

Attachment A
Proposed Changes to Standard 2018 Community Rated Health Benefits Contract

NOTE: New and revised language is underlined in blue and language to be deleted is ~~struck out in red~~.

Utilization of Small Business Concerns

1. Section 5.14 UTILIZATION OF SMALL BUSINESS CONCERNS

Subsection (a), and (d) were amended in accordance to November 2016 FAR Clause FAR 52.219-8. The contractor may accept the written representation of the subcontractor size and socioeconomic status. The subcontractor must be registered in the System Award Management (SAM) system.

Section 5.14 UTILIZATION OF SMALL BUSINESS CONCERNS (~~OCT 2014~~ NOV 2016)
(FAR 52.219-8)

(a) Definitions. As used in this contract --

“HUBZone small business concern” means a small business concern, certified by the Small Business Administration, that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration.

“Service-disabled veteran-owned small business concern”

(1) Means a small business concern--

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

“Small business concern” means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

“Small disadvantaged business concern”, consistent with 13 CFR 124.1002, means a small business concern under the size standard applicable to the acquisition, that--

(1) Is at least 51 percent unconditionally and directly owned (as defined at 13 CFR 124.105) by—

(i) One or more socially disadvantaged (as defined at 13 CFR 124.103) and economically disadvantaged (as defined at 13 CFR 124.104) individuals who are citizens of the United States; and

(ii) Each individual claiming economic disadvantage has a net worth not exceeding \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(2) The management and daily business operations of which are controlled (as defined at 13.CFR 124.106) by individuals, who meet the criteria in paragraphs (1)(i) and (ii) of this definition.

“Veteran-owned small business concern” means a small business concern—

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

“Women-owned small business concern” means a small business concern—

(1) That 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.
 (b) It is the policy of the United States that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns.

(c) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(d)(1) ~~The~~ Contractors ~~acting in good faith~~ may ~~rely on~~ accept a subcontractor's written representations ~~by their subcontractors regarding their~~ of its size and socioeconomic status as a small business ~~concern, small disadvantaged business,~~ a veteran-owned small business ~~concern,~~ a service-disabled veteran-owned small business ~~concern, a small disadvantaged business concern,~~ or a women-owned small business ~~concern~~ if the subcontractor represents that the size and socioeconomic status representations with its offer are current, accurate, and complete as of the date of the offer for the subcontract.

(2) The Contractor may accept a subcontractor's representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business in the System for Award Management (SAM) if—

(i) The subcontractor is registered in SAM; and

(ii) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the offer for the subcontract.

(3) The Contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.

(4) In accordance with 13 CFR 121.411, 124.1015, 125.29, 126.900, and 127.700, a contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's size or socioeconomic status.

(5) The Contractor shall confirm that a subcontractor representing itself as a HUBZone small business concern is certified by SBA as a HUBZone small business concern by accessing the System for Award Management database or by contacting the SBA. Options for contacting the SBA include—

(i) HUBZone small business database search application web page at

http://dsbs.sba.gov/dsbs/search/dsp_searchhubzone.cfm; or <http://www.sba.gov/hubzone>;

(ii) In writing to the Director/HUB, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416; or

(iii) The SBA HUBZone Help Desk at hubzone@sba.gov.

Equal Opportunity

2. Section 5.19 EQUAL OPPORTUNITY

Subsections (a) and (c)(5) were amended in accordance to the September 2016 FAR Clause 52.222-26. Definitions for “Compensation”, “Compensation information” and “Essential job functions” are now included in the amended FAR clause. Language has been added to prohibit the Contractor to discharge an employee or applicant based on any discriminatory actions or measures.

SECTION 5.19 EQUAL OPPORTUNITY (~~APRIL 2015~~ SEP 2016) (FAR 52.222-26)

(a) Definition. As used in this clause

“Compensation” means any payments made to, or on behalf of, an employee or offered to an applicant as remuneration for employment, including but not limited to salary, wages, overtime pay, shift differentials, bonuses, commissions, vacation and holiday pay, allowances, insurance and other benefits, stock options and awards, profit sharing, and retirement.

