

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-18-06
Baltimore, Maryland 21244-1850



Office of Acquisition & Grants Management

Date: April 5, 2011
RFP No.: RFP-CMS-2011-0009
Title: State Demonstrations to Integrate Care for Dual Eligible Individuals initiative
Subject: Award Notification

Greetings,

Thank you for applying for the *State Demonstrations to Integrate Care for Dual Eligible Individuals*. We are pleased to inform you that we have selected your proposal as one of the awardees in this competitive process. The next step is the execution of a design contract through which we expect further development of your proposed approach, including more in-depth analyses and partnerships with stakeholders, culminating in the submission of a detailed demonstration proposal.

It is important to note, however, that receipt of this design contract does not constitute approval for implementation activities. Execution of this contract does not guarantee that CMS will authorize any waivers or new financing mechanisms referenced in the proposal or developed during the design process.

Any decisions related to the implementation of identified integrated care models will be made following the receipt of the demonstration design proposal. Although we anticipate working closely with all of the States receiving contracts, active partnership of CMS or its designees during the design process does not necessarily constitute endorsement of a specific model(s) of integrated care.

We look forward to working with you during the life of this contract on initiatives to better serve individuals dually eligible for Medicare and Medicaid.

Thank you,
/s/
William J. Tate
Contracting Officer

AWARD/CONTRACT	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGES 1 33
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2. CONTRACT (Proc. Inst. Ident.) NO. HHSM-500-2011-00035C	3. EFFECTIVE DATE See Block 20C	4. REQUISITION/PURCHASE REQUEST/PROJECT NO. 102-1-7733-06
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5. ISSUED BY CODE AGG - DSPSCG CMS, OAGM, AGG, DSPSCG 7500 SECURITY BLVD., MS: C2-21-15 BALTIMORE MD 21244-1850	6. ADMINISTERED BY (If other than Item 5) CODE AGG/CLITTLETON Charles Littleton Contract Specialist 410-786-3291
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7. NAME AND ADDRESS OF CONTRACTOR (No., Street, City, Country, State and ZIP Code) HUMAN SERVICES, MINNESOTA DEPARTMENT OF Attn: JAYNE RANKIN 540 CEDAR STREET SAINT PAUL MN 551640996	8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)
	9. DISCOUNT FOR PROMPT PAYMENT Net 30
	10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM

CODE 803894203	FACILITY CODE	11. SHIP TO/MARK FOR CODE
		12. PAYMENT WILL BE MADE BY CODE ACCT DHHS, CMS, OFM, AMG Div. of Financial Operations P.O. Box 7520 Baltimore MD 21207-0520

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304 (c) () <input type="checkbox"/> 41 U.S.C. 253 (c) ()	14. ACCOUNTING AND APPROPRIATION DATA 15991070-75X0522-252Z
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15A. ITEM NO	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
Continued					

15G. TOTAL AMOUNT OF CONTRACT \$1,000,000.00

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>1</u> copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any condition sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.
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19A. NAME AND TITLE OF SIGNER (Type or print)	20A. NAME OF CONTRACTING OFFICER WILLIAM TATE
19B. NAME OF CONTRACTOR BY _____ (Signature of person authorized to sign)	19C. DATE SIGNED
20B. UNITED STATES OF AMERICA BY _____ (Signature of the Contracting Officer)	20C. DATE SIGNED

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
HHSM-500-2011-00035C

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NAME OF OFFEROR OR CONTRACTOR
HUMAN SERVICES, MINNESOTA DEPARTMENT OF

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0001	Tax ID Number: 41-6007162 DUNS Number: 803894203 Obligated Amount: \$1,000,000.00				1,000,000.00

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SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 DESCRIPTION OF SERVICES

State Demonstrations to Integrate Care for Dual Eligible Individuals.

B.2 TYPE OF CONTRACT

This is a Firm Fixed Price contract.

B.3 PRICING

The Firm Fixed Price value of this design contract is \$1,000,000

The CMS shall pay the contractor one-sixth (1/6) of the total contract value (Firm-Fixed-Price (FFP)) for each invoice submitted in accordance with the following payment schedule. The contractor shall submit a Final Invoice for final payment after the Government has **received and approved** all contract deliverables:

Invoice #	Invoice #1	Invoice #2	Invoice #3	Invoice #4	Invoice #5	Final invoice
For period	Month 1	Months 2-3	Months 4-6	Months 7-9	Months 10-12	Final deliverable
Payment	166,666.67	166,666.67	166,666.67	166,666.67	166,666.67	166,666.65

B.4 CONTRACT PHASES

Phase 1 – Design

- i) The contractor shall design an innovative integrated care model to improve the quality, coordination, and cost effectiveness of care for dual populations eligible for Medicare and Medicaid in their respective state.
- ii) The period of performance of the design phase of this contract shall not exceed eighteen (18) months.

Phase 2 – Implementation

- i) Based upon an evaluation of the design model, the CMS shall make a determination as to whether the contractor shall move forward with Phase 2, “Implementation of the Design Model.” At such time during the eighteen (18) month design phase that CMS determines to move forward with implementation of the design; the contractor will be requested to submit their proposed infrastructure costs for conducting implementation of the design model demonstration.
- ii) The implementation and infrastructure costs may include system change costs at the state level for testing a new payment approach, development of a more efficient data exchange feed for real-time tracking of claims, and additional resources that may be required to ensure successful implementation of the state design model demonstration.

NOTE: The contractor is not authorized to incur any costs or perform any work under the Implementation Phase without the prior approval of the Contracting Officer. It should further be noted that approval for proceeding with Implementation of the State’s design model is subject to funding availability.

B.5 WITHHOLDING OF CONTRACT PAYMENTS - HHSAR 352.242-73 (JAN 2006)

Notwithstanding any other payment provisions of this contract, failure of the Contractor to submit required reports when due or failure to perform or deliver required work, supplies, or services, may result in the withholding of payments under this contract unless such failure arises out of causes beyond the control, and without the fault or negligence of the Contractor as defined by the clause entitled “Excusable Delays” or “Default,” as applicable. The Government will immediately notify the Contractor of its intention to withhold payment of any invoice or voucher submitted.

B.6 OPTIONAL PHASE 2 - IMPLEMENTATION

If the CMS determines to exercise the Optional Phase 2 implementation of the approved designed model, the following modification to the contract shall be made as follows:

- i. The period of performance of this contract, as modified, shall be extended by _____ months from eighteen (18) months to _____ months.
- ii. The Firm Fixed Price contract amount shall be increased by \$_____ from \$1,000,000 to \$_____.

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 STATEMENT OF WORK

Background

Created by the Affordable Care Act, the Center for Medicare and Medicaid Innovation (Innovation Center) aims to explore innovations in health care delivery and payment that will enhance the quality of care for Medicare and Medicaid beneficiaries, improve the health of the population, and lower costs through improvement. There is perhaps no better opportunity to test innovative service delivery and payment models than for individuals who are eligible for both Medicare and Medicaid (the “dual eligibles”). Dual eligibles account for 16 to 18 percent of enrollees in Medicare and Medicaid, but roughly 25 to 45 percent of spending in these programs respectively. With the vast majority of these nine million individuals still receiving care through fragmented care at an estimated cost of over \$300 billion in state and federal spending, improving care for this population is ripe for innovation.

