Performance Work Statement

1.0 Background

Background – In October 1996, Congress enacted the Veterans' Health Care Eligibility Reform Act of 1996, Public Law 104-262. Eligibility Reform transformed the VA health care system from an episodic, inpatient care provider into a comprehensive health care provider and expanded eligibility for health care to all Veterans. To manage resources, the law required VA to implement a priority based enrollment system and to annually assess the resources required to provide care to enrolled Veterans. In 1998, the Veterans Health Administration (VHA) Office of the Assistant Deputy Under Secretary for Health for Policy and Planning (ADUSH/PP) partnered with an actuarial consulting firm to develop the VA Enrollee Health Care Projection Model (EHCPM) to project Veteran demand for VA health care.

The EHCPM is an actuarial model for projecting Veteran enrollment and demand for VA health care for 20 years into the future. The projections and supporting analyses are central in the development of the VA medical care budget, strategic, capital, and workforce planning, and policy analysis. VA is dependent on the EHCPM projections to support the development of more than 90 percent of the VA medical care budget. The EHCPM is used to provide insight on Veteran demand for VA health care and support VA leadership and stakeholders, including the Office of Management and Budget, Congress, the Government Accountability Office, Congressional Budget Office, and Veteran Service Organizations.

For each of the 20 projection years, the EHCPM projects the number of Veterans expected to be enrolled in a geographic area, their total health care needs, and the portion of that care they are expected to receive through VA (either in VA facilities or care purchased by VA in the community) versus from other health care providers. The expenditure projections that support the VA health care budget request are based on the anticipated costs associated with the projected utilization of services (not projected numbers of patients). A key function of the EHCPM is the ability to modify the underlying assumptions in order to produce projections results for multiple scenarios assuming any of the underlying assumptions change over the 20-year projection period.

The EHCPM currently projects utilization for over 100 health care service categories, including long term services and supports. Generally, the services VA provides that are comparable to services provided in the private sector are modeled using private sector-based utilization benchmarks.

Services that are unique to VA (e.g., blind rehabilitation) or services where VA's practice pattern differs significantly from the private sector (e.g., prosthetics) are modeled using VA experienced-based utilization benchmarks.

The EHCPM accounts for the impact of the following attributes when projecting Veteran enrollment and use of VA health care services:

- Enrollee age, gender, morbidity, and geographic migration patterns
- Enrollee reliance on VA health care versus other health care providers
- Enrollee income, local unemployment rates, and travel distance to VA facilities
- Enrollee transition between enrollment priorities, e.g., movement into service connected priorities and transitions due to changes in income
- Unique utilization patterns of various population cohorts, such as females, new enrollees, specific age

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cohorts, and veterans of Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn (OEF/OIF/OND).

- New policies, regulations, and legislation and changes in the broader environment, such as the implementation of the Medicare drug benefit
- VA health care initiatives, such as the mental health capacity improvement initiative
- A continually evolving VA health care system, e.g., quality and efficiency initiatives
- Future changes in health care practice and technology.

The EHCPM is a complex health actuarial model that accounts for all of the known drivers of Veteran demand for VA health care. Projections are developed at a very detailed level—by 13 enrollment priorities (1a, 1b, 2, 3, 4, 5, 6, 7a, 7c, 8a, 8b, 8c, 8d), two genders, and 15 five-year age bands. Geographically, projections are developed for sectors, which consist of one or more counties. In addition, projections are developed separately for enrollees who used VA prior to Eligibility Reform, for OEF/OIF/OND Veterans, and for female Veterans.