“Compensation information” means the amount and type of compensation provided to employees or offered to applicants, including, but not limited to, the desire of the Contractor to attract and retain a particular employee for the value the employee is perceived to add to the Contractor's profit or productivity; the availability of employees with like skills in the marketplace; market research about the worth of similar jobs in the relevant marketplace; job analysis, descriptions, and evaluations; salary and pay structures; salary surveys; labor union agreements; and Contractor decisions, statements and policies related to setting or altering employee compensation.

“Essential job functions” means the fundamental job duties of the employment position an individual holds. A job function may be considered essential if—

(1) The access to compensation information is necessary in order to perform that function or another routinely assigned business task; or

(2) The function or duties of the position include protecting and maintaining the privacy of employee personnel records, including compensation information.

“Gender identity” has the meaning given by the Department of Labor’s Office of Federal Contract Compliance Programs, and is found at www.dol.gov/ofccp/LGBT/LGBT_FAQs.html.

“Sexual orientation” has the meaning given by the Department of Labor’s Office of Federal Contract Compliance Programs, and is found at www.dol.gov/ofccp/LGBT/LGBT_FAQs.html.

“United States,” means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b)(1) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with this clause, except for work performed outside the United States by employees who were not recruited within the United States. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(2) If the Contractor is a religious corporation, association, educational institution, or society, the requirements of this clause do not apply with respect to the employment of individuals of a particular religion to perform work connected with the carrying on of the Contractor’s activities (41 CFR 60-1.5).

(c)(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. However, it shall not be a violation of this clause for the Contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.

(2) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. This shall include, but not be limited to—

- (i) Employment;
- (ii) Upgrading;
- (iii) Demotion;
- (iv) Transfer;
- (v) Recruitment or recruitment advertising;
- (vi) Layoff or termination;
- (vii) Rates of pay or other forms of compensation; and
- (viii) Selection for training, including apprenticeship.

(3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(5) (i) The Contractor shall not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This prohibition against discrimination does not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee’s essential job functions discloses the compensation of such other

employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(ii) The Contractor shall disseminate the prohibition on discrimination in paragraph (c)(5)(i) of this clause, using language prescribed by the Director of the Office of Federal Contract Compliance Programs (OFCCP), to employees and applicants by–
(A) Incorporation into existing employee manuals or handbooks; and
(B) Electronic posting or by posting a copy of the provision in conspicuous places available to employees and applicants for employment.

~~(5)~~ (6) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

~~(6)~~ (7) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

~~(7)~~ (8) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Contractor shall also file Standard Form 100 (EEO-1), or any successor form, as prescribed in 41 CFR Part 60-1. Unless the Contractor has filed within the 12 months preceding the date of contract award, the Contractor shall, within 30 days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.

~~(8)~~ (9) The Contractor shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint investigations. The Contractor shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.

~~(9)~~ (10) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.

~~(10)~~ (11) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

~~(11)~~ (12) The Contractor shall take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance, provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the

Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(d) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR [part 60-1.4](#).

System for Award Management

3. Section 5.63 SYSTEM FOR AWARD MANAGEMENT

Subsections (a), (b), and (c) were amended in accordance to the October 2016 FAR Clause 52.204-7. The System for Awards Management will now be identified using the Electronic Funds Transfer Indicator (EFT). Language that references the Data Universal Numbering System (DUNS) has been removed.

5.63 SYSTEM FOR AWARD MANAGEMENT (~~JUL 2013~~ [OCT 2016](#)) (FAR 52.204-7)

(a) Definitions. As used in this provision—

~~“Data Universal Numbering System (DUNS) number” means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.~~

~~“Data Universal Numbering System +4 (DUNS+4) number” means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern.~~ [“Electronic Funds Transfer \(EFT\) indicator” means a four-character suffix to the unique entity identifier. The suffix is assigned at the discretion of the commercial, nonprofit, or Government entity](#) to establish additional System for Award Management records for identifying alternative ~~Electronic Funds Transfer (EFT)~~ accounts (see ~~the FAR at Subpart 32.11~~ [subpart 32.11](#)) for the same ~~concern~~ [entity](#).