Purpose

The Innovation Center is fostering interaction with a diverse group of stakeholders, including hospitals, doctors, consumers, payers, states, employers, advocates, relevant federal agencies and others to obtain direct input and build partnerships for its upcoming work. Given the partnership that exists between federal and state governments with respect to dual eligible individuals, the Centers for Medicare and Medicaid Services (CMS), through the Innovation Center, will provide funding for states to support the design of innovative service delivery and payment models that integrate care for this population. CMS is interested in identifying, supporting, and evaluating person-centered models that integrate the full range of acute, behavioral health, and long-term supports and services for dual eligible individuals.¹

The primary deliverable of the initial design period is a demonstration proposal that describes how the State would structure, implement, and evaluate an intervention aimed at improving the quality, coordination, and cost-effectiveness of care for dual eligible individuals. Technical assistance and related tools will be provided by the Federal Coordinated Health Care Office (FCHCO), created by Section 2602 of the Affordable Care Act, to support both the design and implementation efforts.

Deliverables

Over the course of the contract, the following deliverables will be required:

- **Monthly Conference Calls.** States shall participate in monthly conference calls with the CMS project officer and other CMS staff. These calls shall be used as a mechanism for discussing and managing administrative and project issues as they arise.
- **Progress Reports.** States will be responsible for submitting interim and final progress reports that document the development process and lessons learned as part of the design contract.
- **Innovation Demonstration Model.** The main deliverable of the design contract will be a demonstration proposal that describes how the state would structure, implement, and evaluate an integrated delivery system and payment model aimed at improving the quality, coordination, and cost-effectiveness of care for dual eligibles. The demonstration proposal will be expected to contain at a minimum:
 - Explanation of how the proposed demonstration will achieve the overall goals of better health, better care, and lower costs through improvement.

¹ Potential models could include those that enhance existing integration vehicles such as the Program for All-Inclusive Care for the Elderly (PACE) and Medicare Advantage Special Needs Plans (SNPs) as well as those that test new/emerging models such as health homes or accountable care organizations (ACOs).

- Problem statement describing how or why changes to current policy would lead to improvements in access, quality, and reductions in Medicare and Medicaid expenditures over time.
- Discussion of how the proposed model will improve the actual care experience and lives of eligible beneficiaries, including findings from any beneficiary focus groups the state conducted to inform its proposed design.
- Detailed description of the dual eligible population, including key subpopulations (e.g., individuals with nursing facility level of care, serious mental illness, Alzheimer's/dementia, multi-morbidities, etc.); utilization patterns; service settings; costs; etc.
- Description of proposed delivery system/programmatic elements, including: benefit design; geographic service area; enrollment method; and provider network/capacity.
- Description of plans to expand to other populations and/or service areas if the model is focused on a subset of dual eligibles or is less than statewide.
- Description of proposed payment reform, including payment type (e.g., full-risk capitation, partial cap, administrative PMPM); methodology for blending Medicaid and Medicare funding; financial incentives; risk sharing arrangements; etc.
- Discussion of the expected impact of the proposed demonstration on Medicare and Medicaid costs, including specific mention of any effect on cost-shifting occurring today between the two programs.
- Description of state infrastructure/capacity to implement and monitor the demonstration proposal.
- Identification of key performance metrics, including how these data will be used to continuously improve access, quality, satisfaction, and efficiency as well as how they will fit within existing Medicaid and Medicare performance and quality measures.
- Plan for engaging internal and external stakeholders, including a process for gathering and incorporating feedback on an ongoing basis.
- If applicable, description of how the proposed model fits with: (a) current Medicaid waivers and/or state plan services available to this population; (b) existing managed long term care programs; (c) existing integrated programs via Medicare Advantage Special Need Plans (SNPs) or PACE programs; and (d) other health reform efforts underway in the state (e.g., accountable care organizations, bundled payments, multi-payer initiatives, etc.).
- Discussion of the scalability of the proposed model and its replicability in other settings/states.
- Description of proposed evaluation design, including key metrics that could be used to examine the model's quality and cost outcomes for the target population, beneficiary experience, access to care, etc.
- Description of the overall implementation strategy and anticipated timeline, including: a) the activities associated with building the infrastructure necessary to implement proposed demonstration (e.g., staffing needs, actuarial support, etc); and b) any funds needed to support the development of such infrastructure (e.g., systems change costs at the state-level for testing a new payment approach, development of a more efficient data exchange feed for near real-time tracking of claims, etc.).

Schedule of Deliverables

Deliverable	Due Date
Monthly Conference Calls	Ongoing
Progress Report	Interim: 6 months from award date Final: Within 30 days of submission of the demonstration proposal
Demonstration Proposal	Within 12 months from award date

SECTION D - PACKAGING AND MARKING

D.1 PACKAGING, AND MARKING

All deliverables required under this contract shall be packaged, marked and shipped in accordance with Government specifications. The Contractor shall guarantee that all required materials shall be delivered in immediate usable and acceptable condition.

SECTION E - INSPECTION AND ACCEPTANCE

E.1 CLAUSES INCORPORATED BY REFERENCE – FAR 52.252-2 (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/

FAR 52.246-2 INSPECTION OF SERVICES – FIXED-PRICE (AUG 1996)

E.2 INSPECTION AND ACCEPTANCE

- a. All work under this contract is subject to inspection and final acceptance by the Contracting Officer or the fully authorized representative of the Government.
- b. The Contracting Officer's Technical Representative (COTR) is a duly authorized representative of the Government and is responsible for inspection and acceptance of all items to be delivered under this contract.
- c. Inspection and acceptance of the Contractor's performance shall be in accordance with the applicable FAR clauses.

E.3 APPROVALS BY THE CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

All items to be delivered to the COTR will be deemed to have been approved 30 calendar days after date of delivery, except as otherwise specified in this contract, if written approval or disapproval has not been given within such period. The Project Officer's approval or revision to the items submitted shall be within the general scope of work stated in this contract.

SECTION F - DELIVERIES OR PERFORMANCE

F.1 CLAUSES INCORPORATED BY REFERENCE – FAR 52.252-2 (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/

FAR 52.242-15 STOP-WORK ORDER – (AUG 1989)

F.2 PERIOD OF PERFORMANCE

The period of performance of the design contract will be a total of 18 months. The first 12 months are designated as the design period, at which time the demonstration proposal is due. The final six months of the contract will be used by CMS to review demonstration proposals and to enter into discussions with states about possible implementation.

F.3 ITEMS TO BE FURNISHED AND DELIVERY SCHEDULE

a. All deliverables required under this contract shall be packaged, marked and shipped in accordance with U.S. Government specifications. The Contractor shall guarantee that all required materials shall be delivered in immediate usable and acceptable condition.

b. The Contractor shall submit all required deliverables and reports in accordance with the following schedule. Reports submitted under the contract shall reference and cite the contract number and identify CMS as the sponsoring agency.

c. Satisfactory performance of the final contract shall be deemed to occur upon delivery and acceptance by the Contracting Officer, or the duly authorized representative, of the following items in accordance with the following schedule (reports submitted under the contract shall reference and cite the contract number and identify CMS as the sponsoring agency):

The contractor shall submit all required reports and deliverables in accordance with the following schedule. Reports and/or deliverables submitted under this contract shall be **in accordance with this Statement of Work**.