The EHCPM is developed using VA actual enrollment, utilization, unit cost, and expenditure data, private sector health care utilization data, nationally recognized actuarial data sets, VA/Medicare enrollee level data match, and quantitative market survey data (e.g., VHA's Survey of Veteran Enrollees). The EHCPM is supported by in-depth analyses of Veteran enrollment rates, enrollee mortality, morbidity, geographic migration, transition among enrollment priorities, reliance on VA versus other health care providers, and assessments of the impacts of drive time, unemployment rates, and income on demand for VA health care. As an example of the complexity of the EHCPM, over 1.4 million reliance factors that vary by demographic and geographic detail are used in each of the 20 projection years, and these factors vary by projection year. In addition, stakeholders require that the EHCPM separately quantify the impact of the key drivers of demand for VA health care on enrollment, utilization, and expenditures. Therefore, the factors that drive VA health care demand must be analyzed and input into the EHCPM separately.

The VA health care system and the broader environment are continually changing, and the enrollment, utilization, and expenditure projections must reflect the impact of these changes. This requires that the ADUSH/PP and its actuarial consultants work closely with VA program offices, field staff, and researchers to incorporate their vision for the future delivery of health care services (e.g., Patient Aligned Care Team or PACT), the impact of health care initiatives (e.g., mental health), the impact of changes in VA's infrastructure, and assess and incorporate the impact of proposed policies (e.g., cost sharing), legislation and regulations (e.g., the Veterans Choice Act), and external events (e.g., economic recession) on the VA health care system.

The EHCPM uses utilization and cost trends to project the modeled services forward from the base year. Inflation and intensity trends are used in the Model to project VA's baseline unit costs forward, with inflation trends accounting for increases in labor and supply costs and intensity trends reflecting expected changes in the cost mix of services from evolving medical care practices and advances in technology. The utilization trends are used in the Model to account for changes in medical care practice and advances in technology expected to increase or decrease health care service utilization from the current level, regardless of changes in the enrolled population.
A key challenge in modeling for the Veteran enrollee population is that enrollees have many other options for health care coverage (private insurance, TRICARE, Medicare, Medicaid, etc.). As a result, most enrollees only receive a portion of the total health care they need through the VA health care system. For example, enrollees only choose to receive approximately 30 percent of all of the inpatient care they need from VA. As a result, VA's internal data sources cannot be exclusively used to project total health care needs of the enrolled Veteran population. In order to project demand for needed services, VA must

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understand enrollees' total health care needs because many internal and external factors can change enrollees' reliance on VA health care. For services VA provides that are comparable to the private sector, the EHCPM currently utilizes the incumbent's health care benchmarks as a basis to project enrollees' total health care demand.

VA requires a wide range of health care actuarial expertise and experience in areas such as morbidity-risk scoring, population and health status assessments, dual or triple eligible populations, U.S. health care trends, health policy analysis, and actuarial modeling capabilities dynamic enough to project utilization for strategic planning at the medical facility-level and at a more global level for budget formulation.

Additionally, VA is a dynamic health care system, with rapidly changing policies, direction, and leadership. VA requires actuarial support to meet demands for analysis, projection data, and adjustments to modeling to reflect new system priorities, structures, and approaches.

2.0 Applicable Documents

In the performance of the tasks associated with this Performance Work Statement, the Contractor shall comply with the following:

1. FIPS Pub 201, "Personal Identity Verification of Federal Employees and Contractors," August 2013 https://nvlpubs.nist.gov/nistpubs/FIPS/NIST.FIPS.201-2.pdf
2. Department of Veterans Affairs (VA) Directive 0710, "Position Risk and Sensitivity Designations for VHA Positions and Medical Center Policy" May 18, 2007 www1.va.gov/vhapublications/ViewPublication.asp?pub_ID=1569
3. VA Handbook 6500, "Managing Information Security Risk: VA Information Security Program," September 20, 2012 https://www.va.gov/vapubs/viewPublication.asp?Pub_ID=637&FType=2
4. VA Handbook 6500.1, "Electronic Media Sanitization," March 22, 2010 http://www.va.gov/vapubs/viewPublication.asp?Pub_ID=416&FType=2
5. VA Handbook 6500.2, "Management of Data Breaches Involving Sensitive Personal Information" July 28, 2016 https://www.va.gov/vapubs/viewPublication.asp?Pub_ID=843&FType=2
6. VA Handbook 6500.3, "Certification and Accreditation of VA Information Systems," November 24, 2008 http://www.va.gov/vapubs/viewPublication.asp?Pub_ID=419&FType=2
7. VA Handbook, 6500.5, "Incorporating Security and Privacy in System Development Lifecycle" March 22, 2010 http://www.va.gov/vapubs/viewPublication.asp?Pub_ID=485&FType=2
8. VA Handbook 6500.6, "Contract Security," March 12, 2010 http://www.va.gov/vapubs/viewPublication.asp?Pub_ID=471&FType=2
9. VA Directive 6508, "Implementation of Privacy Threshold Analysis and Privacy Impact Assessment" October 15, 2014 https://www.va.gov/vapubs/viewPublication.asp?Pub_ID=767&FType=2

