. (See Manual Sections 16000-16115 as provided in Attachment J-4.)

b. Task Description

The PRO shall implement quality improvement projects designed to improve the quality of care of all eligible Medicare beneficiaries in its State on a standardized set of quality indicators in each of the following six clinical topics: Acute Myocardial Infarction (AMI), Heart Failure, Pneumonia, Stroke/Transient Ischemic Attack/Atrial Fibrillation, Diabetes and Breast Cancer. The Quality Indicators for each clinical topic appear in the table below.

National Health Improvement Clinical Topics and Quality Indicators

| Clinical Topic | Quality Indicators |
|-----------------------------|--|
| Acute Myocardial Infarction | Early administration of aspirin Aspirin at discharge Early administration of Beta blockers Beta blockers at discharge ACE inhibitor for low LVEF Time to initial reperfusion Documentation of smoking cessation counseling provided during hospitalization |
| Heart Failure | Appropriate assessment and treatment for low LVEF |
| Pneumonia | Time to initial antibiotic administration Appropriate administration of antibiotics for 'atypical' pathogens Influenza immunization Pneumococcal (PPV) immunization |
| Stroke/Transient Ischemic | Aspirin/antiplatelets for stroke and TIA |

| | |
|----------------------------|--|
| Attack/Atrial Fibrillation | Warfarin for atrial fibrillation Reduce inappropriate use of sublingual nifedipine |
| Diabetes | Biennial retinal exam by an eye professional Annual HbA1c testing Appropriate assessment of nephropathy Biennial testing of lipid profile |
| Breast Cancer | Biennial screening mammography |

HCFA will provide to the PRO the state-wide baseline estimates of each quality indicator performance rate as close to possible to the start of this Sixth Scope Contract. These baselines will reflect the care received by all fee-for-service (FFS) beneficiaries in the state (i.e., all beneficiaries who were not members of a M+C plan during the baseline observation period²). The PRO shall use these data to identify the greatest opportunities to improve care among the standardized set of quality indicators. The PRO may determine that it needs to collect additional data during the contract period in order to generate interim indicator performance levels and identify specific opportunities to improve care (OICs). The PRO may use any combination of self-generated collaborator data, CDAC abstraction services and its own data abstraction and collection efforts. The PRO shall use Medquest as its data abstraction tool and shall encourage its collaborators to use this tool.

The PRO shall implement quality improvement projects, distributing its contract resources in such a way as to achieve the maximum feasible amount of improvement across the sets of quality indicators, and clinical topics. The PRO shall determine how to sequence the initiation of projects focused on different indicators, topics, groups of collaborators, or portions of its state. However, the PRO will be evaluated, as described in Attachment J-7 on the total improvement it has accomplished on the entire set of indicators during the contract period.

c. Coordination

HCFA will create six Clinical Area Teams (CATs) to coordinate the quality improvement efforts for each national topic. The CATs will provide clinical leadership, develop and maintain the quality of care indicators, and monitor the PROs' activities to achieve measurable improvement in the indicators. HCFA will also contract with a Clinical Area Support PRO (CASPRO) for each of the six national topics to support the CAT with its work and help PROs implement

²HCFA may, at a later date, provide the PRO with analogous data for one or more indicators that reflect the care received by M+C plan members. If this occurs, HCFA will determine, after discussions with all interested parties, if it needs to modify the PRO's performance expectations, to take this additional group of beneficiaries into account.

effective quality improvement projects. The CASPROs will promote collaboration within the PRO community by coordinating activities, conducting analyses at the direction of the CAT, acting as a clearinghouse, convening expert panels, identifying and developing interventions, and disseminating information. The PRO shall coordinate its quality improvement efforts under this task with the six CATs and CASPROs to achieve the greatest possible improvement with the greatest possible efficiency and cost-effectiveness.

Whenever possible, the PRO shall coordinate its project activities with all other collaborators, partners and other interested parties in its State who may be working on comparable improvement efforts or who would be interested in teaming with the PRO. This coordination could take the form of convening meetings of interested parties, such as State Departments of Public Health, consumer groups, business coalitions, and State Medicaid Agencies. This coordination also includes creating, joining, and/or supporting consortiums of improvement partners, etc.

The PRO is ultimately responsible for the success of its quality improvement projects. The PRO will be free, within the limits specified below, to employ the improvement processes and procedures it considers most likely to lead to improvement in its State. HCFA will continually monitor the PRO's project activities under this task, and reserves the right to direct the PRO's activities if it fails to observe a minimally satisfactory amount of project activity.

d. Change(s) in Clinical Science

HCFA reserves the right to discontinue, change, and/or add indicators if HCFA determines it is necessary due to change(s) in clinical science. If this occurs, HCFA will, after discussions with the PRO and all other interested parties, amend the contract and evaluation strategy in such a way as to hold the PRO harmless to any effects of the change in indicators.

e. Evaluation

See Attachment J-7.

f. Deliverables.

See F.2.0

2. Task 2: Local Quality Improvement Projects

a. Background

The PRO shall initiate local projects within its State, in response to local

interests, needs, and opportunities. Local quality improvement projects will have no minimum or maximum size or duration. The size and scope of these projects shall be determined by the number of collaborators the PRO recruits and by the nature and developmental maturity of the project activities. Local projects that involve the development or testing of new project methods - such as indicators, chart abstraction tools and interventions - are likely to be smaller in scope. On the other hand, local projects that attempt to replicate early successes, or to compare alternative project methods are likely to be broader in scope. The PRO must allocate the resources devoted under this SOW to these local projects based on its best judgment of the relative feasible improvement and cost of potential local projects.

b. Task Description

The PRO shall produce as much improvement in care and outcomes as possible, within its funding limits. Two of the local projects (described under sections (1) and (2) below) have explicit goals and criteria and will be evaluated individually (described in c. below). The remaining local projects will be selected and conducted in accordance with the PRO Manual. The PRO shall inform its Project Officer prior to the initiation of each new local project, irrespective of the stimulus or source of the idea for the project. These projects will be evaluated as a set, as described below.

- (1) Develop and/or test quality improvement project methods in a setting other than acute-care hospitals and Medicare+Choice plans.

HCFA is interested in the development and testing of quality indicators and intervention strategies that reflect care delivered in settings other than acute care hospitals and Medicare+Choice plans. HCFA is also interested in increasing the PRO's experience collaborating with other providers to improve the quality of care they deliver. The PRO shall select a clinical topic and indicator(s) based on the criteria listed in the PRO Manual [See Section 16010]. If the indicator(s) the PRO selects fall within the list of six clinical topics in Task 1, the PRO shall coordinate this work with the relevant CAT and CASPRO, in order to make full use of work that others may already have done and to avoid preventable duplication of efforts. The PRO shall then implement the local quality improvement project to improve the care Medicare beneficiaries receive in one of the following settings:

- (a) Skilled Nursing Facility (SNF)
- (b) Nursing Home
- (c) End Stage Renal Disease (ESRD) Facility
- (d) Home Health Agency (HHA)
- (e) Hospice
- (f) Rehabilitation Hospital

- (g) Physician's Office
- (h) Other Out-patient Facility

The PRO shall assess the opportunity to improve care from an analysis the PRO will carry out on baseline data it shall collect (or negotiate access to), and the PRO shall evaluate the impact of the local project through an analysis of re-measurement data.

- (2) Using one of the indicators listed in Task 1, reduce the disparity between care received by beneficiaries who are members of a disadvantaged group and all other beneficiaries living in the State.

HCFA is interested in developing and using the tools and expertise required to eliminate the disparities in the quality of care that often exist between disadvantaged groups, and all other beneficiaries living in a State. This includes developing, testing and implementing methods to identify members of the disadvantaged group, using HCFA and other, existing non-HCFA data sources, developing and/or testing hypotheses that help explain the causes of the disparities, and developing, testing and/or implementing intervention strategies that narrow the disparity in the indicator performance rate, by reducing, counteracting or eliminating one or more of the hypothesized causes of the quality disparity. For the purposes of this SOW, disadvantaged groups are considered to be: African-Americans, Hispanics, American Indians and Alaskan natives, Asians and Pacific Islanders, and Medicare beneficiaries who are dually eligible for Medicaid benefits.

Within 30 days of contract award for noncompetitive procurements and 120 days for competitive procurements, the PRO shall propose to its project officer the specific disadvantaged group it intends to target with this local project and the methods it proposes to use to identify members of the group. If there are multiple disadvantaged groups within its State, the PRO shall select one group, considering at least the following criteria: 1) number of Medicare beneficiaries affected, 2. degree of suspected quality disparity based on previous research or PRO experience, 3) feasibility of accurately identifying members of the disadvantaged group, 4) state of current knowledge regarding preventable causes of the quality disparity, and 5) state of current knowledge regarding efficacious intervention strategies.

Upon approval from HCFA, the PRO, using one of the quality indicators listed in Task 1, shall measure the indicator performance rate of the targeted disadvantaged group compared to all other beneficiaries living in the State. The PRO shall not initiate an improvement project to close a quality of care disparity until it has first documented a substantial performance disparity between the

disadvantaged group and the remainder of the beneficiaries living in the State.

The PRO shall design a local project to reduce the targeted disparity. The local project shall have at least one intervention group and a control or contrast group. The intervention group(s) must include a sufficient number of beneficiaries so that the PRO can detect a statistically significant difference between the indicator performance rate of the group(s) and all other groups. However, the intervention group(s) shall in no instance include less than 25% of the defined disadvantaged group in the State. The PRO shall submit this project design to HCFA. HCFA will review the proposed design and look for opportunities to coordinate the PRO's efforts with other PROs targeting the same disadvantaged group. This coordination may include directing PROs to serve as control or contrast groups for each other, by focusing on different indicators, or by testing alternative intervention strategies.

The PRO shall implement the approved project design, collect and analyze re-measurement data, and determine whether the quality disparity has been narrowed in the intervention group(s), compared to the control or contrast group.

Coordination

HCFA will create a Disadvantaged Population Action Team (DPAT) to coordinate the quality improvement efforts under this sub-Task. The DPAT will provide clinical and technical leadership, direct and support national and state-wide coalition building, and monitor the PROs' activities to achieve measurable reductions in the target disparities. HCFA will also contract with a Disadvantaged Population Action Support PRO (DASPRO) to support the DPAT with its work and help PROs implement effective quality improvement projects. The DASPRO will promote collaboration within the PRO community by coordinating activities, conducting analyses at the direction of the DPAT, acting as a clearinghouse, convening expert panels, identifying and developing interventions, and disseminating information. The PRO shall coordinate its quality improvement efforts under this task with the DPAT and DASPRO to achieve the greatest possible improvement with the greatest possible efficiency and cost-effectiveness. The PRO shall coordinate this work with the relevant CAT and CASPRO, in order to make full use of work that others may already have done and to avoid preventable duplication of efforts. This local project must be separate and distinct from the work the PRO shall do under 2 b.(1).

- (3) The PRO shall initiate other local projects within its State, in response to local interests, needs, and opportunities. The PRO shall select project topics using the criteria specified in Section 16010 of the PRO Manual (attached at J-4). The PRO shall allocate the resources devoted to these local projects based on its best judgment of the relative feasible improvement, the opportunities to build community coalitions committed to quality improvement, and the costs of potential local projects.

c. Evaluation

See Attachment J-7

d. Deliverables

See F.2.0.

3. Task 3: Quality Improvement Projects in Conjunction with Medicare+Choice Plans

a. Background

Beginning on January 1, 1999, M+C plans will be required to implement quality improvement projects as part of the Quality Improvement System for Managed Care (QISMC) standards. The plans must "...achieve, through ongoing measurement and intervention, demonstrable and sustained improvement in significant aspects of clinical care and non-clinical services that can be expected to have a beneficial effect on health outcomes and enrollee satisfaction". (Ref: Interim QISMC standard 1.1.2 provided at Attachment J-6) Each M+C plan must initiate annually two performance improvement projects. One project must be on a topic of national interest, as selected by HCFA. During 1999, HCFA has directed the plans to focus on care for diabetic patients. The other project will be selected by the plan on a topic that it believes will target the specific health care concerns of its enrollees.

By the end of the plan's first contract year (Calendar 1999), it must select project topics and performance indicators, and begin baseline data collection for the plan-initiated projects. By the end of the plan's second contract year, it must begin two more projects as well as continuing the projects started in 1999. By the end of the third year the plan must begin two more projects and demonstrate improvement in projects started in the first year. This cycle will continue annually.

Under the Balanced Budget Act, M+C plans (except for private fee-for-service plans or non-network plans that do not employ utilization review) must have an agreement with the PRO to carry out all required "review activities". This should

be in the form of a Memorandum of Agreement between the PRO and the plan.

The PRO's work under this task and SOW expressly *does not include* data auditing, data validation, or any other activities or services with M+C plans. If the entity holding the PRO contract wishes to contract with one or more plans for other services, these duties will be performed under a different contract, separate from its work under this SOW, and will be subject to the PRO's Conflict of Interest guidelines, as specified in Part 2 of the PRO Manual (See Attachment J-4).

b. Task Description

The PRO is required to offer its assistance to every M+C plan in its State to promote and support the plan's quality improvement projects. This shall specifically include all HCFA-directed projects as well as other clinical projects selected by the plan. When the HCFA-directed projects involve any of the six national clinical topics listed in Task 1, the PRO shall coordinate its quality improvement efforts with one or more of the CATs and CASPROs. Although the plan does not have to accept the PRO's offer of assistance, there are many incentives for the plan to work with the PRO. HCFA believes that most plans will take advantage of the PRO's expertise to enable them to ensure the success of the QISMC projects. Within 60 days of contract award, the PRO shall submit a plan describing the method to be used in offering this assistance and support. Thereafter, the PRO shall report quarterly on the number of requests and type of assistance requested by and provided to M+C organizations.

The HCFA-directed national project for 1999 will use a standardized measurement set and interventions to improve the care of patients with diabetes mellitus. The quality indicators to be used in these projects result from the Diabetes Quality Improvement Project (DQIP). The diabetes indicators listed under Task 1, i.e., biennial retinal examination by an eye professional, annual HbA1c testing, appropriate assessment of nephropathy, and biennial testing of lipid profile are a subset of these DQIP indicators. While M+C organizations with existing diabetes mellitus projects may substitute their own activities in place of HCFA's national project, they must use the DQIP measures and there are additional incentives for the plans to work with the PROs using the standardized measurement system.

PROs must also offer their assistance to plans for other quality improvement projects under QISMC. These focus areas include the Health Outcomes Survey (HOS) health status measure; primary, secondary and/or tertiary prevention of acute conditions; primary, secondary and/or tertiary prevention of chronic conditions; care of acute conditions; care of chronic conditions; high volume services; high-risk services; and continuity and coordination of care.

The PRO's participation in the plan's quality improvement projects shall include, but is not limited to, advice on sampling, data collection and abstraction methods, on intervention strategies, and on statistical and analytic techniques. If

requested, the PRO shall be ready to provide samples of standardized tools, educational materials, comparative data, and information on best practices. In addition, the PRO shall help create and/or support multi-plan improvement projects by acting as a convener, facilitator, collaborator and/or clearinghouse.

Additionally, by agreeing to work cooperatively with the PRO on quality improvement projects, the M+C plan's costs of photocopying of medical records of beneficiaries for abstraction by HCFA will be reimbursed by HCFA through the PRO. Similarly, for plans working with the PRO on these projects HCFA will pay the PRO and/or CDAC the costs of abstracting information from the medical records.

c. Evaluation

See Attachment J-7.

d. Deliverables

See F.2.0

4. Task 4: Payment Error Prevention Program (PEPP)

a. Background

HCFA is directing the PROs to initiate a Payment Error Prevention Program (PEPP). The OIG Audit Opinion of HCFA's 1996 and 1997 Financial Statements estimated Medicare made more than \$20 billion in incorrect payments in each year. Of those amounts, approximately 20 percent occurred in inpatient services under the Prospective Payment System. These payments resulted primarily from provider billings for services incorrectly coded, non-covered, insufficiently documented, or medically unnecessary. The causes of these billings range from inadvertent mistakes to outright fraud and abuse. This is an unacceptable amount of money spent in error, and it is HCFA's responsibility, as the program manager, to deal with this problem. The purpose of PEPP is to reduce the occurrence of payment errors. In particular, PEPP is directed to inpatient PPS services and includes correct coding as well as the provision of necessary services.