F.4 IMPLEMENTATION PHASE

The CMS shall advise the contractor of its intent to proceed with implementation of the State's design model at least forty-five (45) day's prior to expiration of the design phase. At least within thirty (30) days prior to expiration of the eighteen (18) months period of performance, the contractor shall submit its technical proposal and business approach for implementation of the demonstration.

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 ACCOUNTING AND APPROPRIATION DATA

See SF-26

G.2 INVOICING

Submission of Invoices and Place of Payment

(1) Contractor shall submit to the Government an invoice for payment. Invoices shall be prepared using Standard Form 1034, PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL.

(2) To expedite payment, invoices shall be sent, as follows:

(a) Invoices (original and four copies) shall be sent directly to the address below (where applicable, the Contractor shall submit the invoice to said office via the cognizant government auditor):

Department of Health and Human Services
Centers for Medicare & Medicaid Services
P.O. BOX 7520
7500 Security Boulevard
Baltimore, Maryland 21207-0520

G.3 PAYMENT

(1) In accordance with FAR 52.232-33, the Centers for Medicare and Medicaid Services (CMS) shall only make an electronic reimbursement/payment.

In accordance with FAR 52.204-7, the contractor must register in the Central Contractor Registration (CCR) database. Failure to register in CCR may prohibit CMS from making awards to your organization.

The contractor shall notify CMS' Division of Accounting Operations of all EFT and address changes in CCR via the following email address: CCRChanges@cms.hhs.gov

(2) The target date for payment of this contract shall be 30 calendar days after an invoice containing the information set forth in Paragraph "a" of this article is received in the payment office designated herein.

(3) Payment shall be authorized after the Division of Accounting has audited the invoice in accordance with Federal Regulations. This audit includes verification that the invoice contains the rates/unit prices, those indicated in the contract or purchase order. Any discrepancies determined as a result of the audit, could delay the processing of the invoice and may result in the invoice being returned to the vendor for correction.

G.4 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

Lindsay Barnette is hereby designated as the COTR. The Project Officer responsibilities shall include continuous **overall** monitoring of the Contractor's compliance with all substantive project objectives. Specific duties and responsibilities are identified in G.5, Technical Direction.

G.5 TECHNICAL DIRECTION

a. Performance of the work under this contract shall be subject to the technical direction of the COTR. The term "technical direction" is defined to include, without limitation, the following:

- Directions to the Contractor which redirect the contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details or otherwise serve to

accomplish the contractual statement of work.

- Provision of information to the Contractor which assists in the interpretation of drawings, specifications, or technical portions of the work description.
 - Review and, where required by the contract, approval of technical reports, drawings, specifications, and technical information to be delivered by the Contractor to the Government under the contract.
- b. Technical direction must be within the general Statement of Work stated in the contract. The COTR does not have the authority to and may not issue any technical directions which:
- (1) Constitutes an assignment of additional work outside the general Statement of Work of the contract.
 - (2) Constitutes a change as defined in the FAR contract clause entitled:
52.243-1 Changes – Fixed Price (AUG 1987)
 - (3) In any manner cause an increase or decrease in the total estimated contract cost, fixed-fee, or the time required for contract performance.
 - (4) Change any of the expressed terms, conditions, or specifications of the contract.
- c. All technical direction shall be issued in writing by the COTR or shall be confirmed by him/her in writing within 5 working days after issuance.
- d. The Contractor shall proceed promptly with the performance of technical direction duly issued by the COTR in the manner prescribed by this article and within his/her authority under the provisions of this article.
- e. If, in the opinion of the Contractor, any instruction or direction issued by the COTR is within one of the categories as defined in b(1) through b(4) above, the Contractor shall not proceed but shall notify the Contracting Officer in accordance with FAR 52.243-7, Notification of Changes.

G.6 CONTRACTING OFFICER RESPONSIBILITY

In accordance with FAR 52.201-1 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 delegated by the Contracting Officer.

Notwithstanding any of the other provisions of this Contract, the Contracting Officer shall be the ONLY individual authorized to:

- a. enter into and commit/bind the Government by contract for supplies or services;
- b. accept nonconforming work or waive any requirement of this Contract;
- c. authorize reimbursement to the Contractor for any costs incurred during the performance of the Contract, and
- d. 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.

G.7 PROJECT DIRECTOR/PROJECT MANAGER

[TBD] will serve as Contractor's Project Director/Project Manager. It will be his responsibility to obtain the staff necessary and to direct the work for the conduct of this project. The Government reserves the right to approve any necessary successor to be designated as Contractor's Project Director/Project Manager.

G.8 KEY PERSONNEL - HHSAR 352.242-70 (JAN 2006)

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 diversion 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 the 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.

*All proposed substitutions shall be submitted, in writing, to CMS at least 30 days prior to the proposed substitution. Each request shall provide a detailed explanation of the circumstance necessitating the proposed substitution, a complete resume and any other information required by CMS. All proposed substitutions shall have qualifications equal to or greater than the person being replaced. [TBD]

G.9 WORKING PAPERS

The Contractor shall provide, at the request of the Contracting Officer, all the working papers used by the participating officials and employees of the Contractor in connection with this project.

G.10 DATA TO BE DELIVERED

- a. Any working papers, interim reports, data given by the Government or first produced by the Contractor under the contract or collected or otherwise obtained by the Contractor under the contract, or results obtained or developed by the Contractor (subcontractor or consultants) pursuant to the fulfillment of this contract are to be delivered, documented, and formatted as directed by the Contracting Officer.
- b. In addition, information and/or data, which are held by the Contractor related to the operation of their business and/or institution and which are obtained without the use of Federal funds, shall be considered "PROPRIETARY DATA" and are not subject data to be delivered under this contract.

G.11 SERVICE OF CONSULTANTS

- a. Except as may otherwise be expressly provided elsewhere in this contract, prior written approval of the Contracting Officer for utilization of consultants shall be required. Whenever Contracting Officer approval is required, the Contractor shall furnish to the Contracting Officer information concerning the need for such consultant services and the reasonableness of the fees to be paid to any consultants.
- b. For utilization of the services of any consultants under this contract, the contractor shall be reimbursed in accordance with the rate(s) set forth below. If not identified below, the contractor shall be reimbursed for utilization of consultant services at a rate determined to be reasonable and appropriate for the services, exclusive of travel costs. [TBD]

G.12 DISSEMINATION, PUBLICATION AND DISTRIBUTION OF INFORMATION

- a. Data and information either provided to the Contractor, or to any subcontractor or generated by activities under this contract or derived from research or studies supported by this contract, shall be used only for the purposes of the contract. It shall not be duplicated, used or disclosed for any purpose other than the fulfillment of the requirements set forth in this contract. This restriction does not limit the contractor's right to use data or information obtained from a non-restrictive source. Any questions concerning "privileged information" shall be referred to the Contracting Officer.

b. Some data or information may require special consideration with regard to the timing of its disclosure so that preliminary findings which could create erroneous conclusions are not stimulated. Also, some data or information, which relate to policy matters under consideration by the Government, may also require special consideration with regard to the timing of its disclosure so that the open and vigorous debate, within the government, of possible policy options is not damaged.

c. Any questions about use or release of the data or information or handling of material under this contract, shall be referred to the Contracting Officer who must render a written determination. The Contracting Officer's determinations will reflect the results of internal coordination with appropriate program and legal officials.