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3.0 Scope: This Performance Work Statement (PWS) covers actuarial modeling and consultation services in support of seven major tasks. These tasks will require extensive collaboration with VA and its stakeholders. This consultation will be coordinated by the Contractor's project manager and the VA COR.

- Actuarial consulting, modeling, and analytical services to assess the impact of an evolving VA health care system and broader environment on Veteran enrollment and demand for VA health care.
- Maintain, enhance, and annually update the EHCPM with new data from the most recently completed fiscal year (base year) and other newly available data, update supporting analyses, integrate new or updated assumptions and enhanced methodology.

  The Contractor will assume responsibility for maintaining and updating EHCPM as currently structured. VA will provide the necessary data, documentation of the methodology and assumptions, and the SAS code that constitutes the 2019 EHCPM (expected to be developed during the final Option Year of the existing contract). Contractor will use the 2019 EHCPM as the starting point for updating and producing the 2020 EHCPM. Contractor will need to develop a working knowledge of previous EHCPMs to support analyses and requests that span multiple EHCPM projection scenarios. In particular, the Contractor will need to seamlessly support comparisons of the methodology, analyses, and projections between the 2019 EHCPM and 2020 EHCPM.
- Enhancement of the EHCPM to support strategic, capital, workforce planning, and other applications of the EHCPM and special reporting of the EHCPM projections to support various applications of the EHCPM.
- Assess the predictive power of the EHCPM and respond to requests for comparisons of actual enrollment, patients, utilization, and expenditures to projected enrollment, patients, utilization, and expenditures.
- Maintain, enhance, and annually update the Civilian Health and Medical Program of the Department of Veterans' Affairs (CHAMPVA) Model.
- Maintain, enhance, and update enrollment and cost projections associated with Veteran utilization of caregivers in the Program of Comprehensive Assistance for Family Caregivers (PCAFC). Model requests to understand program eligibility and policy changes.
- Trainings, briefings, tools, and databases to increase the transparency of the EHCPM methodology, assumptions, and projections and assist stakeholders in understanding the EHCPM and the key drivers of Veteran demand for VA health care.

4.0 PROJECT MANAGEMENT

CONTRACTOR PROJECT MANAGEMENT PLAN

The Contractor shall maintain a Contractor Project Management Plan (CPMP) that lays out the Contractor's approach, timeline and tools to be used in execution of the contract. The CPMP should take the form of both a narrative and graphic format that displays the schedule, milestones, risks and resource support. The CPMP shall also include how the Contractor shall coordinate and execute planned, routine, and ad hoc tasks as identified within the PWS. The initial baseline CPMP shall be concurred upon and updated monthly thereafter. The Contractor shall update and maintain the VA PM approved CPMP throughout the period of performance.