Most payment errors do not involve fraud; most errors are made innocently by human beings attempting to use and manage a complex payment process. Fraud in the Medicare system is an intentional misrepresentation to obtain payment. Investigating and prosecuting fraud and abuse is the responsibility of law enforcement agencies. However, if, after case review, the PRO suspects that payment errors involve fraud or deliberate abusive attempts to inappropriately enhance reimbursement, then the PRO shall refer the matter to the Office of the Inspector General (OIG) of the Department of Health and Human Services to investigate.

For the purposes of this contract, HCFA will define the inpatient PPS payment error rate as the number of dollars found to be paid in error out of the total of all dollars paid for inpatient PPS services. The number of dollars paid in error is defined as the absolute (or, unsigned) difference between what was actually paid and what should have been paid as a result of review. HCFA will implement a surveillance system to provide State-specific estimates of the payment error rate. These estimates will be used as performance indicators on which to evaluate the PRO's success in decreasing payment errors over the course of this contract. These estimates will also be made available to the PROs to help in their analysis of State specific error rates. The PRO is required to develop and implement programs, which are expected to be primarily educational, to prevent these errors and to monitor the effects of its prevention efforts. PROs will not be held accountable for or rewarded for dollars recovered.

In the course of conducting this work, a PRO will request medical records from a provider either for case review or for data collection. Data collection is the abstraction of specific pieces of data from a medical record. No determinations regarding quality of care or payment accuracy are made because the record is not evaluated using the full system of screens and standards. Consequently, there is no requirement for physician review of the record, and the provider does not have a right to reconsideration or appeal of the findings. When a medical record is subjected to case review, the PRO must follow the procedures described in full in other sections of this Scope of Work and the PRO Manual, including reconsideration and appeal rights. Determinations must be rendered and the PRO must follow the procedures outlined in Part 9 of the PRO Manual (See Attachment J-4). Almost all assessment of medical records for quality improvement under Tasks 1-3 of this contract is data collection rather than case review. Therefore, referrals for payment collection are unlikely to occur from Tasks 1 - 3 regarding the PROs quality improvement work.

b. Task Description

- (1) Required First Year Projects - During the first year of the contract, the PRO shall conduct a payment error improvement project in each of two specific areas for payment error reduction. These areas were identified by the OIG's Office of Audit Services Opinion of HCFA's 1997 Financial Statement. The required projects are:
- Unnecessary Admissions - inpatient services not requiring hospitalization or more appropriately treated in alternate settings. The PRO shall identify and reduce the occurrence of these services.
 - Miscoded DRG assignments - The PRO shall determine where incorrect DRG assignments are occurring and shall carry out interventions designed to reduce these errors. The PRO shall

also notify hospitals about any miscoded DRG assignments that it detects as a result of this project.

- (2) The PRO shall coordinate its efforts and develop cooperative relationships with State agencies (e.g., State Medicaid Agency and local medical licensing boards), Federal agencies, other HCFA contractors, including the fiscal intermediaries, carriers, payment safeguard contractors and other PROs, and the Federal and State agencies responsible for law enforcement activities that relate to the Medicare program (specifically including OIG).
- (3) The PRO shall establish working relationships with hospitals, medical staff, and/or their State associations to advise and assist the PRO in its implementation of the PEPP Program. Through professional organizations, trade associations, and other methods, the PRO should give the hospital and practitioner community a reasonable opportunity to comment during the process of developing and criteria to make reliable and consistent determinations, identifying trends and patterns of incorrect payments, and designing appropriate interventions.
- (4) The PRO shall develop the functional capability to make reliable and consistent determinations of the types of payment errors occurring in its State. The errors identified may be systemic in nature or limited to specific providers or practitioners. This capability should include, but need not be limited to, pattern analysis of billing data, individual case reviews and other data collection as necessary to support the larger scale analysis. This analysis may also include information generated by PROs in adjoining States.
- (5) From its own analysis of available data and from any reports provided by HCFA or other pertinent agencies, the PRO shall identify trends and patterns suggestive or indicative of incorrect DRG assignment, insufficient documentation, inappropriate, unreasonable, or medically unnecessary care (including setting of care issues), inappropriate transfers, and premature discharges. Through these methods, the PRO shall identify the nature and extent of the types of payment errors occurring in its State. It is expected that the results of these analyses will support the work plans and goals for the PRO during at least the second and third years of the contract.
- (6) The PRO shall carry out interventions to reduce or minimize the occurrence of the errors identified through efforts in (5) as local payment error improvement projects. A payment error improvement project (like a clinical quality improvement project) includes measuring an indicator at baseline; identifying an opportunity to intervene; conducting the intervention, and, measuring the indicator

at follow up. The PRO is expected to conduct educational interventions and to assist hospitals in the development of appropriate compliance activities in order to eliminate a hospital's payment errors. Further actions would include focused reviews, referral for Mandatory Review (as described below), referrals to Fiscal Intermediaries and OIG for those hospitals not responding to the educational interventions.

- (7) The purpose of case review under this task is the prevention of future payment errors; the PRO is not expected to make referrals to Fiscal Intermediaries for discharges that have not been reviewed but have been "extrapolated" from reviewed cases. PROs may extrapolate in order to develop educational or compliance program interventions, but only Fiscal Intermediaries, OIG, and Department of Justice have authority to extrapolate for purposes of recovering payments or imposing penalties. Where the PRO suspects fraud against the Medicare program or determines that a hospital is unresponsive to educational interventions, it shall make referrals to OIG. Any other potential referrals to OIG should be discussed with the Project Officer. PROs will not refer problems to the Department of Justice; such referrals shall be made by OIG.
- (8) The PRO shall perform case review on all records referred by the CDACs as part of the surveillance system sample. The PRO shall work with the CDACs and other PROs, as well as those organizations listed in (3) above, to develop explicit consensus criteria for correct payment and for payment errors in order to make this required referral process more efficient and effective.
- (9) The PRO will refer to the Fiscal Intermediary for payment adjustment any payment error (whether favoring the government or the hospital) identified as a result of any case reviews conducted under this contract.
- (10) Where the PRO identifies possible quality of care issues, including inappropriate or sub-standard care, it shall, as appropriate, either refer these cases to the PRO's Quality Improvement staff for its consideration in developing quality improvement projects or refer them for Mandatory Review as described below.

[NOTE: For more detail on PEPP activities, see Part 11 of the PRO Manual provided in Attachment J-4]

c. Evaluation

See Attachment J-7.

d. Deliverables

See F.2.0.

5. Task 5: Other Activities

a. Background

Both the law and the regulations require PROs to conduct a number of activities including case review processes; post review activities, convocation and attendance at certain meetings; communication with beneficiaries, and providers; referral of cases to other appropriate agencies as appropriate; and other routine responsibilities.

b. Task Description

(i) Case Review Activities. PROs receive requests to initiate case reviews from a variety of sources. Upon referral the PRO shall make quality or utilization determinations as specified in the PRO Manual on all individual cases as follows:

- Assistants at Cataract Surgery (Part 4)
- Beneficiary Complaint Review (for FFS and M+C plans) (Part 5)
- EMTALA Violations (Dumping) (Part 4)
- Notices of Noncoverage (for FFS and M+C plans) (Part 4)
- Higher Weighted DRGS (Part 4)
- DRG Validation Review (Part 4)
- requests from HCFA, OIG, Fiscal Intermediaries (FIs), Medicare Integrity Program (MIP) contractors, Program Safeguard Contractors (PSCs), Rural Home Health Intermediaries (RHHIs), M+C plans, CDACs and other referrals (Part 4)
- Critical access hospital cases where Medicare will be billed for services beyond a 96-hour stay (Attachment J-4, Section 4080)
- Potential instances of gross or flagrant violations of professionally recognized standards of care (Part 9)

For all case reviews, the PRO shall take an action in response to review findings, including initial denials, adjustments, or recommendation of sanctions. Directions for conducting these reviews are included in Parts 4, 5, 7, and 9 of the PRO Manual.

If a mandatory review raises quality of care, utilization or DRG validation concerns, the PRO shall determine whether there is reasonable grounds to request additional cases to determine whether a larger pattern exists. Cases or information identified through work performed under any Tasks within the scope of this contract (e.g., Quality Improvement Projects,

Payment Error Prevention Projects, etc) shall also be referred for case reviews, when appropriate, and the PRO shall request additional cases to determine whether a larger pattern exists within its State.

(ii) Post Review Activities. The PRO shall conduct the following activities as specified in Part 7 (Attachment J-4) of the PRO Manual:

- Technical denial determinations;
- Reopenings of denials;
- DRG changes;
- Re-reviews of DRG changes and confirmed quality concerns;
- Reconsideration determinations; and
- Appeals of reconsideration determinations.

(iii) Other Required Activities

(a) the PRO shall periodically offer individual or Regional meetings with medical and administrative staff of the hospitals that the PRO reviews. The PRO shall be represented by appropriate staff for the meeting topics, including its physicians when appropriate. This requirement may be fulfilled by a combination of:

- periodic regional meetings to discuss patterns and health issues identified in the State by HCFA contractors;
- sharing quality of care and payment error information with hospitals, at a minimum, annually; and
- onsite and Regional activities related to beneficiary protection and/or payment error prevention projects.

(b) the PRO shall attend HCFA-sponsored meetings.

(c) Annually, the PRO shall conduct a portion of its review activities onsite at provider facilities. Also, the PRO shall ensure that 20 percent of the rural hospitals in its jurisdiction are involved in onsite PRO activities. Onsite PRO activities include, but are not limited to: providing information and engaging in discussion with hospitals to aid them in improving performance; examining medical records for project data collection and/or case review; or support of continuous quality improvement activity. The PRO shall regularly assess these activities to determine the efficiency and effectiveness of methods, which may include onsite visitation, video conferences, teleconferences, Regional meetings, or any other formats which are mutually acceptable to the PRO and hospitals to achieve the desired ends.

(d) Annually, the PRO shall publish and distribute to providers and practitioners whose services are reviewed, a report of PRO activities and findings. It shall include a description of the types of cases

where the PRO has found inappropriate or unnecessary care, services that were rendered in an inappropriate setting, and/or services that did not meet professionally recognized standards of care. It shall also describe the PRO's Quality Improvement efforts. The PRO shall provide a draft report to its Project Officer prior to publication and adhere to the PRO Manual.

- (e) If, after reasonable notice to and opportunity for discussion with a health care practitioner or other person (including hospitals or other health care facilities, organizations or agencies) the PRO determines that:
 - the practitioner or other person has violated the statutory obligations of section 1156(a), that is, has failed to provide services economically and only when medically necessary; of a quality which meets professionally recognized standards of health care; and supported by evidence of medical necessity and quality as may be reasonably required, and
 - the PRO has provided an opportunity to establish a corrective action plan, if appropriate, and the PRO has determined that a substantial violation in a substantial number of cases or a gross and flagrant in one or more instances exists.
 - The PRO shall submit a report including its recommendation of an imposition of a specific sanction to the Office of the Inspector General in accordance with 42 CFR Part 1004.
 - (f) The PRO shall coordinate its activities, including information exchanges among appropriate public and private agencies.
 - (g) The PRO shall have a written Memorandum of Agreement (MOA) with all entities as specified in the Part 3 of the PRO Manual.
- (iv) Beneficiary Rights Outreach and Education Activities.
- (a) Apart from the communications and outreach activities that the PRO may conduct in support of the Tasks described above, the PRO shall also conduct beneficiary outreach and education activities for the express purpose of informing beneficiaries about:
 - the PRO program and how to contact the PRO;
 - beneficiary rights as outlined at Section 1154(a)(4)(B) of the Act; and
 - how to exercise those rights including what to expect after they have contacted the PRO (e.g., length of time to obtain a

response, form the response will take, etc.). This information must include the processes regarding beneficiary complaints and HINNs.

- (b) The PRO shall also take note of communication and outreach efforts being undertaken by other entities within its State and shall avoid duplicating these other efforts.
- (c) The PRO shall establish and/or maintain a Medicare hotline to facilitate communication with beneficiaries within its State. The PRO shall respond to and track:
 - requests for information about beneficiary rights; and
 - requests for assistance referred to other entities (e.g., FIs, Social Security District Offices, etc.).
- (d) The PRO shall report these activities monthly and as requested by HCFA. In planning its beneficiary rights activities, the PRO shall consider information from beneficiary complaints and requests for coverage review (notices of non-coverage) as well as the results of those reviews.

c. Evaluation

See Attachment J-7.

d. Deliverables

See F.2.0

6. Task 6: Special Studies

HCFA reserves the right to direct the PRO, or approve an application from the PRO, to initiate a special study not currently defined under this SOW.

A special study is defined as work that HCFA directs a PRO to perform or work that a PRO elects to perform with HCFA approval which is not currently defined in Tasks 1 - 5 of the SOW but falls within the scope of the contract and Section 1154 of the Act. The term "special studies" is interchangeable with the terms "special projects" and "special work."

[Reference: Section H.9.0 Special Studies Procedures]

Evaluation

All special studies approved under this task will be evaluated individually, based on study-specific evaluation criteria. The PRO's success or failure on a special study will not be factored into the evaluation of the PRO's work under Tasks 1 -

5, as described in Attachment J-7.

4.0. REFERENCES

The PRO is referred to the following documentation in its performance of work under this contract:

- Title XI and Title XVIII of the Social Security Act, as amended
- Part 42 Code of Federal Regulations
- The PRO Manual
- OMB Circular A-122
- OMB Circular A-133
- Federal Acquisition Regulation
- Health and Human Services Acquisition Regulation
- Glossary of Terms (see Attachment J-1)
- All previous PRO contract study findings
- Contractor's Guide to Control of Government Property (DHHS/1990)

SECTION D - PACKAGING AND MARKING

All deliverables shall be marked in accordance with contract Section G.4.0, Correspondence Procedures and F.2.0, Deliverable Schedule.

SECTION E - INSPECTION AND ACCEPTANCE

1.0 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:

www.arnet.gov/far/fac.html

52.246-5 Inspection of Services-Cost Reimbursement (Apr 1984)

2.0 PERFORMANCE IMPROVEMENT PLAN (PIP)

In the event a PRO fails to meet its contract requirements for acceptability, a PIP may be required in accordance with PRO Manual Section 15400 (Attachment J-4).

SECTION F - DELIVERIES OR PERFORMANCE

1.0 PERIOD OF PERFORMANCE

The periods of performance for the PRO contracts are as follows:

| | |
|-------------------------------------|-----------|
| August 1, 1999 - July 31, 2002 | Group I |
| November 1, 1999 - October 31, 2002 | Group II |
| February 1, 2000 - January 31, 2003 | Group III |

All work and deliverables required under this contract shall be completed by the ending date of the period of performance.