d. Written advance notice of at least forty-five (45) days shall be provided to the Contracting Officer of the Contractor's desire to release findings of studies or research or data or information described above. If the Contractor disagrees with the Contracting Officer's determination, and if this disagreement cannot be settled by the Contractor and the Contracting Officer in a mutually satisfactory manner, then the issue will be settled pursuant to the "Disputes" clause.

e. Any presentation of any report, statistical or analytical material based on information obtained from this contract shall be subject to review by the Project Officer before dissemination, publication, or distribution. Presentation includes, but is not limited to, papers, articles, professional publications, speeches, testimony or interviews with public print or broadcast media. This does not apply to information that would be available under the Federal Freedom of Information Act.

f. The Project Officer review shall cover accuracy, content, manner of presentation of the information, and also the protection of the privacy of individuals. If the review finds that the Privacy Act is or may be violated, the release/use of the presentation shall be denied until the offending material is removed or until the Contracting Officer makes a formal determination, in writing, that the privacy of individuals is not being violated.

g. If the review shows that the accuracy, content, or manner of presentation is not correct or is inappropriate in the light of the purpose of the project, the Project Officer shall immediately inform the Contractor, in writing, of the nature of the problem. If the Contractor disagrees, the Project Officer may insist that the presentation contain, in a manner of equal importance, materials which show the government's problem with the presentation.

h. The Contractor agrees to acknowledge support by CMS whenever reports of projects funding, in whole or in part, by this contract are published in any medium. The Contractor shall include in any publication resulting from work under this contract, an acknowledgement substantially, as follows:

"The analyses upon which this publication is based were performed under Contract Number HHSM-500-2011-00035C, entitled, " State Demonstrations to Integrate Care for Dual Eligible Individuals."

Any deviation from the above legend shall be approved, in writing, by the Contracting Officer.

G.13 AUDIT OF HOURS

a. In addition to the examination of costs, as detailed in FAR Clause No. 52.215-2 entitled "Audit-Negotiation," the Contracting Officer or his representatives will have the right to examine all books, records, documents and other data of the Contractor relating to this contract for the purpose of evaluating the accuracy and completeness of the hours which the Contractor has recorded on his invoices as expended toward satisfaction of the requirements of this contract.

b. The materials described above shall be made available at the office of the Contractor, at all reasonable times, for inspection, audit or reproduction until:

(1) The expiration of three (3) years from the date of final payment under this contract,

(2) the expiration of three (3) years from the date of final settlement resulting from a termination or a partial termination of this contract.

G.14 CORRESPONDENCE PROCEDURES

To promote timely and effective administration, correspondence (except for invoices), submitted under this contract shall be subject to the following procedures:

- a. Technical Correspondence - Technical correspondence (as used herein, this term excludes technical correspondence which proposes or otherwise involves waivers, deviations or modifications to the requirements, terms or conditions of this contract) shall be addressed to the COTR with an informational copy of the basic correspondence to the Contracting Officer.
- b. Other Correspondence - All other correspondence shall be addressed to the Contracting Officer, in duplicate, with an informational copy of the basic correspondence to the COTR.
- c. Subject Lines - All correspondence shall contain a subject line, commencing with the contract number as illustrated below:

EXAMPLE: Contract No. HHSM-500-2011-00035C
Request for Subcontract Consent

G.15 SUBCONTRACT CONSENT

To facilitate the review of proposed subcontracts, the Contractor shall include in its proposal the information required by the FAR Clause 52.244-2 entitled, "Subcontracts".

In all other instances the Contractor shall submit its request for subcontracting consent to the Contracting Officer. The Contracting Officer shall consult with the Project Officer and advise the Contractor of his/her decision to consent to or dissent from the proposed subcontract, in writing.

Name	Not to exceed
TBD	

G.16 USE OF GOVERNMENT – DATA (REPORTS/FILES/COMPUTER TAPES OR DISKETTES)

Any data given to the Contractor by the Government shall be used only for the performance of the contract unless the Contracting Officer specifically permits another use, in writing. Should the Contracting Officer permit the Contractor the use of Government-supplied data for a purpose other than solely for performance of this contract and, if such use could result in a commercially viable product, the Contracting Officer and the Contractor must negotiate a financial benefit to the Government. This benefit should most often be in the form of a reduction in the price of the contract; however, the Contracting Officer may negotiate any other benefits he/she determines is adequate compensation for the use of these data.

Upon the request of the Contracting Officer, or the expiration date of this contract, whichever shall come first, the Contractor shall return or destroy all data given to the Contractor by the Government. However, the Contracting Officer may direct that the data be retained by the Contractor for a specific period of time, which period shall be subject to agreement by the Contractor. Whether the data are to be returned, retained, or destroyed shall be the decision of the Contracting Officer with the exception that the Contractor may refuse to retain the data. 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. If the data are to be destroyed, the Contractor shall directly furnish evidence of such destruction in a form the Contracting Officer shall determine is adequate.

G.17 ESRS REPORTING

The Contractor shall report all subcontract awards to small, small disadvantaged, women-owned, HUBZones, veteran-owned and service-disabled veteran-owned small business concerns. The reports shall be prepared using the electronic Subcontracting Reporting System (eSRS) via the internet at <http://www.esrs.gov>. The Individual

Subcontracting Report (ISR), formerly SF 294, shall be submitted semi-annually for the periods of October 1 through March 31 and April 1 through September 30. The Summary Subcontracting Report (SSR), formerly, SF 295 shall be submitted annually for the period of October 1 through September 30.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 CONDITIONS FOR PERFORMANCE

In addition to the performance requirements of this contract as set forth under Section C, the Contractor may 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, and are directly applicable to the performance requirements of this contract.

Such legislative or regulatory requirements shall become a part of this contract only through an execution of a contract modification by the Contracting Officer. The contractor will be consulted and participate in negotiations to effect an equitable adjustment to the contract.

H. 2 HIPAA BUSINESS ASSOCIATE PROVISION II

Definitions:

All terms used herein and not otherwise defined shall have the same meaning as in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA," 42 U.S.C. sec. 1320d) and the corresponding implementing regulations. Provisions governing the Contractor's duties and obligations under the Privacy Act (including data use agreements) are covered elsewhere in the contract.

"Business Associate" shall mean the Contractor.

"Covered Entity" shall mean CMS' Medicare Fee for Service program and/or Medicare's Prescription Drug Discount Care and Transitional Assistance Programs.

"Secretary" shall mean the Secretary of the Department of Health and Human Services or the Secretary's designee.

Obligations and Activities of Business Associate

(a) Business Associate agrees to not use or disclose Protected Health Information ("PHI"), as defined in 45 C.F.R. § 160.103, created or received by Business Associate from or on behalf of Covered Entity other than as permitted or required by this Contract or as required by law.

(b) Business Associate agrees to use safeguards to prevent use or disclosure of PHI created or received by Business Associate from or on behalf of Covered Entity other than as provided for by this Contract. Furthermore, Business Associate agrees to use appropriate administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic protected health information ("E PHI"), as defined in 45 C.F.R. 160.103, it creates, receives, maintains or transmits on behalf of the Covered Entity to prevent use or disclosure of such E PHI.

(c) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Contract.

(d) Business Associate agrees to report to Covered Entity any use or disclosure involving PHI it receives/maintains from/on behalf of the Covered Entity that is not provided for by this Contract of which it becomes aware. Furthermore, Business Associate agrees to report to Covered Entity any security incident involving E PHI of which it becomes aware.