Deliverables:

4.0.1 EHCPM Project Plan produced using project plan software.

4.1 PROGRESS REPORTS

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The Contractor shall submit status reports to the COR via a joint bi-weekly conference call with the Contractor EHCPM Project Team and the ADUSH/PP EHCPM Project Team. Status reports shall include, at a minimum, the following information:

a. Key milestones for the month

b. Status of key deliverables from ADUSH/PP that are required by the Contractor to complete assigned tasks

c. Status of milestones including slippage and proposed revision of target date(s) when appropriate

d. Old issues

e. New issues and problems

Deliverables:

4.1.1 Bi-weekly conference calls. COR may request Progress Reports in electronic form in Microsoft (MS) Word, Excel, or Microsoft Project.

4.2 Labor Hour, Travel, and ODC Reports: CLINS that have been identified as Labor Hour, Travel, or ODC shall have a separate monthly report that shall be delivered no later than 25 calendar days after the end of each month. The report shall include the following:

a. Cover sheet containing the Contractor name, contract number, purchase order number, task order number, invoice number and date, and period of performance covered by the invoice, total hours and cost billed by labor category, other direct costs, and travel and a list of deliverables for the month.

b. Summary report with the total hours and cost billed by labor category, other direct costs, and travel for the month and cumulative year to date.

c. Detail report with the total hours billed by labor category, other direct costs, travel and total billable dollars per major CLIN for the month and cumulative year to date.

d. Detail report with the total hours billed by labor category, other direct costs, travel and total billable dollars for projects within CLINs as defined by the COR for the month and cumulative year to date.

Deliverables:

4.2.1 Report in electronic form in MS Word, Excel, or pdf.

5.0 Task: Actuarial Consulting, Modeling, and Analyses

VA requires actuarial consulting, analysis, and modeling support to use the EHCPM to assess the impact of an evolving VA health care system and the broader environment, proposed policies, regulations, and legislation; support the VA medical care budget process, and support VA leadership and stakeholders including the Office of Management and Budget, Congress, the Government Accountability Office, Congressional Budget Office, and the Veteran Service Organizations. These tasks will require extensive collaboration between VA and the Contractor. The level of effort needed to respond to a given task can be as little as a phone call or can require hundreds of hours of actuarial consultative support from multiple personnel.

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for

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stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

5.1 Special Analyses and Market Research Services

Background – The VA health care system and the broader environment is continually changing, and the enrollment, utilization, and expenditure projections must reflect this changing environment. This requires that VA work closely with program offices to incorporate their vision for the future delivery of health care services to the enrolled population into the EHCPM; assess and incorporate the impact of changes in VA's infrastructure, such as the addition of a new facility; and assess the impact of proposed policies (cost sharing), legislation, and regulations (Affordable Care Act) and external events (economic recession) on the VA health care system. Additionally, VA serves populations, such as Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn (OEF/OIF/OND) and women veterans, and provides services, such as mental health and long-term services and supports, that require specific consideration in the planning and execution of services. This task may require enhancements to the EHCPM structure, methodology, or supporting analyses in order to incorporate new or revised assumptions.

This task frequently results in assumptions that are input into the EHCPM. The following assumptions are included in the 2017 EHCPM. The methodology, supporting analyses, assumptions are documented in the following sections of the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report:*

- K1: OEF/OIF/OND Enrollee Assumptions
- K2: Mental Health Policy Assumptions
- K3: Regional and Facility Reviews and Adjustments
- K4: Trend Rate Assumptions
- K5: Enrollment Policy Assumptions
- K6: Women's Health Assumptions
- K7: Impact of Economic Forecasts
- K8: Inpatient Efficiency Assumptions
- K9: Outpatient Efficiency Assumptions
- K10: Pharmacy Efficiency Assumptions
- K11: Dental Prophylaxis Policy Assumptions
- K12: Reliance Adjustments to Reflect Changes in Medicare Part D
- K13: Homeless Program Adjustments
- K14: Long-Term Services and Supports Policy Assumptions
- K15: Civilian Wage Policy Assumptions
- K16: Patient Aligned Care Team (PACT) Policy Assumptions
- K17: Telehealth Policy Assumptions
- K18: Post Exclusion Enrollee Type Development
- K19: Hepatitis C Drug Impact Policy Assumptions
- K20: Dialysis and Related Services Reliance Assumptions
- K21: Pharmacy Tiered Copay Assumptions
- K22: Choice Act Impact on Reliance
- K23: Pipeline Drug Impact Policy Assumptions

These assumptions are reviewed and updated for each annual EHCPM update. Assumptions may be revised or deleted and new assumptions may be added.