2.0 ITEMS TO BE FURNISHED AND DELIVERY SCHEDULE

The Contractor shall furnish the reports and deliverables required under this contract in accordance with the Delivery Schedule and Reporting Instructions at set forth below:

DELIVERIES OR PERFORMANCE REPORTS/ITEMS TO BE FURNISHED AND DELIVERY SCHEDULE

| Item | Description | Recipients | Delivery |
|------|---|---|--|
| 1. | SDPS Data Management Plan as specified in Section C.2.0 | Project Officer (PO) SDPS Project Officer | Available on file 90 days after start of contract. |
| 2. | National Quality Improvement Projects (described in C.3.0) as specified in C.2.0. | National Quality Improvement Project Database submitted via Groupwise to SDPS Data Subcontractor PO | First working day of the month in the format prescribed in the SDPS PROvantage User's Guide. |
| 3. | Local Quality Improvement Project in a setting other than acute care hospitals and M+C plans (described in Section C.3.0 as specified in C.2.0. | National Quality Improvement Project Database submitted via Groupwise to SDPS Data Subcontractor | First working day of the month in the format prescribed in the SDPS PROvantage User's Guide. |
| 4. | Local Quality Improvement Project with members of a disadvantaged group Project Proposal as | PO | Within 30 days of contract award for noncompetitive procurements and within 120 days for competitive procurements. |

| | | | |
|-----|---|---|--|
| | specified in C.3.0 | | |
| 5. | Local Quality Improvement Project with members of a disadvantaged group Project Design as specified in C.3.0. | PO | Due on a date to be negotiated as part of approval of initial Project Proposal (See 4 above) |
| 6. | Local Quality Improvement Project with members of a disadvantaged group (described in C.3.0) as specified in C.2.0. | National Quality Improvement Project Database submitted via Groupwise to SDPS Data Subcontractor | After successful completion of 4 and 5 above, on the first working day of each month as prescribed in the SDPS User's Guide. |
| 7. | Report of plan used to offer assistance to the M+C organizations in C.3.0 | PO | 60 days following contract award |
| 8. | Report on number and type of assistance requested by and provided to M+C organizations as specified in C.3.0 | PO | Quarterly from date of contract award. |
| 9. | Quality Improvement Projects in conjunction with M+C plans(described in C.3.0) as specified in C.2.0. | National Quality Improvement Project Database submitted via Groupwise to SDPS Data Subcontractor | First working day of the month in the format prescribed in the SDPS PROvantage User's Guide |
| 10. | Payment Error Prevention Projects 9 (described in C.3.0) as specified in C.2.0. | National Quality Improvement Project Database submitted via Groupwise to SDPS Data Subcontractor | First working day of the month in the format prescribed in the SDPS PROvantage User's Guide |
| 11. | Other Mandated Activities (described in C.3.0) as specified in C.2.0. | Appropriate PROvantage Modules (Case Review, Beneficiary/Outreach Hotline, Document Tracking, etc.) | Ongoing data entry as prescribed in the SDPS PROvantage User's Guide. |
| 12 | PRO Annual Report as | PO | Draft prior to publication |

| | | | |
|-----|--|---|--|
| | specified in C.3.0 | QIG PRO Reports Coordinator | Within 30 days after publication. |
| 13 | Subcontracting Reports - SF 294 and SF 295 - as specified in Section G.16.0 | PRO Contracting Officer and Small and Disadvantaged Business Utilization Specialist | SF 294 semiannually 30 days after close of period. SF 295 annually 30 days after close of period. |
| 14. | Electronic Submission of monthly invoices via the SDPS Telecommunications Network as specified in Section G.24.0 | PRO Contracting Officer and Transmit electronically to QIG | Monthly |
| 15 | Name of organization, dollar amount, type of work to be performed and performance as specified in the contract | PO, PRO Contracting Officer and PRO Conflict of Interest Officer | Within 30 days after contract award or arrangement with health facility payor organization or health plan and by 2/28 of each year thereafter. |
| 16. | Electronic Adjustment Report in specified in Attachment J-4, Section 4000 | To be specified | To be specified |
| 17. | Annual Report of Contracts, Agreements (per H.7.0) | Contracting Officer | 2/28 of Each contract year |
| 18. | DHHS Form 565, Report of Accountable Property (per G.8.0) | See G.8.0 | 10/31 of Each contract year |

3.052.252-2 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:

www.arnet.gov/far/fac.html

52.242-15 Stop Work Order, Alt I (Apr 1984)

SECTION G - CONTRACT ADMINISTRATION DATA

1.0 ACCOUNTING AND APPROPRIATION DATA

APPROPRIATION: To Be Completed Upon Award

OBJECT CLASS: To Be Completed Upon Award

TIN: To Be Completed Upon Award

| <u>PURPOSE</u> | <u>CAN</u> | <u>PURCHASE REQ. #</u> | <u>OFFICE CODE</u> | <u>AMOUNT</u> |
|----------------|------------|------------------------|--------------------|---------------|
|----------------|------------|------------------------|--------------------|---------------|

To Be Completed Upon Award

2.0 INVOICING AND PAYMENT

A. Submission of Invoices/Vouchers:

1. A complete invoice/voucher shall consist of the following forms (see Attachment J-8) and shall clearly identify the following information:
 - o Standard Form (SF) 1034, Public Voucher for Purchases and Services Other than Personal;
 - o HCFA Revised Form 719, Peer Review Organization-Contract Activity and Voucher
 - o HCFA Form 618, Peer Review Organization-Voucher Certification
 - o Any additional supporting documentation, as requested
 - o Monthly fixed fee payment shall be clearly identified on the voucher form;
 - o Base fee under the cost-plus-award fee payment schedule shall be clearly identified on the voucher form;
 - o Any award fee being vouchered shall be clearly identified on the voucher form.
2. One (1) original and 4 copies of the above forms shall be submitted in hard copy to HCFA to the following address:

DHHS, Health Care Financing Administration
OFM, Division of Accounting
PO Box 7520
Baltimore, MD 21207-0520

For overnight mail purposes, the following address shall be used:

DHHS, Health Care Financing Administration
OFM, Division of Accounting
7500 Security Boulevard, MS C3-09-27
Baltimore, MD 21244-1850

3. A duplicate invoice/voucher shall be submitted to the Project Officer simultaneously to the voucher being submitted to Division of Accounting.
4. The Contractor shall also submit an electronic version of the above-referenced forms and the 719A Backup Forms via the HCFA PROD6 Telecommunications Network. This voucher shall be simultaneously submitted with the hard copy submission. The necessary software to perform this function will be provided by HCFA.
5. Payment is based upon the original hard copy invoice/voucher submission only--not the electronic submission. No facsimile versions of a voucher shall be accepted for payment.

B. Invoice/Voucher Payment

1. Payment Schedule

Payment of an acceptable invoice/voucher shall be made within fifteen (15) days after receipt of the original hard copy voucher by the Division of Accounting, in accordance with the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 (P.L. 99-272).

A determination of acceptance of an invoice/voucher shall be made by both the Project Officer and the Contracting Officer, or his/her authorized representative.

Any discrepancies found as a result of the Project Officer/Contracting Officer voucher review may result in the issuance of an Administrative Suspension Notice, form HEW 325.

Any inquiries regarding the payment of an invoice/voucher shall be directed to the Contracting Officer, or his/her authorized representative.

2. Electronic Payment

Payments will only be made by electronic funds transfer using the Automated Clearing House (ACH) System. A blank copy of the required ACH System Form can be found at Attachment J-9.

In the event the Contractor, during its performance of this contract, elects to designate a different financial institution for receipt of any payment using electronic funds transfer procedures, notification of such a change and all required accompanying information must be received by the Contracting Officer thirty (30) days prior to the date such change is to become effective.

The documents furnishing the information relating to the above change must be dated and contain the signature, title, and telephone number of the Contractor's official representative authorized to provide the information, as well as the Contractor's name and contract number.

A courtesy copy of all information shall be submitted to the following address:

Health Care Financing Administration
OFM, Accounting Operations Branch
7500 Security Boulevard, MS C3-09-27
Baltimore, MD 21244-1850.

3.0 INDIRECT COSTS

- A. All non-profit PROs shall adhere to the cost principles as set forth under OMB Circular A-122, as effective June 1, 1998. All non-profit PROs are required to use one of the three current allocation methodologies described in the Circular. The Circular may be obtained in electronic form from the OMB Home Page at:

<http://www.whitehouse.gov/WH/EOP/omb>

All for-profit PROs shall adhere to the cost principles as set forth under the Federal Acquisition Regulation (FAR).

All PROs (Profit and Non-profit) will be required to establish indirect cost rates.

- B. Indirect Cost Rate(s)

For the purposes of this contract, the following indirect cost rates are established and the pools defined:

| TYPE | COST CENTER | PERIOD | RATE BASE |
|-------------|-------------|--------|-----------|
| Provisional | | | |
| Provisional | | | |

[Reference: Section B.5.0 for indirect cost ceiling]

- C. For any new PRO contractors (those not currently having a PRO contract under the 5th Scope) and any existing PROs, who as a result of the competition, are awarded new states (which the PRO did not previously have under the 5th Scope), the following requirement applies:

The Contractor shall submit to the Contracting Officer and the cognizant audit agency, an indirect cost proposal immediately after being notified of award, and, in any event, within 90 days from the effective date of the award.

Pending establishment of an indirect cost rate(s) by the cognizant audit agency, the

Contractor will be reimbursed on the basis of indirect costs paid. Reimbursement of indirect costs will be subject to monthly analysis, and, may require submission of additional documentation in order to support the costs.

If the Contractor fails to submit an acceptable indirect cost proposal within 90 days from the effective date of the award, HCFA will suspend payment of all indirect costs until such time as an acceptable proposal is received by the Contracting Officer.

- D. During the term of the contract, each PRO shall submit an indirect cost rate proposal to the Contracting Officer within six months after the close of the Contractor's fiscal year. On an annual basis, the Contractor's indirect cost rate(s) will be finalized. If the Contractor does not submit an acceptable indirect cost rate proposal to the Contracting Officer and the cognizant audit agency within six months after the close of the Contractor's fiscal year, the Contracting Officer reserves the right to suspend all indirect costs until such time as the indirect cost rate proposal is received.
- E. In no event shall the indirect cost ceiling provided in Section B.5.0 be increased as a result of fluctuations between provisional and final indirect cost rates.

4.0 CORRESPONDENCE PROCEDURES

To promote timely and effective administration, all correspondence under this contract shall contain the following identifying information:

Contract Number
Contractor Name
Subject Line
Sequence Number: (xx(year)-xxx); consecutive numbering shall be used.

All technical correspondence (excluding waivers, deviations or modifications to the requirements, terms or conditions of the contract) shall be addressed to the Project Officer with a courtesy copy of the basic correspondence to the Contracting Officer or his/her designated representative. All other correspondence shall be addressed to the Contracting Officer or his/her designated representative.

All deliverables/reports noted in Section F.2.0 shall be addressed to the party identified for the specific item.

5.0 KEY PERSONNEL

A. HHSAR 345.270-5 KEY PERSONNEL (APR 1984)

The personnel specified in this contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other programs, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversions shall be

made by the contractor without the written consent of the Contracting Officer, provided, that the Contracting Officer may ratify in writing such diversion and such ratification shall constitute consent of the Contracting Officer required by the clause. The contract may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

B. Chief Executive Officer (CEO), Executive Director or Equivalent Position

_____ will serve as the CEO, a key personnel position under the requirements of HHSAR 345.270-5. It is his/her responsibility to lead the organization and obtain the staff and resources necessary to conduct the contract.

6.0 PROJECT OFFICER

A. Designation

_____ is hereby designated as the Government Project Officer.

B. Responsibilities

1. Authority for directing and managing implementation of the program/technical aspects of the Act, as amended, has been redelegated from the Administrator through the Director, Center for Beneficiary Services, to the Director, Office of Clinical Standards and Quality.
2. Performance of the work/task orders under this contract shall be subject to the technical direction of the Project Officer. The Project Officer shall be the authorized representative of the Contracting Officer and the person representing HCFA for the purpose of technical direction and monitoring of contract performance. It is within the purview of the Project Officer to conduct on-site visits as deemed necessary.
3. The term "Technical Direction" is defined to include, without limitation, the following:
 - o advice and consultation on the Scope of Work and deliverables and services to be furnished under the provisions of this contract.
 - o provision of information to the Contractor which assists in the interpretation of the work and services to be furnished.
 - o review and, where required by the contract, approval of reports, and other technical information to be delivered by the Contractor under the contract.
4. Any and all technical direction must be within the general scope of the contract. The Project Officer does not have the authority to issue any technical direction which:
 - o constitutes an assignment of additional work outside the scope of

the contract;

- o constitutes a change as defined in the contract clause entitled "Changes" at FAR 52.243-2, Alt I;
 - o in any manner, causes an increase or decrease in the total estimated contract cost;
 - o changes any of the expressed terms, conditions, or specifications of the contract.
5. Technical direction which is within the scope of the contract as written, shall whenever possible, be in writing, and a copy submitted to the Contracting Officer.
6. The Contractor shall proceed promptly with the performance of technical direction duly issued by the Project Officer in the manner prescribed by and within his/her authority under the provisions of this article.
7. If, in the opinion of the Contractor, any instruction or direction issued by the Project Officer results in a contractual change, the Contractor shall not proceed but shall notify the Contracting Officer in writing.

7.0 CONTRACTING OFFICER

- A. In accordance with HHSAR 352.202-1 Definitions, "The term Contracting Officer means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer."
- B. Notwithstanding any of the other provisions of this Contract, the Contracting Officer shall be the ONLY individual authorized to:
- 1. enter into and commit/bind the Government by contract for supplies or services;
 - 2. accept nonconforming work or waive any requirement of this Contract;
 - 3. authorize reimbursement to the Contractor for any costs incurred during the performance of the contract; and
 - 4. modify any term or condition of this Contract, i.e., make any changes in the Statement of Work; modify/extend the period of performance; change the delivery schedule.

8.0 PROPERTY ADMINISTRATION

- A. The Contractor is responsible for an annual physical inventory accounting for all Government property. This inventory must be conducted by September 30th and

the DHHS Form 565 Report of Accountable Property (Attachment J-15) submitted by October 31st of each year. Your inventory must include accountable Government property items acquired, furnished, rented and/or leased under the contract, even if it has not been authorized by the Contracting Officer. Employees who conduct inventories should not be the same individuals who maintain the property records. Following the physical inventory, the Contractor shall prepare an inventory report and submit the report to the HCFA Property Administrator at the following address:

Health Care Financing Administration
OICS, Administrative Services Group
Division of Property and Space Management
7500 Security Boulevard, SLL-14-06
Baltimore, Maryland 21244-1850

B. At a minimum, the information in the report shall include:

DHHS Decal Number
Manufacturer's Name
Manufacturer's Model Number
Manufacturer's Serial Number
Associated DHHS Decal Numbers
Item Description
Acquisition Date
Actual Cost of Item

C. Software (commercially leased) has been classified by DHHS as sensitive and is subject to reporting requirements.

D. Prime Contractors shall submit a consolidated report of all accountable Government property under the contract, to include subcontractor inventory. Subcontractors should report their inventories to the prime Contractor.

E. The final inventory report shall include a certification that all items are required for continued contract performance and are free from contamination. Property that is no longer usable or required shall be reported and identified as such.

9.0 APPROPRIATE USE AND DESTRUCTION OF DATA

Confidential information as defined in 42 CFR 476.101 cannot be released or presented in any reports or publications. The following guidelines pertain to non-confidential information, which is not covered by this limitation:

A. Data and information that is provided to the Contractor, or to any subcontractor, generated by activities under this contract, or derived from research or studies supported by this contract, shall be used, duplicated or disclosed only for the purposes of the contract unless the Contracting Officer specifically permits another use, in writing.

- B. If the Contracting Officer permits the Contractor to use data or information described in G.10.0.A. above for a purpose other than solely for performance of this Contract and, if such use results in a commercially viable product, the Contracting Officer and the Contractor must negotiate a financial benefit to the Government prior to contract closeout audit completion.
- C. Any questions about the use or release of data or information described in G.10.0.A. above, shall be referred to the Contracting Officer who will render a written determination. The Contracting Officer's determinations will reflect the results of internal coordination with appropriate program and legal officials.
- D. The PRO should avoid disclosing preliminary findings which could create erroneous conclusions. The PRO should also avoid disclosing data or information which relate to policy matters under consideration by the Government. When requesting permission to use or release data or information described in G.10.0.A. above, the Contractor shall alert the Contracting Officer to any data or information that may require special consideration with regard to the timing of its disclosure.
- E. The Contractor may disclose non-confidential information in a publication, subject to the requirements in this section. "Publication" is defined as any peer-reviewed, referenced, and/or referred document which a PRO submits on its own behalf to a professional or trade journal, and which results from a Health Care Financing Administration-funded quality improvement activity. It also includes abstracts submitted for publication or for presentation at professional meetings (excluding HCFA, PRO, and/or American Health Quality Association sponsored meetings). "Publication" does not refer to press releases, newsletters, brochures, pamphlets, or letters to the editor (with the exception of letters to the editor that include HCFA data that has not previously been published elsewhere). If the Contractor is unsure whether a document falls within the definition of "publication," the Project Officer will make the determination.

Any manuscript that the Contractor submits for publication shall meet all requirements specified in Section 1160 of the Social Security Act, 42 CFR 476, and Section 16700 of the PRO Manual. It shall also contain the required disclaimer language as set forth in the PRO Manual.