(e) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Contract to Business Associate with respect to such information. Furthermore, Business Associate agrees to ensure that its agents and subcontractors implement reasonable and appropriate safeguards for the PHI received from or on behalf of the Business Associate.

(f) Business Associate agrees to provide access, at the request of Covered Entity, to PHI received by Business Associate in the course of contract performance, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.

(g) Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that Covered

Entity directs or agrees to pursuant to 45 CFR § 164.526 upon request of Covered Entity.

(h) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to Covered Entity, or to the Secretary for purposes of the Secretary determining Covered Entity's compliance with the various rules implementing the HIPAA.

(i) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

(j) Business Associate agrees to provide to Covered Entity, or an individual identified by the Covered Entity, information collected under this Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Contract, Business Associate may use or disclose PHI on behalf of, or to provide services to, Covered Entity for purposes of the performance of this Contract, if such use or disclosure of PHI would not violate the HIPAA Privacy or Security Rules if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity.

Obligations of Covered Entity

(a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy or Security Rules.

Term of Provision

(a) The term of this Provision shall be effective as of {insert effective date}, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(b) Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- (1) Provide an opportunity for Business Associate to cure the breach or end the violation consistent with the termination terms of this Contract. Covered Entity may terminate this Contract for default if the Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; or
- (2) Consistent with the terms of this Contract, terminate this Contract for default if Business Associate has breached a material term of this Contract and cure is not possible; or
- (3) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(1) Except as provided in paragraph (2) of this section, upon termination of this Contract, for any reason,

Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(2) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon such notice that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Contract to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

Miscellaneous

(a) A reference in this Contract to a section in the Rules issued under HIPAA means the section as in effect or as amended.

(b) The Parties agree to take such action as is necessary to amend this Contract from time to time as is necessary for Covered Entity to comply with the requirements of the Rules issued under HIPAA.

(c) The respective rights and obligations of Business Associate under paragraph (c) of the section entitled "term of Provision" shall survive the termination of this Contract.

(d) Any ambiguity in this Contract shall be resolved to permit Covered Entity to comply with the Rules implemented under HIPAA.

H.3 SECURITY CLAUSE -BACKGROUND - INVESTIGATIONS FOR CONTRACTOR PERSONNEL

If applicable, Contractor personnel performing services for CMS under this contract, task order or delivery order shall be required to undergo a background investigation. CMS will pay for the background investigations.

After contract award, the CMS Project Officer (PO) and the Emergency Management & Response Group (EMRG), with the assistance of the Contractor, shall perform a position-sensitivity analysis based on the duties contractor personnel shall perform on the contract, task order or delivery order. The results of the position-sensitivity analysis will determine first, whether the provisions of this clause are applicable to the contract and second, if applicable, determine each position's sensitivity level (i.e., high risk, moderate risk or low risk) and dictate the appropriate level of background investigation to be processed. Investigative packages may contain the following forms:

1. SF-85, Questionnaire for Non-Sensitive Positions, 09/1995
2. SF-85P, Questionnaire for Public Trust Positions, 09/1995
3. OF-612, Optional Application for Federal Employment, 12/2002
4. OF-306, Declaration for Federal Employment, 01/2001
5. Credit Report Release Form
6. FD-258, Fingerprint Card, 5/99, and
7. CMS-730A, Request for Physical Access to CMS Facilities (NON-CMS ONLY), 11/2003.

The Contractor personnel shall be required to undergo a background investigation commensurate with one of these position-sensitivity levels:

1) High Risk (Level 6)

Public Trust positions that would have a potential for exceptionally serious impact on the integrity and efficiency of the service. This would include computer security of a major automated information system (AIS). This includes positions in which the incumbent's actions or inaction could diminish public confidence in the integrity, efficiency, or effectiveness of assigned government activities, whether or not actual damage occurs, particularly if duties are especially critical to the agency or program mission with a broad scope of responsibility and authority.

Major responsibilities that would require this level include:

development and administration of CMS computer security programs, including direction and control of risk

analysis and/or threat assessment; significant involvement in mission-critical systems; preparation or approval of data for input into a system which does not necessarily involve personal access to the system but with relatively high risk of causing grave damage or realizing significant personal gain; other responsibilities that involve relatively high risk of causing damage or realizing personal gain; policy implementation; higher level management duties/assignments or major program responsibility; or independent spokespersons or non-management position with authority for independent action.

Approximate cost of each investigation: \$3,500

2) *Moderate Risk (Level 5)*

Public Trust positions that have potential for moderate to serious impact on the integrity and efficiency of the service, including computer security. These positions involve duties of considerable importance to the CMS mission with significant program responsibilities that could cause damage to large portions of AIS. Duties involved are considerably important to the agency or program mission with significant program responsibility, or delivery of service. Responsibilities that would require this level include:

the direction, planning, design, operation, or maintenance of a computer system and whose work is technically reviewed by a higher authority at the High Risk level to ensure the integrity of the system; systems design, operation, testing, maintenance, and/or monitoring that are carried out under the technical review of a higher authority at the High Risk level; access to and/or processing of information requiring protection under the Privacy Act of 1974; assists in policy development and implementation; mid-level management duties/assignments; any position with responsibility for independent or semi-independent action; or delivery of service positions that demand public confidence or trust.

Approximate cost range of each investigation: \$150 - \$2,600

3) *Low Risk (Level 1)*

Positions having the potential for limited interaction with the agency or program mission, so the potential for impact on the integrity and efficiency of the service is small. This includes computer security impact on AIS.

Approximate cost of each investigation: \$100

The Contractor shall submit the investigative package(s) to the EMRG within three (3) days after being advised by the EMRG of the need to submit packages. Investigative packages shall be submitted to the following address:

Centers for Medicare & Medicaid Services
Office of Operations Management
Emergency Management & Response Group
Mail Stop SL-13-15
7500 Security Boulevard
Baltimore, Maryland 21244-1850

The Contractor shall submit a copy of the transmittal letter to the Contracting Officer (CO).

Contractor personnel shall submit a CMS-730A (Request for Badge) to the EMRG (see attachment in Section J). The Contractor and the PO shall obtain all necessary signatures on the CMS-730A prior to any Contractor employee arriving for fingerprinting and badge processing.

The Contractor must appoint a Security Investigation Liaison as a point of contact to resolve any issues of inaccurate or incomplete form(s). Where personal information is involved, EMRG may need to contact the contractor employee directly. The Security Investigation Liaison may be required to facilitate such contact.

After EMRG fingerprints contractor personnel and issues them a temporary CMS identification badge, the EMRG will send their completed investigative package to the Office of Personnel Management (OPM). OPM will conduct

the background investigation. Badges will be provided by EMRG while contractor personnel investigative forms are being processed. The Contractor remains fully responsible for ensuring contract, task order or delivery order performance pending completion of background investigations of contractor personnel.

EMRG shall provide written notification to the CO with a copy to the PO of all suitability decisions. The PO shall then notify the Contractor in writing of the approval of the Contractor's employee(s), at that time the Contractor's employee(s) will receive a permanent identification badge. Contractor personnel who the EMRG determines to be ineligible may be required to cease working on the contract immediately.

The Contractor shall report immediately in writing to EMRG with copies to the CO and the PO, any adverse information regarding any of its employees that may impact their ability to perform under this contract, task order or delivery order. Reports should be based on reliable and substantiated information, not on rumor or innuendo. The report shall include the contractor employee's name and social security number, along with the adverse information being reported.