Task Assignment –This task provides for consultation to meet VA's needs for special analyses and market research services. Tasks will be defined and accomplished with internal or external workgroups led by VA staff. VA staff that have clinical and programmatic expertise in the task area provide insight into the VA health

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care system, data, policies, and programmatic guidance. The Contractor will provide technical and analytical expertise to the workgroup and serve as a member of the workgroup. The workgroup will assess the potential impact on VA and develop assumptions for input into the EHCPM. This consultation will be coordinated by the Contractor's project manager and the VA COR to support VA staff, specific workgroups or external groups as authorized by VA.

Deliverables

5.1.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

5.1.2 Analyses

Desired Outcomes – Analyses, data, and market research.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor.

Monitoring Method – Random quality inspection.

5.1.3 Reports

Desired Outcomes – Report detailing the methodology and results for analyses or market research performed under this task as requested by the VA COR.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

5.2 VA Medical Care Budget Support

Background – VA is dependent on the EHCPM projections to support the development of more than 90 percent of the VHA medical care budget.

Task Assignment – Contractor shall provide consulting, analysis, modeling, and briefing support to educate VA leadership, the Office of Management and Budget, Congress, the Government Accountability Office, Congressional Budget Office, Veteran Service Organizations, and other stakeholders regarding the enrollment, utilization, and expenditure projections supporting the VA medical care budget, including supporting analyses, assumptions, methodology, and key factors driving demand for VA health care.

Deliverables

5.2.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

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Monitoring Method – Stakeholder satisfaction.

5.2.2 Analyses

Desired Outcomes – Analyses and data.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor.

Monitoring Method – Random quality inspection.

5.2.3 Reports

Desired Outcomes – Report detailing the analysis performed, data provided, or response to a stakeholder question or request as requested by the VA COR.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

6.0 Task: Maintain, Enhance, and Annually Update the VA EHCPM

VA requires actuarial consulting and modeling support to maintain, enhance, and annually update the EHCPM. The Contractor will assume responsibility for VA's EHCPM as currently structured. VA has developed The EHCPM is a complex health care actuarial model that accounts for all known drivers of Veteran enrollment, utilization of VA health care, and the cost associated with that care, and in response to stakeholder needs.

VA will provide the necessary data, documentation of the methodology and assumptions, and the SAS code that constitutes the 2019 EHCPM (expected to be developed during the final Option Year of the existing contract) to the Contractor. The Contractor will use the 2019 EHCPM as the starting point for updating, and producing the 2020 EHCPM.

The annual EHCPM update process begins in June and is completed by the following April as outlined in Attachment A. The enhancements to the methodology, analyses, and assumptions are defined collaboratively with stakeholders under Tasks 5 and 7.

The methodology, analyses, and assumptions will evolve with each annual EHCPM update to meet stakeholder needs and as directed by the VA COR. The annual EHCPM update will build on the enhancements to the prior EHCPM. Updates to the 2016 EHCPM are summarized in Section B5 of the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report.*

This task requires extensive collaboration between VA and the Contractor. The Contractor will:

- Update the EHCPM and supporting analyses with new data from the most recently completed fiscal year (base year) and other newly available data
- Integrate new or updated assumptions and enhanced methodology as defined under Task 5
- Produce Veteran, enrollment, patient, utilization, and expenditure projections for an initial current policy scenario and other EHCPM scenarios as defined by VA.