The Contractor shall submit all manuscripts to the Project Officer for approval prior to publication. The Contractor shall follow the approval process contained in Section 16700 of the PRO Manual. Within thirty (30) days after publication, the Contractor shall provide a copy of all manuscripts or abstracts, as published, to its Project Officer.

The Contracting Officer has the authority to resolve any disagreements between the Project Officer and the Contractor regarding a manuscript.

- F. Upon the request of the Contracting Officer or the expiration date of this Contract, whichever shall come first, the Contractor shall, upon instructions from the Contracting Officer, return, destroy or retain all data given to the Contractor by the Government. If the Contracting Officer directs that the data be retained by the

Contractor, the time period for retention will be subject to agreement by the Contractor. The Contracting Officer has sole discretion to determine whether the data are to be returned, retained, or destroyed. The Contractor shall retain no data, copies of data, or parts thereof, in any form, when the Contracting Officer directs that the data be returned or destroyed.

10.0 SUBCONTRACTING PROGRAM FOR SMALL, SMALL DISADVANTAGED, AND WOMEN-OWNED BUSINESSES

A Non-profit PRO is considered a large business and shall submit a Subcontracting Plan and reports. A Profit PRO shall follow the size standards provided in the FAR in order to determine the applicability of the Subcontracting Plan and subsequent reports.

1. The subcontracting plan submitted by the Contractor and approved by the Contracting Officer for this contract is hereby incorporated as Attachment J-10.
2. Reports shall be prepared semi-annually. The report shall be prepared using the following format:
 - o The Contractor shall submit a report of subcontract awards to small business concerns, small disadvantaged business concerns and women-owned business concerns. The reports shall be prepared using the standard form (SF) 294 (revised 8/98), Subcontracting Report of Individual Contracts, and SF 295 (revised 8/98), Summary of Subcontract Report.
 - o SF 294 is required for each contract containing a subcontract and must be submitted semi-annually during contract performance for the 6 month periods ending of March 31 and September 30. A separate report is required at contract completion.
 - o SF 295 must be submitted annually for the 12 month period ending September 30.

11.0 CONSENT TO SUBCONTRACTING

- A. The Contractor shall be in compliance with FAR Part 44.202-2 and FAR 52.244-2 to obtain consent to subcontract.
- B. When requesting consent to subcontract, the Contractor shall submit to the Contracting Officer, or his/her designated representative, a subcontract consent checklist, in accordance with FAR 44, and a copy of the subcontract agreement. Following review of these documents, the Contracting Officer will provide his/her determination in writing.
- C. Consent is hereby given to the following subcontracts:
 - CDACs (to be named at a later date)
 - Telecommunication Contractor (to be named at a later date)

12.0 PROCESS FOR OBTAINING ADDITIONAL HARDWARE SOFTWARE UNDER STANDARD DATA PROCESSING SYSTEM (SDPS)

- A. Requests for additional SDPS equipment or software shall be submitted to the SDPS Help Desk, as established by the Iowa Foundation for Medical Care (IFMC) using the Engineering Review Board (ERB) form.
- B. The SDPS ERB shall review a PRO request and provide a recommendation and cost estimate to HCFA for approval/disapproval within ten (10) working days of receipt of a completed ERB Form.
- C. HCFA shall review the ERB recommendation and provide a signed and dated approval/disapproval to the ERB within seven (7) working days. Approval shall consist of the signature of BOTH the HCFA SDPS Project Officer and the Contracting Officer.
- D. Within two (2) working days of receipt of the HCFA signed ERB form, an SDPS ERB representative will notify the PRO of the HCFA approval/disapproval. The ERB shall send the PRO a copy of the form and advise the PRO of an appropriate vendor along with a product and pricing table for the requested material.
- E. Within ten (10) working days of receipt of the HCFA approval from the ERB, the PRO shall submit a Purchase Order (PO) to the vendor of the required material. The PO shall include a location for the shipment and a copy of the approved ERB form.
- F. The PRO shall pay the selected vendor directly for all materials within thirty (30) days of receipt of the required materials. The PRO shall be reimbursed for the equipment by HCFA in accordance with the monthly vouchering procedures in Section G. 2.0 of this contract.
- G. The PRO shall notify the SDPS Help Desk within five (5) working days of receipt of materials from the selected vendor and provide all hardware item serial numbers and the drop ship information for maintenance tracking purposes.

NOTES: The PRO shall be responsible through its PRO contract for installation services and associated costs. IFMC is not responsible for any payment issues between the selected vendor, HCFA and the PRO.

13.0 PROCEDURES FOR TASK 6 REQUIREMENTS

- A. When HCFA determines the need for a Special Study, the procedures outlined below shall apply for incorporation of the special study into the contract. HCFA will determine the applicable competition requirements for a Special Study (i.e., sole source, limited competition or full competition within the entire PRO community). Special Studies may be the result of a HCFA-initiated action or a PRO-initiated action. PROs shall be advised that PRO-initiated Special Study recommendations and/or concept papers will be subject to the review and approval of HCFA.

- B. HCFA shall issue a Request for Proposal (RFP) for the proposed special study or contract change order as appropriate. The RFP or change order will include the following information, as applicable:
1. Description of task to be performed
 2. Description of the end item (if applicable)
 3. Period of Performance
 4. Estimated effort by labor category
 5. List of Government-furnished material (if applicable)
 6. Government provided not-to-exceed dollar value;
- C. The Contractor shall prepare and submit to the Contracting Officer a proposal for the Special Study. The proposal shall include a business proposal on HCFA form 719 and a technical proposal as appropriate. The business proposal shall include narrative on proposed costs as appropriate.
- D. The Contracting Officer and the Contractor shall reach agreement on a budget estimate for each special study. Formal notification of an approved budget shall be in the form of a contract modification.
- E. All Special Studies issued hereunder are subject to the terms and conditions of this contract. This contract shall control in the event of conflict with a Special Study.

14.0 INTERIM AUDITS AND CLOSEOUT AUDITS

A. Interim Audits for Non-Profit Organizations Only

All interim audits shall be conducted in accordance with OMB Circular A-133, entitled Audits of States, Local Governments, and Non-profit Organizations. The contractor will contract with a CPA firm to perform these audits. The OIG for the Department of Health and Human Services (DHHS) shall serve as the cognizant oversight agency as defined by OMB Circular A-133. The Contractor shall share all A-133 findings with any audit entity authorized by HCFA.

B. Contract Close-Out Audit

The contract close-out audit will be performed by the Government in accordance with the contract, FAR, OMB Circular A-122 and other appropriate guidelines (e.g. GAAP--generally accepted accounting principles).

SECTION H - SPECIAL CONTRACT REQUIREMENTS

1.0 CONDITIONS FOR PERFORMANCE

In addition to the performance requirements of this contract, as set forth under Section C, DESCRIPTION/SPECIFICATIONS/WORK STATEMENT, the Contractor will be required to comply with the requirements of any revisions in legislation or regulations which may be enacted or implemented during the period of performance of this contract that are directly applicable to the performance requirements of this contract. Such requirements shall become a part of this contract effort only through the Contracting Officer's execution of a modification to the contract.

2.0 CONTRACT RENEWAL AND PERFORMANCE EVALUATION

A. Renewal of an In-State PRO

The contract of a PRO that is an in-State organization, as defined in Section 1153(i)(3) of the Social Security Act (the Act), may be renewed for an additional three (3) year term based upon the Government's determination that the Contractor has met the evaluation criteria.

B. Renewal of PROs that are Not In-State Organizations

For all PROs that are not in-State organizations, the Government is required to publish a notice in the Federal Register announcing when the current contract will expire. This notice will be published no later than six months before the expiration date of the contract and will specify the period of time during which any in-State organization may submit a statement of interest to compete for the PRO contract for this State.

HCFA will determine whether in-State organizations that submit statements of interest are qualified and responsible. If one or more qualified in-State organization(s) submit a statement of interest within the specified time, the contract cannot be renewed on a noncompetitive basis but must be open to competition in the same manner as a new contract.

If no expression of interest is received from a qualified in-state organization, the contract may be noncompetitively renewed.

In no event will the Government renew any PRO contract noncompetitively for an additional three (3) year term if the Contractor fails to meet required evaluation criteria.

D. Nonrenewal

In accordance with Section 1153(c)(4) of the Act, if the Government does not intend to renew the contract, the Contractor shall be notified in writing at least 90 days prior

to the contract expiration date. The Contractor shall be given an opportunity to present data, interpretations of data, and other information pertinent to its performance under the contract, which shall be reviewed in a timely manner. The Contractor shall be notified of the final decision by the Contracting Officer. Any determinations by the Contracting Officer not to renew a PRO contract in accordance with 1153(f) shall not be subject to judicial review.

- C. Performance evaluation criteria are found at Attachment J-7 and will be published in the Federal Register.

3.0 TERMINATION

A. Contractor Initiated Termination

Pursuant to Section 1153(c)(5) of the Social Security Act, the Contractor may terminate this contract upon 90 days written notice to the Contracting Officer.

Within five (5) working days of issuing the notice of termination, the Contractor shall contact the Administrative Services Group, Division of Property and Space Management, in order to arrange for the disposal of Government acquired property under the terms of the contract.

In accordance with Government contract requirements, all financial records and supporting documents are to be retained 3 years by a designated responsible individual of the outgoing contract. The 3-year period begins on the date the outgoing Contractor submits its final deliverables to HCFA. If at the end of the 3-year period, there are any outstanding litigation claims, unsatisfied judgments or unresolved audit issues, all records shall be retained until the completion of the action.

B. Government-Initiated Termination

Notice of Intent to Terminate: Prior to making any termination under Section 1153(c)(6)(B) of the Act, the Contracting Officer will issue a notice of intent to terminate the contract.³ In accordance with Section 1153(d)(1) of the Act, the Contracting Officer will provide the organization with an opportunity to provide data, interpretations of data, and other information pertinent to its performance under the contract. Such data and other information shall be reviewed in a timely manner by a panel appointed by HCFA, which shall consist of not more than five individuals, each of whom shall be a member of a utilization and quality control peer review organization currently under contract with HCFA.

The panel shall submit a report of its findings to the Contracting Officer in a timely

³During the period after HCFA has given notice of intent to terminate a contract, and prior to the time that HCFA enters into a contract with another Contractor, HCFA may transfer review responsibilities of the organization under the contract being terminated to another PRO, or to an FI or carrier having an agreement under section 1816 or a contract under section 1842 of the Act.

manner. A copy of the report shall be made available to the Contractor. The Contracting Officer may accept or not accept the findings of the panel. The Contracting Officer may, with the concurrence of the Contractor, make modifications to the scope of the functions to be carried out by the organization, or in any other manner.

Final Notice of Termination: After the panel has issued its report, the Contracting Officer may issue the final notice of termination. Final written notice of termination will be issued ninety (90) days prior to the effective date of termination unless a shorter period of time is agreed to by the Contractor if the Contracting Officer determines that:

1. The Contractor does not substantially meet the requirements of Section 1152 of the Act; or,
2. The Contractor has failed substantially to carry out the contract or is carrying out the contract in a manner inconsistent with the efficient and effective Administration of Section 1153 of the Act.

4.0 INFORMATION DISCLOSURE

- A. The Contractor shall collect information, relevant to its functions, keep and maintain records, and permit access to (including delivery of) and use of any such information and records as the Contracting Officer may require.
- B. The Contractor shall not disclose confidential information to any person, except as allowed in Section 1160 of the Act, 42 CFR 476, Section H.4.0.A of this contract, and in accordance with the procedures in 42 CFR 476.
- C. As defined in 42 CFR 476.101, confidential information means any of the following:
 1. information that explicitly or implicitly identifies an individual patient, practitioner, or reviewer;
 2. sanction reports and recommendations;
 3. quality review studies which identify patients, practitioners, or institutions; and,
 4. PRO deliberations.
- D. The Contractor shall refer any questions regarding the appropriate release of confidential information to the Contracting Officer.
- E. The Contractor shall disclose non-confidential information as required in 42 CFR 476.120.
- F. The Contractor shall continue to comply with the requirements of Section 1160 of the Act, regarding the prohibition against disclosure of information, and other applicable laws and regulations after termination or nonrenewal.

5.0 RIGHTS IN DATA

- A. All data and information generated by activities under this contract or derived from research or studies supported by this contract, including programs and program specifications, shall be the exclusive property of the Government which may make, without recourse, any use thereof as may be deemed appropriate.
- B. Upon request, all information identified under H.5.0.A. shall be provided to the Federal Government at no cost to this contract.
- C. No costs for the reproduction of information for non-Federal entities, including Medicare Integrity Program contractors, shall be allocable to this contract.

6.0 ADP SECURITY

PROs shall use only the Standard Data Processing Systems (SDPS) for all applicable ADP functions related to PRO work under this contract (not including corporate administrative systems for payroll, benefits...etc).

7.0 ORGANIZATIONAL CONFLICT OF INTEREST REQUIREMENTS AND DISCLOSURE OF AFFILIATIONS

- A. Organizational conflict of interest rules that govern PROs are established in the Social Security Act (SSA); 42 U.S.C. § 1320c et seq.; Title 42 of the Code of Federal Regulations Subchapter D; Title 42 of the Code of Federal Regulations Part 421 to the extent made applicable by this contract; and Title 48 of the Code of Federal Regulations Chapter 1 Part 9.
- B. It is a prohibited organizational conflict of interest for a Peer Review Organization to be owned by or affiliated with a Medicare health care facility, or association of facilities, payor organization or health plan, in the PRO area, through management, common control or ownership.

For the purposes of this section, a Medicare health care facility is defined as an institution that directly provides or supplies health care services for which payment may be made in whole or in part under Title XVIII of the Act. A health care facility may be a hospital, skilled nursing facility, a health care agency, free standing ambulatory surgery center or outpatient facility or any other entity which provides or supplies direct care to Medicare beneficiaries.

For the purposes of this section, a payor organization means any organization, other than a self-insured employer which makes payments directly or indirectly to health care practitioners or providers whose health care services are reviewed by the organization or would be reviewed by the organization if entered into a contract. Payor organization also means any organization which is affiliated with an entity

which makes payments as described above, by virtue of the organization having more than 20 percent of the members of the governing body who are also governing body members, officers, partners, five percent (5%) or more owners or managing employees in a health maintenance organization or competitive medical plan.

For the purposes of this section, a health plan means an entity that furnishes or arranges under agreement with contract health care providers for the furnishing of items or services to enrollees, or furnishes insurance coverage for the provision of such items and services, in exchange for a premium or a fee.

For the purposes of this section, a PRO is considered to be affiliated with a health care facility or association of facilities if more than 20 percent of the members of the governing body of the PRO are also a governing body member, officer, partner, five percent (5%) or more owners or managing employees in a health care facility or association of health care facilities in the PRO area.

- C. HCFA encourages PROs to work with health care facilities, payor organizations and health plans cooperatively. This cooperation, even if beyond the scope of the PRO contract, can benefit the general community beyond the Medicare population. PROs may enter into a contract, agreement or arrangement with health care facilities, payor organizations, health plans or other private or public entities for work relating to individuals who are not Medicare beneficiaries in the PRO's area, even if such work is similar or identical to the work which the PRO performs under its contract with HCFA for the Medicare population.
- D. If a PRO enters into a contract or agreement with a health care facility, payor organization, health plan, or other public or private entity, the PRO shall ensure that HCFA does not reimburse it for work that is properly compensable under such other contract or agreement.
- E. Within thirty (30) days of entering into a contract, agreement or arrangement with
 - 1. a health care facility, payor organization and health plan;
 - 2. an organization that manufactures or markets pharmaceuticals or any entity that owns or is owned by such an organization; or,
 - 3. an organization other than an organization described in E.2. above, a health care facility, payor organizations or health plans where the contract or agreement exceeds the lesser of \$100,000 or two percent (2%) of the total HCFA contract (excluding fee),

the PRO shall disclose to the HCFA Contracting Officer and Project Officer:

- (a) Dollar value of contract/agreement/arrangement
- (b) Parties to the contract/agreement/arrangement
- (c) Period of Performance of the contract/agreement/arrangement

(d) Type of work to be performed under the contract/agreement/arrangement

F. By February 28th of each year within the contract period of performance, the PRO shall disclose to the HCFA Contracting Officer and Project Officer, a list of all organizations with which the PRO has a contract ,agreement or arrangement outside of the HCFA PRO contract. The information identified in E.3(a)-(d) above, shall be provided in this report.