Contractor personnel shall be provided an opportunity to explain or refute unfavorable information found in an investigation to EMRG before an adverse adjudication is made. Contractor personnel may request, in writing, a copy of their own investigative results by contacting:

Office of Personnel Management
Freedom of Information
Federal Investigations Processing Center
PO Box 618
Boyers, PA 16018-0618.

At the Agency's discretion, if an investigated contractor employee leaves the employment of the contractor, or otherwise is no longer associated with the contract, task order, or delivery order within one (1) year from the date the background investigation was completed, then the Contractor may be required to reimburse CMS for the full cost of the investigation. Depending upon the type of background investigation conducted, the cost could be approximately \$100 to \$3,500. The amount to be paid by the Contractor shall be due and payable when the CO submits a written letter notifying the Contractor as to the cost of the investigation. The Contractor shall pay the amount due within thirty (30) days of the date of the CO's letter by check made payable to the "United States Treasury." The Contractor shall provide a copy of the CO's letter as an attachment to the check and submit both to the Office of Financial Management at the following address:

Centers for Medicare & Medicaid Services
PO Box 7520
Baltimore, Maryland 21207

The Contractor must immediately provide written notification to EMRG (with copies to the CO and the PO) of all terminations or resignations of Contractor personnel working on this contract, task order or delivery order. The Contractor must also notify EMRG (with copies to the CO and the PO) when a Contractor's employee is no longer working on this contract, task order or delivery order.

At the conclusion of the contract, task order or delivery order and at the time when a contractor employee is no longer working on the contract, task order or delivery order due to termination or resignation, all CMS-issued parking permits, identification badges, access cards, and/or keys must be promptly returned to EMRG. Contractor personnel who do not return their government-issued parking permits, identification badges, access cards, and/or keys within 48 hours of the last day of authorized access shall be permanently barred from the CMS complex and subject to fines and penalties authorized by applicable federal and State laws.

H.4 RESTRICTIONS ON THE USES OF INFORMATION

The access to and use of data/information under this contract shall be in accordance with FAR clause 52.224-2 Privacy Act, set forth in Section I.

H.5 APPROVAL OF CONTRACT ACQUIRED INFORMATION TECHNOLOGY (IT)

- A. The Contractor must obtain the Contracting Officer's written approval prior to the acquisition of any IT investments (see FAR Part 2.101, for definition of IT) to ensure compatibility and successful integration with CMS's infrastructure/architecture.
- B. In the performance of a system life cycle development project, the Contractor must submit to the Project Officer the technical specifications for each of the following incremental phase of the projected life cycle prior to the commencement of work:
 - 1. Design and Engineering
 - 2. Development, and
 - 3. Testing
- C. Upon written approval from the Contracting Officer, the Contractor shall commence work under the approved technical specification for the authorized incremental phase.
- D. In either instance of an approved IT investment acquisition, or an incremental phase of a system life cycle development project, the contract shall be modified accordingly and the Contractor shall proceed.
- E. CMS may disallow any contractor incurred cost that would not be allocated to the approved IT investment acquisition.

H.6 ORGANIZATIONAL CONFLICTS OF INTEREST

a. Purpose. The primary purpose of this clause is to aid in ensuring that the Contractor (1) does not obtain any unfair competitive advantage over other parties by virtue of its performance of this contract, and (2) is not biased because of its current or planned interest (financial, organizational, or otherwise) which relate to the work under this contract.

b. Scope. The restrictions described herein shall apply to performance or participation by the Contractor and any of its affiliate organizations or their successors in interest (hereinafter collectively referred to as the "Contractor") in the activities covered by this clause as a prime Contractor, subcontractor, co-sponsor, joint venturer, consultant, or in any similar capacity.

(1) Advisory, consulting, analytical, evaluation, or study work, including the preparation of statements of work and specifications: (i) If the Contractor performs advisory, consulting, analytical, evaluation, study, or similar work under this contract, it shall be ineligible thereafter to participate in any capacity in Government contractual efforts (solicited or unsolicited) which stem directly from such work, and the Contractor agrees not to perform similar work for prospective offerors with respect to any such contractual efforts.

Furthermore, unless so directed in writing by the Contracting Officer, the Contractor shall not perform any such work under this contract on any of its products or services, or the products or services of another firm for which the Contractor performs similar work. Nothing in this subparagraph shall preclude the Contractor from competing for HHS management and technical support services follow-on contracts as defined in paragraph 6. below.

If the Contractor under this contract assists substantially in the preparation of a statement of work or specifications, the Contractor shall be ineligible to perform or participate in any capacity in any contractual effort which is based on such statement of work or specifications. The Contractor shall not incorporate its products or services in such statement of work or specifications unless so directed in writing by the Contracting Officer, in which case the restriction in this subparagraph shall not apply.

(2) Access to the use of information:

(a) If the Contractor in the performance of this contract obtains access to information, such as HHS plans, policies,

reports, studies, financial plans, or data which has not been released to the public, the Contractor agrees not to (a) use such information for any private purpose unless the information has been released to the public; (b) disclose such information for a period of six (6) months after the completion of this contract, or the release of such information to the public, whichever is first; (c) submit an unsolicited proposal to the Government which is based on such information until one (1) year after the release of such information to the public; or (d) release such information without prior written approval by the Contracting Officer.

(b) In addition, the Contractor agrees that to the extent it receives or is given access to proprietary data or other confidential technical, business or financial information under this contract, it shall treat such information in accordance with any restrictions imposed on such information.

(c) The Contractor shall have, subject to patent and security provisions of this contract, the right to use technical data it first produces under this contract for its private purposes provided that, as of the date of such use, all data requirements of this contract have been met.

(3) Subcontracts. The Contractor shall include this clause, including this paragraph, in subcontracts of any tier which involve performance of work of the type specified in b.(1) above or access to information covered in b.(2) above. The use of this clause in such subcontracts shall be read by substituting the word "Subcontractor" for the word "Contractor" whenever the word "Contractor" appears.

(4) Remedies: For breach of the above restrictions or for non-disclosure or misrepresentation of any relevant interest required to be disclosed concerning this contract, the Government may, at no cost, terminate the contract, disqualify the Contractor for subsequent related contractual efforts, and pursue other remedies as may be permitted by law or this contract.

(5) Waiver. Any request for waiver under this clause shall be directed in writing to the Contracting Officer and shall include a full description of the requested waiver and the reasons in support thereof. If it is determined to be in the best interest of the Government, the Contracting Officer shall grant such waiver in writing.

(6) Definitions. The term "management and technical support services" includes any advice, assistance, analysis, consultation, evaluation, examination, report, review, study, survey, or similar assistance, including providing assistance in procurement and related activities, to support any program or their operations of CMS.

H.7 ELECTRONIC INFORMATION AND TECHNOLOGY ACCESSIBILITY – HHSAR 352.239-73 (JAN 2006)

Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d), as amended by Public Law 105–220 under Title IV (Rehabilitation Act Amendments of 1998) and the Architectural and Transportation Barriers Compliance Board Electronic and Information (EIT) Accessibility Standards (36 CFR part 1194), require that all EIT acquired must ensure that:

(1) Federal employees with disabilities have access to and use of information and data that is comparable to the access and use by Federal employees who are not individuals with disabilities; and

(2) Members of the public with disabilities seeking information or services from an agency have access to and use of information and data that is comparable to the access to and use of information and data by members of the public who are not individuals with disabilities. This requirement includes the development, procurement, maintenance, and/or use of EIT products/services; therefore, any proposal submitted in response to this solicitation must demonstrate compliance with the established EIT Accessibility Standards. Information about Section 508 is available at <http://www.section508.gov/> (New Window).