Projection detail in the 2017 Model is described in the table below. VA may require additional levels of details to incorporate new or updated assumptions or methodology.

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Projections	Geographic and Service Location Detail	Priority Groups	Enrollee Type	Age Groups	Birth Year
VetPop	Sector, Submarket, Market, VISN, National	1a, 1b, 2, 3, 4, 5, 6, 7a, 7c, 8a, 8b, 8c, 8d	N/A	15 Age Groups: 1=<25, 2=25-29 …, 15= ages 90+	N/A
OEF/OIF/OND VetPop					5 birth year cohort ranges
Enrollees		1a, 1b, 2, 3, 4, 5, 6, 7a, 7c, 8a, 8b, 8c, 8d, 8e, 8g	Pre non-OEF/OIF/OND, Post-non OEF/OIF/OND, OEF/OIF/OND Post-Exclusion, non- Post-Exclusion		
Average					
Unique					
Beginning of Year					
End of Year					
Patients		1a, 1b, 2, 3, 4, 5, 6, 7a, 7c, 8a, 8b, 8c, 8d			N/A
Utilization	Submarket, Market, VISN, National, Parent Facility, Treating Facility VA Facility/ Community Care				
Health Service Categories					
Health System Planning Categorie					
Work Relative Value Units					
Expenditures					

Projections	Duration Since Enrollment	Key Conditions Indicator	Gender	Fiscal Years
VetPop	N/A	N/A	Male and Female	21 Projection Years from the Base Year (2015-2035); VetPop includes projections from 1999
OEF/OIF/OND VetPop	0-1, 1-2, 2-3, 3-4, 4-5, or >5 years	Presence on the Spinal Cord Registry or of conditions indicating need for institutional Long Term Services and Supports		
Enrollees				
Average				
Unique				
Beginning of Year				
End of Year				
Patients	N/A	N/A		
Utilization				
Health Service Categories				
Health System Planning Categories				
Work Relative Value Units				
Expenditures				

6.1 Task: Maintain, Enhance, and Annually Update the EHCPM Veteran, Enrollment, and Patient Projection Models

Background – The current methodology, supporting analyses, assumptions, and level of detail required for projecting Veteran enrollment in the 2017 EHCPM is documented in the following sections of the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report:*

- B1: Overview of the Enrollee Health Care Projection Model
- B2: Model Tutorial, Enrollment Projections

- C1: Enrollment Projection Methodology
- C2: Creation of the Master Enrollment File
- C3: Veteran Population Proxy Development and Geographic Means Test (GMT) Split Analysis
- C4: Enrollment Rates
- C5: County Consolidation Methodology
- C6: Priority and Morbidity Class Transition
- C7: Geographic Migration
- C8: Mortality Rates
- C9: Patient Projection Analysis
- C10: Enrollment and VetPop Proxy County Allocations
- M1: 2017 Model (BY16) Data Sources

Task Assignment – The Contractor will assume responsibility for the EHCPM enrollment model as currently structured. VA will provide the necessary data, documentation of the methodology and assumptions, and the SAS code that constitutes the 2019 EHCPM (expected to be developed during the final Option Year of the existing contract) to the Contractor. The Contractor will use the 2019 EHCPM as the starting point for updating, enhancing, and producing the EHCPM.

Deliverables

6.1.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

6.2 Task: Maintain, Enhance, and Annually Update the EHCPM Utilization, Unit Cost, and Expenditure Projection Models

Background – The EHCPM projects utilization for approximately 100 health care service categories, including long term services and supports. Generally, the services VA provides that are comparable to services provided in the private sector are modeled using private sector-based utilization benchmarks. Services that are unique to VA (e.g., blind rehabilitation) or services where VA's practice pattern differs significantly from the private sector (e.g., prosthetics) are modeled using VA experienced-based utilization benchmarks. The definitions of the service categories and number of services modeled will evolve over time at the direction of the VA COR.