None of this information is subject to disclosure under the Freedom of Information Act under any exemption identified at 5 U.S.C. § 552.

G. A PRO shall submit the following information with its proposal and shall update the information semi-annually beginning six (6) months after the date of contract award. Only changes from previously submitted information must be submitted in the semi-annual update.

1. The name of any organization listed below in which the PRO has an ownership interest
 - (a) A health care facility or association of facilities;
 - (b) A payor organization;
 - (c) A health plan or association of health plans;
 - (d) A university, college or other educational institution that owns or is associated with a medical school and/or health care facility;
 - (e) A pharmaceutical company or manufacturer;
 - (f) A laboratory;
 - (g) A DME supplier;
 - (h) A provider of ambulance or medical transport services;
 - (i) A corporation, partnership, joint venture or other entity comprised of, affiliated with, reimbursed by or funded by any of the above organizations, or
 - (j) Any other entity HCFA identifies for disclosure;
2. The type of organization named, i.e., which of the above categories applies to the organization;
3. All sources of income that are not disclosed pursuant to H.7.0.F. Dollar amounts received by the PRO need not be disclosed unless requested by the Contracting Officer; and

4. For each member of the governing body of a PRO
 - (i) The name of any organization listed in H.7.0.G. 1(a)-(j) above in which the governing body member has an ownership interest, except ownership interests excluded by 42 CFR 411.356(a) and (b), and
 - (ii) The type of organization named, i.e., which of the above categories applies to the organization.

None of this information is subject to disclosure under the Freedom of Information Act under any exemption identified at 5 U.S.C. § 552.

- H. The following language shall be included in any and all contracts/agreements or arrangements between the PRO and any health care facility, payor organization or health plan:

“It is acknowledged that this contract/agreement or arrangement between (Name of PRO) and (Name of Entity) is developed outside of the PRO contract with the Health Care Financing Administration. In entering into this contract/agreement or arrangement, the PRO did not abuse its authority as a PRO over the health care facility, payor organization or health plan in an attempt to gain a competitive advantage. If the health care facility, payor organization or health plan believes that such an abuse occurred, it has the right to contact the HCFA Contracting Officer directly at (410) 786-0203.”

In the event that a determination of abuse is made by HCFA, HCFA may exercise its contract enforcement provisions, including termination.

- I. HCFA maintains the right to seek a modification to the requirements contained in H.7.0. in the event abuses or appearances of conflicts are identified.
- J. If HCFA determines that a conflict of interest or an appearance of a conflict of interest exists or arises during the term of the contract, it may take any action it deems appropriate, including
 1. requiring the PRO to mitigate the conflict or the appearance of a conflict;
 2. requiring the PRO to terminate the relationship that creates the conflict or the appearance of a conflict; or
 3. terminating the contractual relationship with the PRO.

8.0 CLINICAL DATA ABSTRACTION CENTERS (CDAC)

- A. Each PRO shall have a subcontract for data abstraction services with both CDACs to perform data abstraction services as specified in the Statement of Work.
- B. PRO Liability Related to CDAC Non-Performance

HCFA agrees that it will not take any adverse action, including withholding of payments or termination for default against the Contractor, its agents, servants and employees for any CDAC performance or contractual deficiencies that impede or prohibit the Contractor from performing its required activities under the contract. Additionally, if the CDAC performance or contractual deficiencies cause a delay in a required contract deliverable, HCFA will adjust the deliverable schedule of the contract accordingly.

If the Contractor becomes involved in a suit, action or proceeding as a result of a CDAC action, the Contractor may seek relief for the expenses it incurs as a result of the suit, action, or proceeding pursuant to Section 1157(d) of the Act. To the extent that the Contractor's costs are not reimbursed under Section 1157(d), and the Contractor believes such costs are reimbursable, the Contractor may seek relief through the disputes clause contained in this contract (Section I, 52.233-01).

C. Contractor/CDAC Performance Disagreements

1. The Contractor is required to notify the Project Officer and the Contracting Officer of any performance disagreements which cannot be resolved between the Contractor and the CDAC. The Contractor and the CDAC must proceed diligently with the performance of the work pending resolution of the disagreement by HCFA.
2. If a performance disagreement results in the Contractor incurring financial liability, the Contractor may request financial relief from the HCFA Contracting Officer to the extent allowable under the prime contract with HCFA.
3. If the resolution proposed by HCFA is not satisfactory to both parties (Contractor and CDAC), HCFA may decide to provide an opportunity for all parties to seek a resolution using an agreed-upon alternative disputes resolution process (ADR).
4. If HCFA directs the Contractor to terminate the CDAC contract for any reason, and this direction results in the Contractor incurring financial liability, the process referenced above for financial liability incurred for performance disagreements shall apply.

9.0 STANDARD DATA PROCESSING SYSTEM (SDPS) CONTRACTOR

HCFA agrees that it will not take any adverse action, including withholding of payments or termination for default against the SDPS Contractor, its agents and servants for any non-delivery of equipment as prescribed to be purchased by HCFA.

HCFA agrees that it will not take any adverse action, including withholding of payments or termination for default against any PRO, its agents and servants for any non-delivery of equipment as prescribed to be purchased by HCFA through the SDPS Contractor.

10.0 TELECOMMUNICATIONS SUBCONTRACT (TBD)

A. Implementation

Each PRO shall have a subcontract for video-conferencing services with a subcontractor to be determined by HCFA at a later date.

B. PRO Liability Related to Subcontractor Non-Performance

HCFA agrees that it will not take any adverse action, including withholding of payments or termination for default against the Contractor, its agents, servants and employees for any Subcontractor performance or contractual deficiencies that impede or prohibit the Contractor from performing its required activities under the contract. Additionally, if Subcontractor's performance or contractual deficiencies cause a delay in a required contract deliverable, HCFA will adjust the deliverable schedule of the contract accordingly.

If the Contractor becomes involved in a suit, action or proceeding as a result of a Subcontractor action, the Contractor may seek relief for the expenses it incurs as a result of the suit, action, or proceeding pursuant to Section 1157(d) of the Act. To the extent that the Contractor's costs are not reimbursed under Section 1157(d), and the Contractor believes such costs are reimbursable, the Contractor may seek relief through the disputes clause contained in this contract (Section I, 52.233-01).

C. Contractor/subcontractor Performance Disagreements

1. The Contractor is required to notify the Project Officer and the Contracting Officer of any performance disagreements which cannot be resolved between the Contractor and Subcontractor. The Contractor and Subcontractor must proceed diligently with the performance of the work pending resolution of the disagreement by HCFA.
2. If a performance disagreement results in the Contractor incurring financial liability, the Contractor may request financial relief from the HCFA Contracting Officer to the extent allowable under the prime contract with HCFA.
3. If the resolution proposed by HCFA is not satisfactory to both parties (Contractor and Subcontractor) HCFA may provide an opportunity for all parties to seek a resolution using a mutually agreeable alternative disputes resolution process (ADR).
4. If HCFA directs the Contractor to terminate the Subcontractor contract for any reason, and this direction results in the Contractor incurring financial liability, the process referenced above for financial liability incurred for performance disagreements shall apply.

11.0 CONTINUATION OF EFFORTS BEGUN UNDER 5TH SCOPE

As a condition of this contract, the Contractor shall perform to completion the following efforts/Special Studies commencing under the 5th Scope Contract and approved for continuation under 6th Scope Contract -Task 6:

**TO BE IDENTIFIED INDIVIDUALLY PER CONTRACT ONLY AS APPLICABLE
TO RENEWAL PROs**

12.0 SEVERANCE PAY/TERMINATION COSTS

The Government will recognize normal severance costs in accordance with OMB Circular A-122 effective June 1, 1998. If the Contractor has a severance plan, it must be approved in writing by the Contracting Officer prior to the Government reimbursing any severance costs. In the event that the PRO contract is terminated or non-renewed for any reason, the PRO shall not be reimbursed for any severance costs paid by the Contractor to its employees.

13.0 BIENNIAL WAGE DETERMINATIONS

On a biennial basis (every two (2) years), calculated from the anniversary date of the contract, the Contracting Officer will obtain from the Department of Labor a revised wage determination for each PRO. Each PRO contract will be modified accordingly. Within 45 days, each PRO shall implement the wage determination established in the modification.

14.0 CHANGES IN CLINICAL SCIENCE/AWARD FEE PLAN

HCFA acknowledges that clinical science may change during the course of this contract; and, as such, HCFA reserves the right to drop, alter or add indicators. In this event, the contract will be modified accordingly. However, HCFA reserves the right to unilaterally modify the award fee plan based upon any impact resulting from the change in indicators. Any modifications to the contract will be handled in such a way as to hold the PRO harmless to any negative effects of a change in indicator.

SECTION I - CONTRACT CLAUSES

1.0 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:

www.arnet.gov/far/fac.html

THE FOLLOWING CLAUSES ARE APPLICABLE TO COST REIMBURSEMENT EFFORTS:

- 52.203-3 GRATUITIES (APR 1984)
- 52.203-5 COVENANT AGAINST CONTINGENT FEES (APR 1984)
- 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO GOVERNMENT (JUL 1995)
- 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)
- 52.203-8 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)
- 52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)
- 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 1997)
- 52.204-4 PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER. (JUN 1996)
- 52.209-6 PROTECTING THE GOVERNMENTS INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995)
- 52.215-2 AUDIT AND RECORDS--NEGOTIATION (AUG 1996)
- 52.215-2 AUDIT AND RECORDS--NEGOTIATION (AUG 1996) -- ALTERNATE II (APR 1998)
- 52.215-8 ORDER OF PRECEDENCE - UNIFORM CONTRACT FORMAT (OCT 1997)
- 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997)

- 52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA -- MODIFICATIONS (OCT 1997)
- 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 1997)
- 52.215-13 SUBCONTRACTOR COST OR PRICING DATA -- MODIFICATIONS (OCT 1997)
- 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (DEC 1998)
- 52.215-17 WAIVER OF FACILITIES COST OF MONEY (OCT 1997)
- 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST RETIREMENT BENEFITS (P.B.) OTHER THAN PENSIONS (OCT 1997)
- 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA -- MODIFICATIONS (OCT 1997) -- ALTERNATE III (OCT 1997)
- 52.216-7 ALLOWABLE COST AND PAYMENT (APR 1998)
- 52.216-8 FIXED FEE (MAR 1997)
- 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 1989)
- 52.219-8 UTILIZATION OF SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS CONCERNS. (JAN 1999)
- 52.219-9 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (JAN 1999) -- ALTERNATE II (MAR 1996)
- 52.219-16 LIQUIDATED DAMAGES-SUBCONTRACTING PLAN (AUG 1998)
- 52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)
- 52.222-3 CONVICT LABOR (AUG 1996)
- 52.222-26 EQUAL OPPORTUNITY (APR 1984)
- 52.222-28 EQUAL OPPORTUNITY PREAWARD CLEARANCE OF SUBCONTRACTS. (APR 1984)
- 52.222-35 AFFIRMATIVE ACTION FOR DISABLED AND VETERANS OF THE VIETNAM ERA (APR 1998)
- 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN

1998)

- 52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA. (APR 1998)
- 52.222-41 SERVICE CONTRACT ACT OF 1965, AS AMENDED (MAY 1989)
- 52.222-43 FAIR LABOR STANDARDS ACT AND SERVICE CONTRACT ACT - PRICE ADJUSTMENTS (MULTIPLE YEAR AND OPTION CONTRACTS) (MAY 1989)
- 52.222-44 FAIR LABOR STANDARDS ACT AND SERVICE CONTRACT ACT - PRICE ADJUSTMENT (MAY 1989)
- 52.223-2 CLEAN AIR AND WATER (APR 1984)
- 52.223-6 DRUG-FREE WORKPLACE (JAN 1997)
- 52.223-14 TOXIC CHEMICAL RELEASE REPORTING (OCT 1996)
- 52.224-1 PRIVACY ACT NOTIFICATION (APR 1984)
- 52.224-2 PRIVACY ACT (APR 1984)
- 52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (AUG 1998)
- 52.226-1 UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES (SEP 1996)
- 52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (AUG 1996)
- 52.227-3 PATENT INDEMNITY (APR 1984)
- 52.227-11 PATENT RIGHTS - RETENTION BY THE CONTRACTOR (SHORT FORM) (JUN 1997)
- 52.227-12 PATENT RIGHTS - RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997)
- 52.227-17 RIGHTS IN DATA - SPECIAL WORKS (JUN 1987)
- 52.229-10 STATE OF NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAXES (OCT 1988)
- 52.230-2 COST ACCOUNTING STANDARDS (APR 1998)
- 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (APR 1998)

52.230-4 CONSISTENCY IN COST ACCOUNTING PRACTICES (AUG 1992)

52.230-5 COST ACCOUNTING STANDARDS - EDUCATIONAL INSTITUTION (APR 1998)

52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (APR 1996)

52.232-17 INTEREST (JUN 1996)

52.232-18 AVAILABILITY OF FUNDS (APR 1984)

52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR (APR 1984)

52.232-20 LIMITATION OF COST (APR 1984)

52.232-22 LIMITATION OF FUNDS (APR 1984)

52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)

52.232-25 PROMPT PAYMENT (JUN 1997)

52.232-33 MANDATORY INFORMATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT (AUG 1996)

52.233-1 DISPUTES (OCT 1995) -- ALTERNATE I (DEC 1998)

52.233-3 PROTEST AFTER AWARD (AUG 1996)

52.237-3 CONTINUITY OF SERVICES (JAN 1991)

52.237-7 INDEMNIFICATION AND MEDICAL LIABILITY INSURANCE (JAN 1997)

52.239-1 PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)

52.242-1 NOTICE OF INTENT TO DISALLOW COSTS (APR 1984)

52.242-3 PENALTIES FOR UNALLOWABLE COSTS (OCT 1995)

52.242-4 CERTIFICATION OF INDIRECT COSTS (JAN 1997)

52.242-13 BANKRUPTCY (JUL 1995)

52.243-2 CHANGES - COST-REIMBURSEMENT (AUG 1987) -- ALTERNATE I (APR 1987)

52.244-2 SUBCONTRACTS (AUG 1998)

| | |
|-----------|--|
| 52.244-5 | COMPETITION IN SUBCONTRACTING (DEC 1996) |
| 52.245-1 | PROPERTY RECORDS (APR 1984) |
| 52.245-5 | GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL OR LABOR-HOUR CONTRACTS) (JAN 1986) |
| 52.246-25 | LIMITATION OF LIABILITY - SERVICES (FEB 1997) |
| 52.248-1 | VALUE ENGINEERING (MAR 1989) |
| 52.249-6 | TERMINATION (COST-REIMBURSEMENT) (SEP 1996) |
| 52.249-14 | EXCUSABLE DELAYS (APR 1984) |
| 52.251-1 | GOVERNMENT SUPPLY SOURCES (APR 1984) |
| 52.252-4 | ALTERATIONS IN CONTRACT (APR 1984) |
| 52.253-1 | COMPUTER GENERATED FORMS (JAN 1991) |

2.0 HHSAR 352-252-20 DEPARTMENT OF HEALTH AND HUMAN SERVICES ACQUISITION REGULATIONS (HHSAR)

| | |
|------------|---|
| 352.202-1 | DEFINITIONS (APR 1984) -ALTERNATE I (APR 1984) |
| 352.228-7 | INSURANCE - LIABILITY TO THIRD PERSONS (DEC 1991) |
| 352.232-9 | WITHHOLDING OF CONTRACT PAYMENTS (APR 1984). |
| 352.233-70 | LITIGATION AND CLAIMS (APR 1984) |
| 352.242-71 | FINAL DECISIONS ON AUDIT FINDINGS (APR 1984) |
| 352.270-4 | PRICING OF ADJUSTMENTS (APR 1984) |
| 352.270-6 | PUBLICATION AND PUBLICITY (JUL 1991) |

3.0 FAR 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset

valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall--

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

4.0 FAR 52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES. (MAY 1989)

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (20 CFR Part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

This Statement is for information Only and is not a Wage Determination

EMPLOYEE CLASS MONETARY WAGE-FRINGE BENEFIT (See Attachment J-18)

5.0 FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS. (OCT 1995)

(a) *Definition.*

Commercial item, as used in this clause, has the meaning contained in the clause at 52.202-1, Definitions.