H.8 CODE OF CONDUCT

SMOKING

Effective June 9, 2004, smoking is not permitted anywhere on the CMS single site campus. This includes all areas

outside the building, such as off-site facility, entranceways, sidewalks and parking areas. Smoking will not be permitted anywhere in Regional Offices or Washington, D.C. Office locations unless permitted by GSA guidelines or local landlord requirements. Contractor employees are subject to the same restrictions as government personnel. Fines up to \$50 per occurrence will be issued and enforced by the Federal Protective Service.

DRESS

The preferred dress codes at CMS facilities are professional attire, business attire or business casual attire.

H.9 CMS INFORMATION SECURITY

This clause applies to all organizations which possess or use Federal information, or which operate, use or have access to Federal information systems (whether automated or manual), on behalf of CMS.

The central tenet of the CMS Information Security (IS) Program is that all CMS information and information systems shall be protected from unauthorized access, disclosure, duplication, modification, diversion, destruction, loss, misuse, or theft—whether accidental or intentional. The security safeguards to provide this protection shall be risk-based and business-driven with implementation achieved through a multi-layered security structure. All information access shall be limited based on a least-privilege approach and a need-to-know basis, i.e., authorized user access is only to information necessary in the performance of required tasks. Most of CMS' information relates to the health care provided to the nation's Medicare and Medicaid beneficiaries, and as such, has access restrictions as required under legislative and regulatory mandates.

The CMS IS Program has a two-fold purpose:

- (1) To enable CMS' business processes to function in an environment with commensurate security protections, and
- (2) To meet the security requirements of federal laws, regulations, and directives.

The principal legislation for the CMS IS Program is Public Law (P.L.) 107-347, Title III, *Federal Information Security Management Act of 2002 (FISMA)*, <http://csrc.nist.gov/drivers/documents/FISMA-final.pdf>. FISMA places responsibility and accountability for IS at all levels within federal agencies as well as those entities acting on their behalf. FISMA directs Office of Management and Budget (OMB) through the Department of Commerce, National Institute of Standards and Technology (NIST), to establish the standards and guidelines for federal agencies in implementing FISMA and managing cost-effective programs to protect their information and information systems. As a contractor acting on behalf of CMS, this legislation requires that the Contractor shall:

- Establish senior management level responsibility for IS,
- Define key IS roles and responsibilities within their organization,
- Comply with a minimum set of controls established for protecting all Federal information, and
- Act in accordance with CMS reporting rules and procedures for IS.

Additionally, the following laws, regulations and directives and any revisions or replacements of same have IS implications and are applicable to all CMS contractors.

- P.L. 93-579, *The Privacy Act of 1974*, <http://www.usdoj.gov/oip/privstat.htm> , (as amended);
- P.L. 99-474, *Computer Fraud & Abuse Act of 1986*, www.usdoj.gov/criminal/cybercrime/ccmanual/01ccma.pdf P.L. 104-13, *Paperwork Reduction Act of 1978*, as amended in 1995, U.S. Code 44 Chapter 35, www.archives.gov/federal-register/laws/paperwork-reduction;
- P.L. 104-208, *Clinger-Cohen Act of 1996* (formerly known as the Information Technology Management Reform Act), http://www.cio.gov/Documents/it_management_reform_act_Feb_1996.html;
- P.L. 104-191, *Health Insurance Portability and Accountability Act of 1996* (formerly known as the Kennedy-Kassenbaum Act) <http://aspe.hhs.gov/admsimp/pl104191.htm>;

- OMB Circular No. A-123, *Management's Responsibility for Internal Control*, December 21, 2004, http://www.whitehouse.gov/omb/circulars/a123/a123_rev.html;
- OMB Circular A-130, *Management of Federal Information Resources*, Transmittal 4, November 30, 2000, <http://www.whitehouse.gov/omb/circulars/a130/a130trans4.html>;
- NIST standards and guidance, <http://csrc.nist.gov/>; and,
- Department of Health and Human Services (DHHS) regulations, policies, standards and guidance <http://www.hhs.gov/policies/index.html>

These laws and regulations provide the structure for CMS to implement and manage a cost-effective IS program to protect its information and information systems. Therefore, the Contractor shall monitor and adhere to all IT policies, standards, procedures, directives, templates, and guidelines that govern the CMS IS Program, <http://www.cms.hhs.gov/informationsecurity> and the CMS System Lifecycle Framework, <http://www.cms.hhs.gov/SystemLifecycleFramework>.

The Contractor shall comply with the CMS IS Program requirements by performing, but not limited to, the following:

- Implement their own IS program that adheres to CMS IS policies, standards, procedures, and guidelines, as well as industry best practices;
- Participate and fully cooperate with CMS IS audits, reviews, evaluations, tests, and assessments of contractor systems, processes, and facilities;
- Provide upon request results from any other audits, reviews, evaluations, tests and/or assessments that involve CMS information or information systems;
- Report and process corrective actions for all findings, regardless of the source, in accordance with CMS procedures;
- Document its compliance with CMS security requirements and maintain such documentation in the systems security profile;
- Prepare and submit in accordance with CMS procedures, an incident report to CMS of any suspected or confirmed incidents that may impact CMS information or information systems; and
- Participate in CMS IT information conferences as directed by CMS.

If the contractor believes that an updated IS-related requirement posted to the CMS website may result in a significant cost impact, the contractor may submit a request for equitable cost adjustment before implementing change.

H.10 SECTION 508 COMPLIANCE FOR COMMUNICATIONS

The contractor shall comply with the standards, policies, and procedures below. In the event of conflicts between the referenced documents and the SOW, the SOW shall take precedence.

Rehabilitation Act, Section 508 Accessibility Standards

1. 29 U.S.C. 794d (Rehabilitation Act as amended)
2. 36 CFR 1194 (508 Standards)
3. www.access-board.gov/sec508/508standards.htm (508 standards)
4. FAR 39.2 (Section 508)
5. CMS/HHS Standards, policies and procedures (Section 508)

In addition, all contract deliverables are subject to these 508 standards as applicable.

Regardless of format, all Web content or communications materials produced, including text, audio or video - must conform to applicable Section 508 standards to allow federal employees and members of the public with disabilities to access information that is comparable to information provided to persons without disabilities. All contractors (including subcontractors) or consultants responsible for preparing or posting content must comply with applicable Section 508 accessibility standards, and where applicable, those set forth in the referenced policy or standards documents (above/below). Remediation of any materials that do not comply with the applicable provisions of 36 CFR Part 1194 as set forth in the SOW shall be the responsibility of the contractor or consultant.