The current methodology, supporting analyses, assumptions, and level of detail required for projecting utilization and expenditure projections in the 2017 EHCPM is documented in the following sections of the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report:*

- B1: Overview of the Enrollee Health Care Projection Model
- B3: Model Tutorial – Private Sector Based Projections
- B4: Model Tutorial – VA Experience Based Projections
- D1: Private Sector Based Service Benchmarks
- D2: Covered Benefits Package and Adjustments
- D3: Copay Levels and Adjustments
- D4: Geographic Area Adjustments
- D5: Age & Gender Adjustments
- D6: Inpatient Efficiency Analysis

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- D7: Inpatient Hospital Under- and Over-Coding Analysis
- E1: Modeling Methodology for VA Experience-Based Service Projections
- E2: Special Modeling Adjustments for VA Experience-Based Service Projections
- E3: Blind Rehabilitation Program Projections
- E4: Spinal Cord Injury Service Projections
- F1: Long-Term Services and Supports Projections
- G1: Overview of Reliance and Morbidity Modeling
- G2: Morbidity Risk Weight Development
- G3: Enrollee Morbidity Analyses – Ages 65 and Over
- G4: Enrollee Morbidity Analyses – Under Age 65
- G5: Enrollee Reliance Analyses – Ages 65 and Over
- G6: Enrollee Reliance Analyses – Under Age 65
- G7: Morbidity Birth Year Cohorts
- G8: Morbidity and Reliance Drift Adjustments
- G9: Initial and Long-Term Utilization Adjustment
- G10: Long-Term Services and Supports Morbidity Adjustments
- G11: Historical Enrollee Reliance Changes over Time
- H1: VA Inpatient Workload Data
- H2: VA Inpatient Encounter Workload Data
- H3: VA Ambulatory Workload Data
- H4: VA Prosthetics Workload Data
- H5: VA Pharmacy Workload Data
- H6: VA Dental Workload Data
- H7: FY 2016 Baseline Database Construction
- I1: VA Base Year Unit Cost Development
- I2: VA Inpatient Base Year 2016 Unit Cost Development
- I3: VA Ambulatory Base Year 2016 Unit Cost Development
- I4: VA Pharmacy Base Year 2016 Unit Cost Development
- J1: Actual-to-Expected Utilization Adjustment
- J2: Unit Cost Reconciliation Methodology
- L2: Work RVU Projections

Task Assignment – The Contractor will assume responsibility for the EHCPM utilization, unit cost, and expenditure models as currently structured (see exception below). VA will provide the necessary data, documentation of the methodology and assumptions, and the SAS code that constitutes the 2019 EHCPM (expected to be developed during the final Option Year of the existing contract) to the Contractor. The Contractor will use the 2019 EHCPM as the starting point for updating, enhancing, and producing the EHCPM.

The Contractor will need to propose a comparable methodology and/or benchmarks for the private sector based utilization projection model in place of those used by the incumbent. The new methodology/benchmarks must meet the objective of projecting (1) Veteran enrollees' total demand for health care services and (2) the portion of that demand that enrollees will receive in VA. The replacement methodology/benchmarks must project at the level of detail identified in the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report*. In addition, the factors that drive utilization of VA health care services must be analyzed and input into the EHCPM separately.

Benchmarks for private sector based utilization must be appropriate to model and benchmark health care utilization. The benchmarks must be highly detailed, including, but not limited to, per capita health care cost and utilization data broken down by age (including age groups under 65 and 65 and over), gender, geography, type-of-service (e.g., office visits, radiology, pathology, cardiovascular services), etc.

Deliverables

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6.2.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

6.3 Task: EHCPM Update Baseline and Projection Databases

Background – Output from the analyses and projections from the annual EHCPM update are required in various formats to meet stakeholder needs.