“Registered in the System for Award Management (SAM) database” means that—

- (1) The ~~offeror~~ [Offeror](#) has entered all mandatory information, including the [unique entity identifier](#) and ~~DUNS number or~~ the [EFT indicator, if applicable DUNS+4 number](#), the ~~Contractor~~ [Commercial](#) and Government Entity (CAGE) code, as well as data required by the Federal Funding Accountability and Transparency Act of 2006 (see ~~Subpart~~ [subpart](#) 4.14) into the SAM database;
- (2) The offeror has completed the Core, Assertions, and Representations and Certifications, and Points of Contact sections of the registration in the SAM database;
- (3) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS). The offeror will be required to provide consent for TIN validation to the Government as a part of the SAM registration process; and
- (4) The Government has marked the record “Active”.

[“Unique entity identifier” means a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. See \[www.sam.gov\]\(http://www.sam.gov\) for the designated entity for establishing unique entity identifiers.](#)

(b)(1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the SAM database prior to award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.

(2) The ~~offeror~~ Offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation ~~“DUNS” or “DUNS+4”~~ “Unique Entity Identifier” followed by the ~~DUNS or DUNS+4 number~~ unique entity identifier that identifies the ~~offeror’s~~ Offeror’s name and address exactly as stated in the offer. The ~~DUNS number~~ Offeror also shall enter its EFT indicator, if applicable. The unique entity identifier will be used by the Contracting Officer to verify that the ~~offeror~~ Offeror is registered in the SAM database.

(c) If the ~~offeror~~ Offeror does not have a ~~DUNS number~~, it should contact ~~Dun and Bradstreet the entity designated at www.sam.gov for establishment of the unique entity identifier~~ directly to obtain one.

~~(1) An offeror may obtain a DUNS number—~~

~~(i) Via the Internet at <http://fedgov.dnb.com/webform> or if the offeror does not have internet access, it may call Dun and Bradstreet at 1-866-705-5711 if located within the United States; or~~
~~(ii) If located outside the United States, by contacting the local Dun and Bradstreet office. The offeror should indicate that it is an offeror for a U.S. Government contract when contacting the local Dun and Bradstreet office.~~

~~(2) The offeror~~ Offeror should be prepared to provide the following information:

~~(i)~~ 1) Company legal business name.

~~(ii)~~ 2) Tradestyle, doing business, or other name by which your entity is commonly recognized.

~~(iii)~~ 3) Company Physical Street Address, City, State, and ZIP Zip Code.

~~(iv)~~ 4) Company Mailing Address, City, State and ZIP Zip Code (if separate from physical).

~~(v)~~ 5) Company ~~Telephone Number~~ telephone number.

~~(vi)~~ 6) Date the company was started.

~~(vii)~~ 7) Number of employees at your location.

~~(viii)~~ 8) Chief executive officer/key manager.

~~(ix)~~ 9) Line of business (industry).

~~(x)~~ 10) Company Headquarters name and address (reporting relationship within your entity).

(d) If the Offeror does not become registered in the SAM database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.

(e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

(f) Offerors may obtain information on registration at <https://www.acquisition.gov>.

APPENDIX F4. Appendix F FEHB Plan Performance Assessment

We have updated the Plan Performance Assessment measures for 2018.