Subcontract, as used in this clause, includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c) Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision or clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:

(1) 52.222-26, Equal Opportunity (E.O. 11246);

(2) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212(a));

(3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793); and

(4) 52.247-64, Preference for Privately Owned U.S.-Flagged Commercial Vessels (46 U.S.C. 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

SECTION J - LIST OF ATTACHMENTS

| | |
|------|---|
| J-1 | Glossary of Terms |
| J-2 | Award Fee Plan |
| J-3 | Standards and Guidelines for Printed Materials |
| J-4 | PRO Manual Sections |
| J-5 | Data Supplied by HCFA |
| J-6 | Interim QISMC Standards |
| J-7 | Evaluation Plan |
| J-8 | Voucher Forms |
| J-9 | Authorization and Payment Information Form |
| J-10 | Sample Small Disadvantaged Business Plan and Report Forms |
| J-11 | Chart of PROs by Group |
| J-12 | Business Proposal Forms and Instructions |
| J-13 | Staffing Assumptions |
| J-14 | Mandatory Case Review Volume Assumptions |
| J-15 | HHS Form 565 Report of Accountable Property |
| J-16 | SDPS Site Plan and Inventory |
| J-17 | SDPS Interface Document |
| J-18 | Employee Class Monetary Wage-fringe Benefit |

SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS OR QUOTERS

1.0 TO BE COMPLETED BY THE OFFEROR: [THE REPRESENTATIONS AND CERTIFICATIONS MUST BE EXECUTED BY AN INDIVIDUAL AUTHORIZED TO BIND THE OFFEROR]

The offeror makes the following Representations and Certifications as part of its proposal (check or complete all appropriate boxes or blanks on the following pages).

(Name of Offeror)

(RFP No.)

(Signature of Authorized Individual)

(Date)

(Typed Name of Authorized Individual)

Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

2.0 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): www.arnet.gov/far/fac.html

52.203-11 CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (APR 1991)

52.204-5 WOMEN-OWNED BUSINESS (OCT 1995)

52.222-21 CERTIFICATION OF NONSEGREGATED FACILITIES (APR 1984)

3.0 FAR 52.204-3 TAXPAYER IDENTIFICATION (OCT 1998)

(a) *Definitions.*

“Common parent,” as used in this solicitation provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

“Taxpayer Identification Number (TIN),” as used in this solicitation provision, means the number required by the Internal Revenue Service (IRS) to be used by the Offeror in reporting income tax and other returns. The TIN may be either a social security number or an employer identification number.

(b) All offerors are required to submit the information required in paragraphs (d) through (f) of this solicitation provision in order to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3225(d), reporting requirements of 26 U.S.C. 6041, 6041a, and 6050m and implementing regulations issued by the IRS. If the resulting contract is subject to payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with its records to verify the accuracy of the offeror’s TIN.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror’s relationship with the Government (31 U.S.C. 7701(c) (3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the tin provided hereunder may be matched with its records to verify the accuracy of the offeror’s TIN.

(d) *Taxpayer Identification Number (TIN).*

___ TIN: _____.

___ TIN has been applied for.

___ TIN is not required because:

___ Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

___ Offeror is an agency or instrumentality of a foreign government;

___ OFFEROR IS AN AGENCY OR INSTRUMENTALITY OF THE FEDERAL GOVERNMENT;

(D) Type of Organization

___ Sole proprietorship;

___ Partnership;

___ Corporate entity (not tax-exempt);

- ___ Corporate entity (tax exempt);
- ___ Government entity (Federal, State or local)
- ___ Foreign Government;
- ___ International organization per 26 CFR1.6049-4;

___ **OTHER** _____

(E) *Common Parent.*

___ Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.

___ Name and TIN of common parent:

Name _____

TIN _____

4.0 FAR 52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (MAR 1996)

(a) The Offeror certifies:

(1) to the best of its knowledge and belief, that:

(i) The Offeror and/or any of its Principals:

(A) Are () are not () presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have () have not (), within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are () are not () presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of

any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(ii) The Offeror has () has not (), within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Section 1001, Title 18, United States Code.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror non-responsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

5.0 FAR 52.215-6 PLACE OF PERFORMANCE (OCT 1997)

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ___ intends, ___ does not intend (*check applicable box*) to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it

shall insert in the following spaces the required information:

PLACE OF PERFORMANCE
(STREET ADDRESS, CITY,
STATE, COUNTY, ZIP CODE)

NAME AND ADDRESS OF OWNER
AND OPERATOR OF THE PLANT
OR FACILITY IF OTHER THAN OFFEROR
OR RESPONDENT

**6.0 FAR 52.215-7 ANNUAL REPRESENTATIONS AND CERTIFICATIONS--
NEGOTIATION. (OCT 1997)**

The offeror has (check the appropriate block):

___ (a) Submitted to the contracting office issuing this solicitation, annual representations and certifications dated _____ (insert date of signature on submission) that are incorporated herein by reference, and are current, accurate, and complete as of the date of this proposal, except as follows (insert changes that affect only this proposal; if "none," so state):

___ (b) Enclosed its annual representations and certifications.

7.0 FAR 52.219-1 SMALL BUSINESS PROGRAM REPRESENTATIONS (OCT 1998)

- (a) (1) The standard industrial classification (SIC) code for this acquisition is 8741.
- (2) The small business size standard is \$5 million.
- (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) *Representations.*

- (1) The offeror represents as part of its offer that it () is, () is not a small business concern.
- (2) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents for general statistical purposes, that it () is, () is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.
- (3) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents as part of its offer that it () is, () is not a women-owned small business concern.

(c) *Definitions.*

“*Small business concern*,” as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.

“*Women-owned small business concern*,” as used in this provision, means a small business concern--

- (1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

(d) *Notice.*

- (1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.
- (2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small or small disadvantaged business concern in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall--
 - (i) Be punished by imposition of fine, imprisonment, or both;
 - (ii) Be subject to administrative remedies, including suspension and debarment; and
 - (iii) Be ineligible for participation in programs conducted under the authority of the Act.

8.0 FAR 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (APR 1984)

The offeror represents that:

- (a) It ___ has, ___ has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;

- (b) It ___ has, ___ has not, filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

9.0 FAR 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

The offeror represents that:

- (a) It ___ has developed and has on file, ___ has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2); or
- (b) it ___ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

10.0 FAR 52.223-1 CLEAN AIR AND WATER CERTIFICATION (APR 1984)

The Offeror certifies that:

- (a) Any facility to be used in the performance of this proposed contract is ___ , is not ___ listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
- (b) The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the EPA, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and
- (c) The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

11.0 FAR 52.223-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (OCT 1996)

- (a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.
- (b) By signing this offer, the offeror certifies that--
 - (1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a)

and (g) of EPCRA and section 6607 of PPA; or--

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: (Check each block that is applicable.)

____ (i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C. 11023(c);

____ (ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A);

____ (iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

____ (iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in Section 19.102 of the Federal Acquisition Regulation; or

____ (v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

12.0 FAR 52.226-2 HISTORICALLY BLACK COLLEGE OR UNIVERSITY AND MINORITY INSTITUTION REPRESENTATION. (MAY 1997)

(a) Definitions. As used in this provision -

"Historically Black College or University" means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense, the National Aeronautics and Space Administration, and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

"Minority Institution" means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1135d-5(3)) which, for the purpose of this provision, includes a Hispanic-serving institution of higher education as defined in Section 316(b)(1) of the Act (20 U.S.C. 1059c(b)(1)).

(b) Representation. The offeror represents that it -

____ is ____ is not a Historically Black College or University;

___ is ___ is not a Minority Institution.

13.0 FAR 52.230-1 COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATION (APR 1998)

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 \$500,000 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 offerors 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.

- [] (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 more than \$25 million (of which at least one award exceeded \$1 million) 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 \$25 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. 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 \$25 million in awards of CAS-covered prime contracts and subcontracts, or the offeror did not receive a single CAS-covered award exceeding \$1 million. 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 \$25 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 \$25 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

14.0 REPRESENTATIONS AND INSTRUCTIONS FINANCIAL

A. Contractor: _____

Address:* _____

Telephone No. _____

Individual(s) to contact regarding this proposal:

Dun & Bradstreet, Data Universal Numbering System (DUNS)
No. _____

(See FAR 52.204-6 -- Data Universal Numbering System (DUNS) Number)

*If financial records are maintained at some other location, show the address of the place where the records are kept.

B. Cognizant Government Audit Agency:

Address: _____

Auditor: _____

Telephone No. _____

C. Sales:

1. Work Distribution for the Last Complete Fiscal Accounting Period

Government cost reimbursement type prime contracts and subcontracts:

\$ _____

Government fixed price prime contracts and subcontracts: \$ _____

Commercial Sales: \$ _____

Total Sales: \$ _____

2. Total Sales for First and Second Fiscal Years Immediately Preceding Last Completed Fiscal Year

Total sales for first preceding fiscal year: \$ _____

Total sales for second preceding fiscal year: \$ _____

D. Is company a separate entity or division? _____ If a division or subsidiary corporation, name parent company:

E. Date company organized: _____

F. Manpower:

Total employees: _____

Direct: _____

Indirect: _____

Standard Work Week (Hours): _____

G. Commercial Products:

H. Attach a current organizational chart of the company.

I. Description of contractor's system of estimating and accumulating costs under Government contracts. (Check appropriate blocks).

| | Estimated/ Actual Cost | Standard Cost |
|---------------------|---------------------------|------------------|
| | ===== | ===== |
| Estimating System | _____ | _____ |
| Job Order | _____ | _____ |
| Process | _____ | _____ |
| Accumulating System | _____ | _____ |
| Job Order | _____ | _____ |

Process _____

Has your cost estimating system been approved by any Government agency?

Yes _____ No _____

If yes, give name and location of agency:

J. What is your fiscal year period? (Give month-to-month dates)

What were the indirect cost rates for your last completed fiscal year?

Basis of Fiscal Year _____ Indirect Cost Rates Allocation

Fringe Benefits _____
Overhead _____

G & A Expense _____

Other _____

K. Have the proposed indirect cost rate(s) been evaluated and accepted by any Government agency?

If yes, give name and location of the Government agency:

Date of last preaward audit review by a Government agency:

L. Cost estimating is performed by:

() accounting department
() contract department
() other (describe) _____

M. Has system of control of Government property been approved by a Government agency?

If yes, give name and location of agency:

*If the answer is no, data supporting the proposed rates must accompany the cost or price proposal. A breakdown of the items comprising overhead and G & A must be furnished.

N. Purchasing Procedures:

Are purchasing procedures written? Yes ___ No ___

Has your purchasing system been approved by a Government agency?

Yes ___ No ___

If yes, give name and location of agency:

O. Does your firm have an established written incentive compensation or bonus plan?

Yes ___ No ___

15.0 RENEWAL PRO CERTIFICATION FOR PERFORMANCE

I, _____ (Name of party authorized to bind the PRO) hereby certify that _____ (Name of PRO) is capable of performing all of the tasks as currently set forth in solicitation HCFA-99-001/ELH. _____ (Date)

16.0 FAR 15.406-2 CERTIFICATE OF CURRENT COST OR PRICING DATA

CERTIFICATE OF CURRENT COST OR PRICING DATA.

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in section 15.401 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.403-4) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the Contracting Officer's representative in support of ____* are accurate, complete, and current as of ____**. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Government that are part of the proposal.

Firm _____.

Signature _____.

Name _____.

Title _____.

Date of execution*** _____.

* Identify the proposal, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP No.).

** Insert the day, month, and year when price negotiations were concluded and price agreement was reached or, if applicable, an earlier date agreed upon between the parties that is as close as practicable to the date of agreement on price.*** Insert the day, month, and year of signing, which should be as close as practicable to the date when the price negotiations were concluded and the contract price was agreed to.

17.0 ELIGIBILITY

The offeror acknowledges and certifies that:

- (1) The PRO contract eligibility requirements are required by law and that, if it fails to remain in compliance with the eligibility requirements, it will immediately notify the Contracting Officer and describe what actions will be taken to restore eligibility.
- (2) It will accept HCFA determinations regarding its organizational eligibility as final determinations.
- (3) It is not a health care facility in the review area, or an association of health care facilities, or a health care facility affiliate in the review area.

The organization is () is not () a physician-sponsored organization composed of a substantial number (at least 10 percent) of the licensed doctors of medicine and osteopathy practicing medicine or surgery in the review area and who are representative of the physicians practicing in the review area.

The organization has documentation in its files demonstrating that it is composed of at least 20 percent of the licensed doctors of medicine and osteopathy practicing medicine or surgery in the review area or has some means acceptable to HCFA (e.g., letters of support from physicians or physician organizations) of demonstrating that it is representative of the area physicians and meets the 10 percent requirement.

The organization is () is not () a physician-access organization that has available to it, by arrangement or otherwise, the services of a sufficient number of licensed doctors of medicine or osteopathy practicing medicine or surgery in the review area to assure adequate peer review of the services provided by the various medical specialties and subspecialties. Sufficient is defined as having available at least one physician in every generally recognized specialty and having an arrangement(s) with physicians under which the physicians would conduct review for the organization.

There are _____ (number) licensed doctors of medicine and osteopathy practicing medicine or surgery in the review area.

There are _____ (number) licensed doctors of medicine and osteopathy practicing medicine or surgery in the review area that are members of the offeror's organization.

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

1.0 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 provision, the offeror may identify the provisions by paragraph identifier, and provide the appropriate information with its quotation or offer. Also, the full text of a clause may be accessed electronically at this/these addresses:

<http://www.arnet.gov/far/fac.html>

| Clause No. | Title | Date |
|------------|---|----------|
| 52.204-6 | Data Universal Numbering System (DUNS) Number | Apr 1998 |
| 52.215-1 | Instructions to Offerors -- Competitive Acquisitions, Alt I | Oct 1997 |
| 52.222-24 | Preaward On-Site Equal Opportunity Compliance Review | Apr 1984 |
| 52.222-46 | Evaluation of Compensation for Professional Employees | Feb 1993 |

2.0 FAR 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997)

(a) Exceptions from cost or pricing data.

(1) In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Commercial item exception. For a commercial item exception, the offeror shall submit, at a minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information

may include-

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted.

Provide a copy or describe current discount policies and price lists (published or unpublished) e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

(B) For market-priced items, the source and date or period of the market quotation, or other basis for market price, the base amount and applicable discounts. In addition, describe the nature of the market;

(C) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the offeror's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for Cost or Pricing Data.

If the offeror is granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The offeror shall prepare and submit cost or pricing data and supporting attachments in the following format: See instructions in L.9 of this RFP.

(2) As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

(End of Provision)

3.0 FAR 52.233-2 SERVICE OF PROTEST (AUG 1996)

(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 General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from Edward L. Hughes.

Health Care Financing Administration

Office of Acquisition and Grants
7500 Security Boulevard
C2-21-15 Central Building
Baltimore, Maryland 21244-1850
Attn: Edward L. Hughes, Contracting Officer

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

4.0 FAR 52.216-1 TYPE OF CONTRACT (APR 1984)

As a result of this solicitation, the Government contemplates award of a hybrid cost-plus-fixed-fee/cost-plus-award-fee contract.

5.0 FACSIMILE PROPOSALS

Facsimile proposals and electronic proposals will not be considered acceptable for the purpose of responding to the RFP.

6.0 GENERAL INFORMATION AND INSTRUCTIONS

NOTE: Throughout this section, various subparts are identified as applicable to either competitive or renewal; in the event that one or the other is not clearly identified, the instructions provided apply to both.

A. Any questions arising from either a competitive or renewal offeror's review of the solicitation shall be received by the Contracting Officer no later than 11:00 am local prevailing time, March 12, 1999.

For Competitive, all questions must be in hard copy form only addressed to the Contracting Officer as identified at L.3.0.

