



TITLE XVIII CONTRACT DISCUSSION

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Medicare Contracting Officer

September 22, 2004

Contract Amendment to Eliminate 5% fund shifting

- JSM issued on 9/01/2004
- Contract Amendments to BCBSA prime, Comm. A's, and Part B issued
- Will be Modifying DMERC's by September 30
- Division of Medicare Contracts

Sections 1816 & 1842 Contract Delegations

- Request to delegate authority for contract/amendment execution and subcontract approval to the Contracting Officer
- When delegations are approved, a JSM will be issued outlining the requirements.
- In addition, the Definitions & Delegations Article will be updated in all A and B contracts.

Subcontracting Article

- Article I – Definitions:
- The term “subcontract” means any contract, agreement, purchase order, or lease (including leases of real property) to obtain space, supplies, equipment, or services under this agreement...

Subcontracting Article

- The provisions of this Article shall apply to subcontracting without regard for the requirements of prior approval. (Paragraph A)
- Subcontract with responsible sources at fair and reasonable prices. (Paragraph B)
- Competitive proposals shall be utilized to the maximum extent practicable. (Paragraph B)

Subcontracting Article

- When competition is not available or does not yield reasonable subcontract prices, the Contractor shall be required to undertake appropriate price analysis and cost analysis in accordance with FAR 15.4 in all subcontracts that require approval by the Secretary (see threshold amounts) per the PRIOR APPROVAL ARTICLE. (Paragraph C)

Subcontracting Article

- The Contractor shall not enter into any subcontracts to perform any of the functions set forth in the contract or any IT services without prior written approval from the Secretary.

Subcontracting Article

- If approval is granted for one of the situations above, the Secretary has the right to 1) fully inspect all work performed; 2) obtain and use any data or Subject Data acquired or utilized by the subcontractor in the development and processing of claims or carrying out its functions; and 3) review without limitation all systems documentation, and all other operating methods and procedures involved in the performance of the functions.

(See RIGHTS IN DATA ARTICLE)

Subcontracting Article

- Any subcontract for a FUNCTION or entered into or renewed involving IT systems or services must provide that no lower tier subcontract for the performance of any functions or parts thereof of such subcontracts may be entered into without prior written approval of the Secretary. The Secretary may examine subcontractor records in accordance with the EXAMINATION OF RECORDS ARTICLE.

(Paragraph F)

Subcontracting Article

- Any agreement/contract between the Contractor and a medical consultant engaged by the Contractor to review Medicare claims, or healthcare utilization, or to perform related services shall be deemed to not constitute a subcontract for purposes of this agreement/contract.

(Paragraph G)

Subcontracting Article

- The Contractor agrees to insert in its subcontracts the applicable articles of this contract including Appendix A.
(Paragraph H)

Section II, Part I, B. Services of Consultants

- The prior written approval of the Contracting Officer shall be required when (1) whenever any employee is to be reimbursed as a “consultant”; and (2) for the utilization of the services of any consultant under this agreement where such reimbursement exceeds or may exceed \$400 per day or \$100,000 per year, exclusive of travel costs.

Section II, Part I, B. Services of Consultants

- The Contactor will obtain and furnish information concerning the need for such services and the reasonableness of the fees to be paid.

Types of Allowable Cost Article

- The Secretary shall take into account the amount which is reasonable and adequate to meet the cost(s) which must be incurred by an efficiently and economically operated Contractor. (TYPES OF COSTS ALLOWABLE FOR ADMINISTRATION OF THIS CONTRACT)

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