1. **Performance Area Contributions to Overall Performance Score (OPS)**

| Performance Area | Contribution to Overall Performance Score |
|--|---|
| Clinical Quality, Customer Service, and Resource Use | 50% 65% |
| Contract Oversight | 50% 35% |

2. **Clinical Quality, Customer Service, and Resource Use (QCR) Performance Area Measures**

| Performance Area | Measure | Priority Level | Measure Weight |
|------------------|--|----------------|----------------|
| Clinical Quality | Breast Cancer Screening | 2 | 1.25 |
| | Timeliness of Prenatal and Postpartum Care (Timeliness) | 1 | 2.50 |
| | Well Child Visits in the First 15 Months of Life | 2 | 1.25 |
| | Flu Vaccinations for Adults Ages 18-64 | 2 | 1.25 |
| | Cervical Cancer Screening | 2 | 1.25 |
| | Controlling High Blood Pressure | 1 | 2.50 |
| | Comprehensive Diabetes Care – HbA1C <8% - Control | 2 | 1.25 |
| | Asthma Medication Ratio | 2 | 1.25 |
| | Medication Management for People with Asthma (75%) | 2 | 1.25 |
| | Avoidance of Antibiotics in Adults with Acute Bronchitis | 2 | 1.25 |
| | Follow-up After Hospitalization for Mental Illness (7-day or 30-day) | 2 | 1.25 |
| Customer Service | Plan Information on Costs | 3 | 1.00 |
| | Getting Needed Care | 3 | 1.00 |
| | Getting Care Quickly | 3 | 1.00 |
| | Claims Processing | 3 | 1.00 |
| | Overall Health Plan Rating | 3 | 1.00 |
| | Coordination of Care | 3 | 1.00 |
| | Overall Personal Doctor Rating | 3 | 1.00 |

| | | | |
|--------------|--|---|------|
| | Customer Service | 3 | 1.00 |
| Resource Use | Plan All Cause Readmissions | 1 | 2.50 |
| | Use of Imaging Studies for Low Back Pain | 2 | 1.25 |

3. Measures Farm Team (Reported but not Scored)

- Emergency Department Utilization (Collection began in 2016)
- Inpatient Hospitalization Utilization (Collection began in 2016)
- Follow-up after Discharge from the Emergency Department for Mental Illness (7 day/30 day rate) (Collection began in 2017)
- Follow-up after Discharge from the Emergency Department for Alcohol or Other Drug Dependence (7 day/30 day rate) (Collection began in 2017)
- Statin Therapy for Patients with Cardiovascular Disease (Collection began in 2017)
- Use of Opioids from Multiple Providers (Collection begins in 2018)
- Colorectal Cancer Screening (Collection begin in 2018)

4. Community Rated Adjustment (CRA)

The value of the CRA as outlined in Carrier Letter [2017-02](#) will be based on a combination of QCR and CO scores. The QCR portion of the calculation used to establish the CRA is set at 0.6. The CO portion of the calculation used to establish the CRA is set at 0.95. For ~~2017~~ 2018, the CRA is the complement (one minus the outcome) of the following calculation: ~~0.5~~ 0.65 times 0.6, plus ~~0.5~~ 0.35 times 0.95.

The Performance Adjustment Percentage (PAP) for individual community-rated FEHB Program carriers for ~~2017~~ 2018 performance will be one percent minus the Performance Based Percentage (PBP). The PBP is the amount calculated by the OPS plus the CRA with this result then multiplied by one percent. The PAP is multiplied by the subscription income to arrive at the Performance Adjustment (PA).

Depending on a plan's PA result three things are possible:

1. If the PA result is positive this amount will be withheld from a net-to-carrier premium disbursement on or about the second payment of March of the ~~2018~~ 2019 contract year and placed in the plan's contingency reserve.
2. If the PA result is negative a plan can elect to receive the absolute value of this amount from the plan's contingency reserve which will be paid out on or about the second payment of March of the ~~2018~~ 2019 contract year. The decision to receive this amount or to allow the amount to remain in the contingency reserve is at the sole discretion of the plan.
3. If the PA result is zero no adjustments will be made.

The calculations described above are shown in formulas below:

$$\text{CRA: } 1 - ((\text{0.5 0.65} * 0.6) + (\text{0.5 0.35} * 0.95)) = \text{0.22500.2775}$$

$$\text{PBP} = (\text{OPS} + \text{CRA}) * 1\%$$

$$\text{PAP} = 1\% - \text{PBP}$$

$$\text{PA} = \text{PAP} * \text{Subscription Income}$$