For Renewal PROs, questions may be submitted either in hard copy or via electronic mail to: 6thscope@hcfa.gov

HCFA will respond to all questions and provide answers in writing to all offerors. It is at HCFA's discretion to address any questions submitted after the cut-off date but before award, if HCFA considers it in the best interest of the Government. Any answers provided to late questions will be provided in writing to all offerors.

B. Any resultant contract shall include the FAR clauses applicable to the selected offeror's organization and type of contract award. Any additional clauses required by public law, executive order, or acquisition regulations, in effect at the time of execution of the proposed contract, will be included.

C. Proposal Breakout

1. **Competitive Only:**

The proposal must be prepared in three parts: written technical, written business proposals and an oral technical presentation. The written technical and the business proposals shall be separately packaged, self-contained, and clearly marked so that the evaluation of each part can be accomplished independently of review of the other.

The technical proposal (written and oral portions) must not contain reference to price/cost; however, resource information such as data concerning labor hours and categories, materials, subcontract, etc, must be contained in the technical proposal so that an offeror's understanding of the Statement of Work may be evaluated. The technical proposal must disclose the offeror's technical approach in sufficient detail to provide a clear and concise presentation that includes, but is not limited to, the requirements of the technical proposal instructions.

2. **Renewal Only:**

The proposal must be prepared in two parts: written technical and written business proposal.

The written technical and the business proposals shall be separately packaged, self-contained, and clearly marked so that the evaluation of each part can be accomplished independently of review of the other.

The technical proposal must not contain reference to price/cost; however, resource information such as data concerning labor hours and categories, materials, subcontract, etc, must be contained in the technical proposal so that an offeror's understanding of the Statement of Work may be evaluated.

The technical proposal must disclose the offeror's technical approach in sufficient detail to provide a clear and concise presentation that includes, but is not limited to, the requirements of the technical proposal instructions.

D. Proposal Delivery

1. **Competitive Only:**

The proposal must be signed by an official authorized to bind your organization and delivered into the hands of the Contracting Officer no later than **11:00 am local prevailing time, April 15, 1999** at the following address--

Health Care Financing Administration
Acquisition and Grants Group
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, Maryland 21244-1850
Attn: Edward L. Hughes, Contracting Officer

NOTE: Offerors are hereby advised that the place for submission of proposals, as noted above, is a secured facility. Therefore, when hand-delivering or utilizing a mail carrier service to deliver proposals, offerors should allow sufficient time to obtain a visitor's parking pass and registration at the Security Guard's Desk(s). Proposal delivery must be made to the exact mail stop noted above on or before the specified date and time. It is possible that proposals delivered by a mail carrier service other than the U.S. Postal Service, may not be directed to the location and person specified above, but may be sent to the mail room prior to delivery to the Contracting Officer. This could prevent a proposal from being received timely. Offerors are advised to take this possibility into consideration in determining when and how a proposal is to be delivered. Offerors are also advised that the proposal shall be clearly marked including RFP number, with the location and phone number of the Contracting Officer (410-786-0203), and the State for which the Offeror is submitting its proposal.

2. **Renewal Only:**

The proposal must be signed by an official authorized to bind your organization and delivered into the hands of the Contracting Officer no later than **11:00 am local prevailing time, March 31, 1999** at the following address--

Health Care Financing Administration
Acquisition and Grants Group
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, Maryland 21244-1850
Attn: Edward L. Hughes, Contracting Officer
RFP No.HCFA-99-001/ELH

Offerors are advised to clearly identify on the box/envelop the State for which the proposal is submitted.

- E. Alternate proposals will not be accepted in response to this solicitation.
- F. The Government will evaluate proposals in accordance with the evaluation criteria set forth in Section M of this request for proposal.
- G. Proposals will become part of the official contract file but will not be incorporated into the contract.
- H. **Competitive only:** The RFP does not commit the Government to pay any cost for the preparation and submission of a proposal.

- I. The Contracting Officer is the only individual who can legally commit the Government to the expenditure of public funds in connection with the proposed acquisition.

7.0 WRITTEN TECHNICAL PROPOSAL INSTRUCTIONS

- A. Proposals which merely offer to conduct a program in accordance with the requirements of the Government's Statement of Work will not be eligible for award. Each offeror must submit an explanation of the proposed technical approach in conjunction with the tasks to be performed in achieving the project objectives.

The following subsections L.7.0.B and L.7.0.C apply only to those offerors in a competitive situation; these subsections do not apply to renewal PROs.

- B. Five copies and one original of the written technical proposal shall be submitted. The written technical proposal is limited to 30 pages (not including page dividers), single-sided, single-spaced, 8-1/2 x 11 size paper, courier new, 10 point font, 1 inch margins top/bottom/right/left. Support documentation such as timelines and resumes shall be submitted as an attachment to the 30 page written technical proposal.

In addition to the 30 page limitation above, attachments shall be limited to 15 pages, single-sided, single-spaced 8-1/2 x 11 size paper (page limitation does not include information required below for Physician Sponsored or Physician Access documentation). No specific font or point size are required for the attachments.

Offerors not adhering to this format may be considered unacceptable and may not be considered for award. However, the Contracting Officer shall have the authority to waive minor deviations in the above specifications and make a determination for acceptance of a proposal.

The written technical proposal shall be **divided and tabs identified as noted below:**

Tab 1: Task 1, National Health Care Quality Improvement Projects (HCQIPs)

Tab 2: Task 2, Local Quality Improvement Projects

Tab 3: Task 3, Quality Improvement Projects in Conjunction with Medicare+ Choice Plans

Tab 4: Task 4, Payment Error Prevention Program (PEPP)

Tab 5: Task 5, Other Mandated Activities

Tab 6: Task 6, Special Studies--NA

Tab 7: Management Plan

Tab 8: Attachments

C. The written technical proposal shall cover the following topics:

1. Task 1: National Quality Improvement Projects

The offeror shall submit a description of its overall plan to meet the requirements of Task #1 of the Statement of Work. The description shall cover each of the six (6) topics: AMI, Pneumonia, Diabetes, Congestive Heart Failure, Stroke/Transient Ischemic Attack/Atrial Fibrillation, Breast Cancer. At a minimum, the offeror shall address:

- ◆ Plan to accomplish the required improvements within each topic from the established baseline;
- ◆ Plan for meeting the required Task 1 reporting/deliverable requirements;
- ◆ Plan for maintaining contract quality for Task 1; and,
- ◆ Plan for distribution of personnel to be assigned to the national projects for each of the six (6) topics based upon skill mix.

2. Task 2: Local Quality Improvement Projects

The offeror shall submit a description of its overall plan to meet the requirements of Task #2 of the SOW. At a minimum, the offeror shall address:

- ◆ The offeror's approach to developing/testing quality improvement projects in a setting other than acute-care hospitals;
- ◆ The offeror's approach to reducing the disparity in the indicator performance rate between beneficiaries living in the State who are considered to be members of a disadvantaged group and all other beneficiaries living in the State upon which the offeror is proposing;
- ◆ Plan for meeting the required Task 2 reporting/deliverable requirements;
- ◆ Plan for maintaining contract quality for Task 2; and,
- ◆ Plan for distribution of personnel assigned to the task (based upon skill mix).

3. Task 3: Quality Improvement Projects in Conjunction with Medicare+ Choice Plans

The offeror shall submit a description of its overall plan to meet the requirements of Task #3 of the SOW. At a minimum, the offeror shall address:

- ◆ The offeror's approach to coordinating with Medicare+Choice plans in the State for which it is proposing in order to support the plans' quality improvement projects;
- ◆ Plan for meeting the required Task 3 reporting/deliverable requirements;
- ◆ Plan for maintaining contract quality for Task 3; and,
- ◆ Plan for distribution of personnel assigned to task (based upon skill mix).

4. Task 4: Payment Error Prevention Program (PEPP)

The offeror shall submit a description of its overall plan to meet the requirements of Task #4 of the SOW. At a minimum, the offeror shall address:

- ◆ The offeror's approach to accomplishing all work under Task 4 in the SOW;
- ◆ Plan for meeting the required Task 4 reporting/deliverable requirements;
- ◆ Plan for maintaining contract quality for Task 4; and,
- ◆ Plan for distribution of personnel assigned to task (based upon skill mix).

5. Task 5: Other Mandated Activities

The offeror shall submit a description of its overall plan to meet the requirements of Task #5 of the SOW. At a minimum, the offeror shall address:

- ◆ Plan for performing mandatory case reviews, post review activities, and other legislatively mandated activities, including beneficiary outreach and education activities;
- ◆ Plan for meeting the required Task 5 reporting/deliverable requirements;
- ◆ Plan for maintaining contract quality for Task 5; and,
- ◆ Plan for distribution of personnel assigned to the task (based upon skill mix).

6. Task 6: Special Studies

Not applicable

7. Management Plan

The offeror shall provide a comprehensive discussion of its management systems and how the organization's management will assure that the requirements of the contract are met. The management plan shall address the following points, at a minimum:

- ◆ Define the lines of authority, responsibility and communication;
- ◆ Describe the approach to identifying and addressing problems that may arise within the general structure of the contract;
- ◆ Describe the offeror's ability to control and manage subcontractor performance and costs.

8. Attachments

(a) Past Performance

The offeror shall submit documentation demonstrating organizational and personnel experience as applicable to this effort. The offeror shall describe relevant experience of members of proposed management and personnel. In addition, the offeror shall provide the following information for each relevant contract, subcontract, grant or project (offerors should not go beyond the past three years):

- ◆ Name of parties to the contract, subcontract, grant or project;
- ◆ Contract/subcontract/grant number;
- ◆ Contract/subcontract/grant type (i.e., cost reimbursement, fixed price);
- ◆ Total value of contract/subcontract/grant/project;
- ◆ Description of the relevant work performed by the offeror;
- ◆ Name and phone number of Administrative Contracting Officer/Project Officer (as applicable)
- ◆ List of subcontractors used by offeror in the contract/subcontract/grant identified.

Offerors are advised that references other than those identified by the offeror may be contacted by the Government during the evaluation of past performance.

(b) Physician Sponsored/Physician Access Information

The offeror shall submit information documenting that it is a physician-sponsored or physician access organization in the State in which an offeror is proposing.

Physician Sponsored: An offeror seeking to qualify as a physician-sponsored organization shall provide independent verification from the State medical association (or comparable entity) attesting to the number of licensed doctors of medicine and osteopathy practicing medicine or surgery in the review area. In addition, the offeror shall provide either a list of the licensed doctors of medicine and osteopathy practicing medicine or surgery in the review area who are members of the offeror's organization or letters of support or other evidence that is representative of area physicians.

Physician Access: An offeror seeking to qualify as physician-access organization must submit a list of physicians whom it has available to it under arrangement, as well as evidence demonstrating the existence of the arrangements. Physician specialists available for support of improvement activities and for review activities must include experts in all the following fields: Cardiology, Gerontology, Gynecology, Immunology/Rheumatology/Endocrinology, Internal Medicine/Family Practice, Neurology, Oncology, Ophthalmology, Orthopedics/Podiatry, Psychiatry, Pulmonary Medicine, Radiology, Surgery (includes sub-specialties) and Urology/Nephrology.

[NOTE: Due to the volume of material that this may encompass, this requirement will not count toward the attachment page limitation.]

(c) Other Attachments

To be determined by the offeror, as needed.

E. Offerors (both competitive and renewal PROs) shall be required to submit a subcontracting plan in accordance with the terms of FAR 52.219-9 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan, incorporated herein by reference.

F. **This section applies to renewal only:**

The written technical proposal shall be limited to twenty (20) pages, single-sided, single-spaced, 8-1/2 x 11 size paper, courier new, 10 point font, one inch margins

top/bottom/right/left .

Attachments shall be limited to 5 pages, single-sided, single-spaced, 8-1/2 x 11 size paper. No particular font is required on the attachments. Support documentation (e.g., timelines and resumes) shall be submitted as attachments.

Not included in the 5 page limitation, each PRO shall submit the current SOWs for Special Studies which began under the 5th Scope Contract and were approved for continuation under the 6th Scope Contract. Upon award, the SOWs will be incorporated as Attachments in Section J of the 6th Scope Contract.

Within the written technical proposal, the PRO shall:

MAXIMUM 10 PAGES:

- ◆ Provide a detailed description of its approach for meeting the requirements of Task #4 of the SOW.

MAXIMUM 10 PAGES:

- ◆ List of all Special Studies under 5th Scope approved for continuation under 6th Scope;
- ◆ Identify any proposed changes to the existing SOWs of the Special Studies and or the applicable Delivery Schedules.

***NOTE: If all 10 pages are not utilized for the Special Studies portion of the technical proposal, the delta number of pages cannot be used to enhance the Task #4 section of the proposal. That maximum number pages remains at 10.**

8.0 ORAL PRESENTATIONS [Competitive Only]

- A. The competitive range will be determined after the Government's review of the written technical, the written business proposal and consideration of past performance. In accordance with FAR 15.306, the Government will conduct oral presentations as exchanges with offerors in the competitive range as a means of supporting meaningful comparison and discrimination between and among those proposals in the competitive range.
- B. The order of the oral presentations shall be determined through a lottery conducted by the HCFA Contracting Officer. Offerors will be contacted with the date, time, and any other instructions applicable to the oral presentation. Requests from offerors to reschedule their presentations will not be entertained and no rescheduling of presentations will be done unless determined necessary

by the Government to resolve unanticipated problems or delays encountered in the presentation process.

- C. It is mandatory that the oral presentation be given by the CEO/Executive Director/or equivalent person, the Health Care Quality Improvement Project (HCQIP) Director, and the PEPP Director. These three representatives from the offeror will be the only offeror attendees at the presentation. The presentation shall be divided as follows:

1. Offeror presentation (utilizing all three offeror representatives):

A total of 90 minutes covering offeror's approach to meeting the requirements of Tasks 1-5 of the SOW while balancing budgets and resources as proposed.

2. Open Question and Answer period:

A maximum of 30 minutes in which the CEO, HCQIP Director and the PEPP Director will be asked to address HCFA questions to determine the offeror's competency to meet the PRO contract requirements.

Breaks will be provided.

- D. The oral presentations shall not be simply a repeat of what is provided in the written technical proposal. The oral presentation should be a more in-depth expansion of that in the written technical proposal and shall demonstrate a concrete understanding on the offeror's part of the HCFA contract requirements.
- E. Offerors must provide all materials they deem necessary to conduct their oral presentation.
- F. The oral technical presentation shall not encompass price or cost and fee.
- G. No changes to the written technical proposal shall be accepted during the oral presentation.
- H. HCFA will not provide information to an offeror regarding strengths, weaknesses, and/or deficiencies during the oral presentation.
- I. Neither HCFA nor the offeror will be permitted to record (via video or audio tape) the oral presentation.

9.0 BUSINESS PROPOSAL INSTRUCTIONS

- A. Business proposal instructions consist of cost and pricing data and administrative and management data. All offerors will be provided a diskette with forms 718BP, 719BP, 720BP, 721BP, HCFA Form Sum, as well as other forms and written instructions for preparing these forms in Excel 5.0.

All offerors are required to complete these forms in both electronic and hard copy formats, and submit the forms with the business proposal. Narrative supporting documentation may be submitted in either Excel 5.0 format or Word Perfect 6.1 format. Attachment J-12 contains the business proposal forms and instructions. For proposal purposes, offerors are directed to J-11 for assignment of PROs to one of five size groupings, based upon number of Medicare beneficiaries in the State (at a specific point in time--a snapshot).