The following Section 508 provisions apply to the content or communications material identified in this SOW:

36 CFR Part 1194.22 a – j, l – p

36 CFR Part 1194.41 a – c

SECTION I - CONTRACT CLAUSES

I.1 CLAUSES INCORPORATED BY REFERENCE – 52.252-2 (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/

52.203-1	DEFINITIONS (JUL 2004)
52.203-3	GRATUITIES (APR 1984)
52.203-5	COVENANT AGAINST CONTINGENT FEES (APR 1984)
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (SEP 2006)
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)
52.203-11	CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (SEPT 2007)
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (SEP 2007)
52.204-2	SECURITY REQUIREMENTS (AUG 1996)
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000)
52.204-7	CENTRAL CONTRACTOR REGISTRATION (JUL 2006)
52.207-3	RIGHT OF FIRST REFUSAL OF EMPLOYMENT (MAY 2006)
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (SEP 2006)
52.215-1	INSTRUCTIONS TO OFFERORS—COMPETITIVE ACQUISITION (JAN 2004)
52.215-2	AUDIT AND RECORDS-NEGOTIATION (JUN 1999)
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 (OCT 2004)

52.215-17 WAIVER OF FACILITIES CAPITAL COST OF MONEY (OCT 1997)

52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST-RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (OCT 1997)

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

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA—MODIFICATIONS (OCT 1997)

52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)

52.216-25 CONTRACT DEFINITIZATION (OCT 2010)

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

52.217-9 OPTION TO EXTEND THE TERMS OF THE CONTRACT (MAR 2000)

52.219-14 LIMITATIONS OF SUBCONTRACTING (DEC 1996)

52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)

52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JULY 1990)

52.222-3 CONVICT LABOR (JUN 2003)

52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT OVERTIME COMPENSATION. (JUL 2005)

52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

52.222-26 EQUAL OPPORTUNITY (MAR 2007)

52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF VIETNAM EAR, AND OTHER ELIGIBLE VETERANS (DEC 2001)

52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)

52.222-37 EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (SEP 2006)

52.223-6 DRUG-FREE WORKPLACE (MAY 2001)

52.223-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (AUG 2003)

52.223-14 TOXIC CHEMICAL RELEASE REPORTING (AUG 2003)

52.223-18 CONTRACTOR POLICY TO BAN TEXT MESSAGING WHILE DRIVING (SEP 2010)

52.224-1 PRIVACY ACT NOTIFICATION (APR 1984)

52.224-2 PRIVACY ACT (APR 1984)

52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (FEB 2006)

52.225-25 PROHIBITION ON ENGAGING IN SANCTIONED ACTIVITIES RELATING TO IRAN—
CERTIFICATION (SEP 2010)

52.227-1 AUTHORIZATION AND CONSENT (DEC 2007)

52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT.
(DEC 2007)

52.227-3 PATENT INDEMNITY (APR 1984)

52.228-7 INSURANCE – LIABILITY TO THIRD PERSON (MAY 1996)

52.227-14 RIGHTS IN DATA-GENERAL (DEC 2007)

52.227-23 RIGHTS TO PROPOSAL DATA (TECHNICAL) (JUN 1987)

52.229-3 FEDERAL, STATE, AND LOCAL TAXES (APR 2003)

52.232-1 PAYMENTS (APR 1984)

52.232-9 LIMITATION ON WITHHOLDING OF PAYMENTS (APR 1984)

52.232-17 INTEREST (JUN 1996)

52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)

52.232-25 PROMPT PAYMENT (OCT 2003)

52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER – CENTRAL CONTRACTOR
REGISTRATION (OCT 2003)

52.233-1 DISPUTES (JUL 2002) - ALTERNATE I (DEC 1991)

52.233-3 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004)

52.237-3 CONTINUITY OF SERVICE (JAN 1991)

52.239-1 PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)

52.242-13 BANKRUPTCY (JUL 1995)

52.243-2 CHANGES – FIXED PRICE (AUG 1987) - ALTERNATE I (APR 1984)

52.243-7 NOTIFICATION OF CHANGES (APR 1984)

52.244-2 SUBCONTRACTS (JUN 2007)

52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAR 2007) - ALTERNATE I (JUN 2010)

- 52.245-1 GOVERNMENT PROPERTY (JUNE 2007)
- 52.246-25 LIMITATION OF LIABILITY – SERVICES (FEB 1997)
- 52.249-2 TERMINATION (FIXED PRICE) (MAY 2004)
- 52.251-1 GOVERNMENT SUPPLY SOURCES (APR 1984)
- 52.252-4 ALTERATIONS IN CONTRACT. (APR 1984)
- 52.253-1 COMPUTER GENERATED FORMS (JAN 1991)

I.2 AUTHORIZED DEVIATIONS IN CLAUSES – FAR 52.252-6 (APR 1984)

- (a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the date of the clause.
- (b) The use in this solicitation or contract of any _____. [insert regulation name] (48 CFR _____) clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the name of the regulation.

I.3 ORDER OF PRECEDENCE – UNIFORM CONTRACT

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

- (a) The Schedule (excluding the specifications).
- (b) Representations and other instructions.
- (c) Contract clauses.
- (d) Other documents, exhibits, and attachments.
- (e) The specifications.

I.4 DEPARTMENT OF HEALTH AND HUMAN SERVICES ACQUISITION REGULATIONS (HHSAR) INCORPORATED BY REFERENCE

- 352.201-70 PAPERWORK REDUCTION ACT (JAN 2006)
- 352.203-70 ANTI-LOBBYING (JAN 2006)
- 352.202-1 DEFINITIONS (APR 1984) ALTERNATE I
- 352.216-70 ADDITIONAL COST PRINCIPLES (JAN 2006)
- 352.227-70 PUBLICATIONS AND PUBLICITY (JAN 2006)
- 352.228-7 INSURANCE – LIABILITY TO THIRD PERSONS (DEC 1991)
- 352.231-71 PRICING OF ADJUSTMENTS (JAN 2001)
- 353.233-71 LITIGATION AND CLAIMS (JAN 2006)
- 352.242-74 FINAL DECISION ON AUDIT FINDINGS (APR 1984)
- 352.270-1 ACCESSIBILITY OF MEETINGS, CONFERENCES, AND SEMINARS TO PERSONS WITH DISABILITIES. (JAN 2001)

I.5 PRIVACY ACT – HHSAR 352.224-70 (JAN 2006)

- (a) Confidential information, as used in this clause, means information or data of a personal nature about an individual, or proprietary information or data submitted by or pertaining to an institution or organization.
- (b) The Contracting Officer and the Contractor may, by mutual consent, identify elsewhere in this contract specific information and/or categories of information which the Government will furnish to the Contractor or that the Contractor is expected to generate which is confidential. Similarly, the Contracting Officer and the Contractor may, by mutual consent, identify such confidential information from time to time during the performance of the contract. Failure to agree will be settled pursuant to the “Disputes” clause.
- (c) If it is established elsewhere in this contract that information to be utilized under this contract, or a portion thereof, is subject to the Privacy Act, the Contractor will follow the rules and procedures of disclosure set forth in

the Privacy Act of 1974, 5 U.S.C. 552a, and implementing regulations and policies, with respect to systems of records determined to be subject to the Privacy Act.

(d) Confidential information, as defined in paragraph (a) of this clause, shall not be disclosed without the prior written consent of the individual, institution, or organization.

(e) Whenever the Contractor is uncertain with regard to the proper handling of material under the contract, or if the material in question is subject to the Privacy Act or is confidential information subject to the provisions of this clause, the Contractor should obtain a written determination from the Contracting Officer prior to any release, disclosure, dissemination, or publication.

(f) Contracting Officer determinations will reflect the result of internal coordination with appropriate program and legal officials.

(g) The provisions of paragraph (d) of this clause shall not apply to conflicting or overlapping provisions in other Federal, State, or local laws.