- B. Cost and pricing data. Prospective offerors, at a minimum, must submit a cost/price proposal fully supported by cost and pricing data (see FAR 15.406-2) adequate to establish the reasonableness of the proposed cost/price and to allow complete cost/price analysis. Categories and amounts for labor, materials, travel, computer time, overhead and other direct costs are required. In addition, the offeror should itemize the cost/price for individual elements such as analytical studies, reports, scope tasks/phases, etc.
- C. Administrative and management data. In order to evaluate each offeror's management capability and to determine whether each offer is responsible, offerors are requested to submit information to allow the Contracting Officer to assess the following factors as they apply to this particular acquisition:
1. The required documentation identified below within this subpoint (1) applies ONLY to those offerors not currently having a PRO 5th Scope contract:
 - o last three years of organizations audited financial statements;
 - o letters of credit, if any;
 - o listing of banks that offeror currently does business with and a release that will allow the Contracting Officer to verify the financial information provided;
 - o listing of current contracts and business arrangements (including dollar amount and contact person/phone number);
 - o listing of past contracts and business arrangements (no more than 3 years back) including dollar amount and contact person/phone number;
 - o a self-assessment as to whether or not the award of this contract to the offeror would create an actual or apparent conflict of interest;
 - o an organizational business chart, including a description of the systems and the organization in place that has the requisite experience, accounting and operational controls, and technical skills applicable to the services to be performed;
 - o description of the offeror's facilities, including total square footage, office furniture and computing capabilities;
 - o a copy of the offeror's current leasing arrangements for the facility proposed or a declaration of ownership for the facilities proposed;
 - o a copy of the offeror's articles of incorporation;

- o offeror's Dunn and Bradstreet Number
- 2. The following required documentation identified in this subpoint (2) applies to **ALL OFFERORS (both competitive and renewal)**:
 - o A copy of the current agreement on indirect cost rates.
 - o the completed Section K- "Representations and Certifications," and "Financial Information" .
- D. Your proposal must stipulate that it is predicated upon all the terms and conditions of this RFP. In addition, pursuant to FAR 52.215-19, it must contain a statement to the effect that it is firm for a period of at least 120 days from the date specified for receipt of offers by the Government.
- E. It is HHS policy that Contractors provide all equipment and facilities necessary for performance of contract; however, in some instances, an exception may be granted to furnish Government owned property or to authorize purchase with contract funds. If additional equipment must be acquired, you must include in your proposal the description and estimated cost of each item and whether you propose to furnish the item with your own funds.
- F. Each offeror shall identify any and all HCFA-owned property in its possession.
- G. The management and control of Government Property must be in accordance with instructions provided in Section G of this RFP.
- H. All offerors are required to submit a business proposal in accordance with the format provided in Attachment J-12 of this RFP with all documentation as necessary to support the proposed costs. For current PROs under the 5th Scope contract who have been approved to continue under the 6th Scope Contract selected 5th Scope Special Studies, the associated costs shall be proposed.

As a part of the business proposal, in addition to the spreadsheets provided in Attachment J-12, each offeror shall provide the information required by Section H.7.0.E for all contracts, agreements, or arrangements that exist at the time the proposal is submitted. The offeror shall indicate which contracts, agreements or arrangements involve providing education that is the same or similar to that which is required in this Statement of Work, to a health care facility, provider, or other public or private entity. If the provision of education is a part of a larger contract, agreement, please indicate the dollar amount and period of performance that relate to education.

In addition to the required format provided in Attachment J-12, all offerors are required to complete the chart on the following page. In preparation of this chart, offerors are advised to review the same chart as provided in Section B with numbers provided for illustrative purposes.

| TASK NO. | LABOR HOURS | COST | FIXED FEE (5%) | BASE FEE(3%) | AWARD FEE POOL |
|--------------|-------------|------|----------------|--------------|----------------|
| TASK 1 | | | | | |
| TASK 2 | | | | | |
| TASK 3 | | | | | |
| TASK 4 | | | | | |
| TASK 5 | | | | | |
| TASK 6 | | | | | |
| Pass-Through | | | | | |
| IT Efforts | | | | | |
| TOTAL | | | | | |

I. Offerors should consider the following guidance/assumptions in preparation of business proposals:

1. Work Year/FTEs:

- o HCFA considers a standard work year to be 2,080 hours, including all forms of paid leave. The staffing assumptions in Attachment J-13 are based on this 2,080-hour figure, and include a maximum of 280 hours of leave per FTE.
- o HCFA will not reimburse or recognize compensatory time for exempt employees as a cost of the contract.
- o HCFA will not reimburse a PRO for employees' lunch hours included in their normal work week. Any lunch time should be in addition to the normal work day, e.g., an 8 hour day + ½ hour for lunch = 8 ½ hour work day, for which the contractor would only be reimbursed for 8 hours.
- o FTE assumptions for the median PRO in each size grouping (Groups I-V based upon number of Medicare beneficiaries in the State) can be found at Attachment J-11; offerors may propose staffing either higher or lower than the figures provided in Attachment J-11 based upon their relative position in the size group. Justification will be necessary to support positions different than those presented in the assumptions.

2. Costs Associated With Conferences and/or Meetings Sponsored by HCFA or Required by the Contract:

Offerors should propose as a direct expense only conferences required by HCFA under the contract or for meetings and activities related to the performance of the contract (e.g. HCQIP or PEPP meetings, participation in HCFA workgroups, attendance at regional office meetings), including associated travel.

3. Costs Associated With Conferences and/or Meetings Not Sponsored by HCFA or Required by the Contract (e.g., AHQA meetings):

Offerors should propose the costs associated with conferences and or meetings as noted above to include travel, per diem, registration and other related costs.

The proposed costs for conferences and/or meetings may not exceed the following 3-year totals (regardless of whether costs are proposed as direct or indirect) identified in Section B of the contract and noted below. Offerors should note that the ceiling amounts include attendance at or sponsorship of meetings

and conferences NOT required by HCFA through this contract. Parenthetical examples of calculations are for illustration purposes only:

Type I: \$62,000 (Based on \$1700/person x 4 people x 3 conferences x 3 years)

Types II & III: \$92,000 (Based on \$1700/person x 6 people x 3 conferences x 3 years)

Types IV & V: \$122,000 (Based on \$1700/person x 8 people x 3 conferences x 3 years)

When proposing in this cost center, note that these cost limits do not pertain to meetings intended **primarily** for the purpose of providing employee training. PROs should report training as appropriate. However, the cost of training that is incidental or secondary to the purpose of the conference or meeting is included in these ceilings.

4. Meals

The Federal Travel Regulations (301-7.5 (b)(1)(I)) do not provide for reimbursement of meals when engaged in local travel. As a result, offerors should not include reimbursement for meals provided to the offeror's employees during their regular workday for administrative or internal meetings and conferences, in which there are no outside participants. Reimbursement for meals with outside participants may be proposed.

5. Personnel Policies

The offeror must submit all of its existing organizational personnel/compensation policies with its new contract proposal for informational purposes, e.g., information should include a severance policy, salary administration and compensation policy, and personnel policies, etc.

6. Temporary Help

The offeror should propose any temporary help it has determined it may need, if any, in support of this contract. The proposed costs for temporary help will be accounted for within the Attachment J-13 staffing assumptions.

7. Travel

Offerors should maintain compliance with the Federal Travel Regulations (FTR) when proposing travel costs, as the Government can only reimburse in accordance with the FTR.

8. Space Allocation

HCFA will consider current GSA guidelines when negotiating the cost of space, but will also consider cost savings and efficiencies proposed by offerors.

9. Mandatory Case Review

To calculate the cost of mandatory medical case review, offerors should use the volume assumptions in Attachment J-14.

Nurse reviewers and support personnel require an average of 2 hours to screen each record, including all preliminary (travel, set-up, etc.), support, and post-review or follow-up time.

The initial reviewer refers an average of 37 percent of cases to physicians. Physician review averages 20 minutes per case.

10. Pass-through Costs

HCFA will pay photocopying costs at the rate of \$.07 per page for reproduction of PPS hospital records and \$.10 per page for reproduction of non-PPS institutions and practitioner records, plus first class postage.

11. Inflation Costs

For proposal purposes, offerors should consider the following inflation factor for years:

2000: 2.3%
2001: 2.4%
2002: 2.4%
2003: 2.4%

12. SDPS Training Cost Estimates

The following are the assumptions for the SDPS Training required:

- o Novell v 5.x Basic Administration (New PRO only)
\$1,400
- o Novell v 5.x Advanced Administration (New PRO and renewal)
\$1,400
- o Groupwise (New PRO and renewal)
\$1,400
- o AIX Version 4 Administration (New PRO only)

- \$2,000
- o SAS Fundamentals (New PRO only)
 - \$ 900
- o SAS Advanced Programming (New PRO only)
 - \$ 600

13. Site Preparation Costs (Competitives Only)

Each offeror shall be responsible for site preparation in accordance with the Site Plan (Attachment J-17); these costs **shall not** be included in the offeror's proposal as they **will not** be reimbursement by the Government. The Government will be responsible for installation and integration of the SDPS equipment; therefore, installation and integration costs shall not be proposed.

10.0 HHSAR 352.215-12 RESTRICTION ON DISCLOSURE AND USE OF DATA (APR 1984)

The proposal submitted in response to this request may contain data (trade secrets; business data, e.g. commercial information, financial information, and cost and pricing data; and technical data) which the offeror, including its prospective subcontractor(s), does not want used or disclosed for any purpose other than for evaluation of the proposal.

The use and disclosure of any data may be so restricted; provided, that the Government determines that the data is not required to be disclosed under the Freedom of Information Act, 5 U.S.C. 552, as amended, and the offeror marks the cover sheet of the proposal with the following legend, specifying the particular portions of the proposal which are to be restricted in accordance with the conditions of the legend. The Government's determination to withhold or disclose a record will be based upon the particular circumstances involving the record in question and whether the record may be exempted from disclosure under the Freedom of Information Act:

"Unless disclosure is required by the Freedom of Information Act, 5 U.S.C., as amended, (the Act) as determined by Freedom of Information (FOI) officials of the Department of Health and Human Services, data contained in the portions of this proposal which have been specifically identified by page number, paragraph, etc. by the offeror as containing restricted information shall not be used or disclosed except for evaluation purposes. The offeror acknowledges that the Department may not be able to withhold a record (data, document, etc) nor deny access to a record requested pursuant to the Act and that the Department's FOI Officials must make that determination. The offeror hereby agrees that the Government is not liable for disclosure if the Department has determined that disclosure is required by the Act.

If a contract is awarded to the offeror as a result of, or in connection with the submission of this proposal, the Government shall have the right to use or disclose the data to the extent provided in the contract. Proposals not resulting in a contract remain subject to the Act.

The offeror also agrees that the Government is not liable for disclosure or use of unmarked data and may use or disclose the data for any purpose, including the release of the information pursuant to requests under the Act.

The data subject to this restriction are contained in pages (insert page numbers, paragraph designations, etc. or other identification)."

In addition, the offeror should mark each page of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this page is subject to the restriction on the cover sheet of this proposal or quotation."

Offerors are cautioned that proposals submitted with restrictive legends or statements differing in substance from the above legend may not be considered for award. The Government reserves the right to reject any proposal submitted with nonconforming legend.

SECTION M - EVALUATION FACTORS FOR AWARD

1.0 MULTIPLE AWARDS

The Government intends to make multiple contract awards as a result of this RFP. While an offeror may be awarded a contract for more than one state as a result of the RFP, each state will have a separate and distinct contract.

2.0 EVALUATION FACTORS

Unless clearly identified, the evaluation factors apply to both competitive and renewals.

A. Evaluation Methodology

Award will be made to that offeror whose proposal contains the combination of those factors offering the best overall value to the Government. The Government will consider the written technical proposal, the business proposal, and oral presentations (See Oral Presentations, L.8.0) as the basis for contract award.

The Government will determine the offer of greatest value by comparing differences in the value of technical and management features with differences in cost to the Government. In accordance with FAR 15.304(e)(1), the Government shall consider all evaluation factors combined, other than cost and price, to be significantly more important than cost or price for award. However, the Government will not make an award at a significantly higher overall cost to the Government to achieve slightly superior technical or management features.

B. Evaluation Factors - **Competitive Only:**

1. In order to be evaluated, an offeror must first demonstrate that it meets the following requirements:
 - ◆ Be either a physician-sponsored or a physician-access organization in accordance with Sections 1152 and 1153 of the Social Security Act and Sections 462.102 and 462.103 of 42 Code of Federal Regulations;
 - ◆ Have at least one individual who is a representative of consumers on its governing board.
2. The Government will only score the written technical proposal. The Government will evaluate the business proposal and will consider oral presentations, as applicable, but will not score either.

3. The following is the breakout of possible points under the Technical Evaluation review:

Understanding of the Statement of Work

600 pts

This section encompasses a review of the offeror's ability to successfully accomplish the work considering the technical approach the offeror plans to use.

| | |
|--------|---------|
| Task 1 | 250 pts |
| Task 2 | 50pts |
| Task 3 | 50 pts |
| Task 4 | 200 pts |
| Task 5 | 50 pts |
| Task 6 | NA |

In evaluating each task, the following elements will be considered:

- ◆ Soundness and Comprehensiveness of offeror's approach

[The proposal shall describe the Offeror's approach to complying with all of the requirements of the Statement of Work. The proposal must be consistent with the stated goals and objectives of the Sixth Scope Contract. The Offeror's proposed approach for ensuring the achievement of timely and acceptable performance must be well-documented and reasonable in consideration of the Statement of Work.]

- ◆ Appropriateness of skill mix and hours

[The proposal shall clearly document and explain the Offeror's determination of the appropriate skill mix and hours in order to ensure timely and acceptable performance for all of the Statement of Work requirements.]

Management Plan

150 pts

The offeror will be evaluated based upon its management approach for balancing all tasks within budget, time and resource limitations. The following elements will be considered:

- ◆ Well-defined lines of authority, responsibility and communication
- ◆ Offeror's demonstration of its ability to swiftly identify and address any problems and or necessary changes within the general

structure of the contract

- ◆ Offeror's demonstration of its ability to control and manage subcontractors

Past Performance

250 pts

Offeror experience will be evaluated based upon the applicability of previous experiences and the positive bearing the Government believes those experiences will have upon the offeror's ability to meet the requirements of this contract.

For offerors without previous PRO experience (i.e., offerors who have not previously held a PRO contract, or those who did not have a PRO contract under the 5th Scope), ONLY the relevant experience of both the corporation and the proposed personnel in work of a similar nature will be evaluated (i.e., review activities or health care quality improvement projects).

For offerors with previous PRO experience (i.e., offerors who have a 5th Scope PRO contract), the Government will take into consideration the offeror's 5th Scope 18 and 28th month review scores. Personnel experience will also be evaluated.

BONUS- Physician-Sponsored Organization

50 pts

In accordance with the definition 42 CFR §462.102(d), an offeror will be given bonus points for meeting the definition of a physician sponsored organization.

Cost

No Points

The offeror will be evaluated based upon the Government's assessment of the reasonableness of those costs proposed in relation to the effort required to accomplish the work identified in the statement of work. The Government will use a cost realism approach in reviewing proposed costs considering:

- ◆ Are the costs realistic for the work to be performed
- ◆ Does the offeror's proposed cost reflect a clear understanding of the requirements
- ◆ Are the costs consistent with the various elements of the offeror's technical proposal.

Oral Presentations**No Points**

Oral presentations will be used as a method to support meaningful comparison and discrimination between and among those proposals in the competitive range. As a result of the oral presentations, the Government may:

- ◆ Re-evaluate the written technical proposal and the initial technical evaluation scoring; and, pursuant to FAR 15.306(c)(2) and FAR 15.215-1(h)(4), further limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.
- ◆ Award without discussions or negotiations.
- ◆ Give offerors within the competitive range an opportunity to submit revised final proposals.

C. Evaluation Factors - Renewal Only**Cost****No Points**

The offeror will be evaluated based upon the Government's assessment of the reasonableness of those costs proposed in relation to the effort required to accomplish the work identified in the statement of work. The Government will use a cost realism approach in reviewing proposed costs considering:

- ◆ are the costs realistic for the work to be performed
- ◆ does the offeror's proposed cost reflect a clear understanding of the requirements
- ◆ are the costs consistent with the various elements of the offeror's technical proposal.

Technical - Task 4**No Points**

In evaluating the task, the following elements will be considered:

- ◆ soundness and comprehensiveness of offeror's approach

[The proposal shall describe the Offeror's approach to complying with all of the requirements of the Statement of Work. The proposal must be

consistent with the stated goals and objectives of the Sixth Scope Contract. The Offeror's proposed approach for ensuring the achievement of timely and acceptable performance must be well-documented and reasonable in consideration of the Statement of Work]

◆ appropriateness of skill mix and hours

In the event that the technical proposal does not clearly demonstrate the PROs understanding of the PEPP effort and/or the appropriate skill mix required to achieve success, the renewal PRO will be required to submit revised proposals until such time as the Government determines that the proposal is acceptable.