Task Assignment – Contractor shall provide, at minimum, the following deliverables from the updated EHCPM based on the initial current policy budget scenario as defined by VA. Deliverables, format, and level of projection detail requirements may change to meet stakeholder needs. Data deliverables will include current base year data and projections for 21 years unless otherwise directed by the VA COR.

- Baseline Database – See Section H7 for data requirements
- VetPop Proxy Summary Database – Full Projection Detail
- OEF/OIF/OND VetPop Proxy – Full Projection Detail
- Enrollment Projection Summary Database – Full Projection Detail
- Master Enrollment File – Full Projection Detail
- Enrollment, Patient, Utilization, and Expenditure Projection Scenario Database – Full Projection Detail
- Report Writers – SAS based model with an Excel interface allows users to report summary level data output. Includes base year and full projection detail except that age is summarized by four age bands (Under 45, Ages 45-64, Ages 65-84, Ages 85 and Over). See example in Attachment B.
- Budget Impact Analyses – Separately quantifies the key drivers of changes in the enrollment, utilization, and expenditure projections over time. See example in Attachment C.

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

Deliverables

6.3.1. Baseline and Projection Databases

Desired Outcomes – SAS or Excel format and level of detail and documentation as directed by the VA COR.

Performance Standard – Accurate, understandable, usable, and delivered on schedule (see Section 17).

Monitoring Method – Random quality inspection.

6.4 Task: VA Enrollee Health Care Projection Model Documentation and Analysis Report

Background – VA requires in-depth documentation of the methodologies, analyses, assumptions, and data used in the development of the EHCPM. See the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report* for the documentation required for the 2017 EHCPM.

Report sections are developed jointly by VA and Contractor staff. Required documentation will evolve with each EHCPM update.

DRAFT

Task Assignment – Contractor will work with VA staff to develop a report documenting the methodology, analyses, assumptions, and data used to develop the EHCPM for each annual EHCPM update. Several of the report sections report on methodology or assumptions developed in Tasks 5, 7, and 9.

Deliverables

6.4.1 VA Enrollee Health Care Projection Model Documentation and Analysis Report

Desired Outcomes – Accurate, complete report detailing methodology, analyses, assumptions, and data used to develop the updated EHCPM.

Performance Standard – Draft report sections created by the Contractor are provided to VA for comments at least four weeks before the final due date (see Section 17). Contractor provides comments to VA on draft report sections created by VA within two weeks from submission. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

6.5 Task: Additional EHCPM Projection Scenarios

Background – The VA health care system and the broader environment in which it exists is continually changing, and the enrollment, utilization, and expenditure projections must reflect this changing environment. In addition, VA leadership and stakeholders require projections for alternative future states that reflect the impact of various internal and external factors on demand for VA health care. Tasks 6.1 and 6.2 provide for the delivery of an updated EHCPM based on an initial current policy scenario. The EHCPM is then used throughout the year to run additional scenarios to identify the impact of changes in VA and the broader environment, in other words, “what if” scenarios.

Task Assignment –This task permits VA to use the EHCPM to assess the impact of adjusting various model assumptions to support the VA medical care budget, policy analysis, strategic, capital, and workforce planning or to respond to stakeholder requests. This task may require enhancements to the EHCPM model structure or methodology in order to incorporate new or revised assumptions developed under Tasks 5, 7, or 9. The Contractor shall project enrollment, utilization, and expenditures that reflect the assumptions specified by VA as directed by the VA COR.

At the direction of the VA COR, the Contractor shall provide a range of deliverables from each EHCPM scenario depending on the needs of the stakeholder requesting the scenario. Deliverables and level of detail required for the 2017 EHCPM are listed below. Deliverables, format, and level of projection detail requirements may change to meet stakeholder needs. Data deliverables will include current base year data and projections for 21 years unless otherwise directed by the VA COR.

- VetPop Proxy Summary Database – Full Projection Detail
- OEF/OIF/OND VetPop Proxy – Full Projection Detail
- Enrollment Projection Summary Database – Full Projection Detail
- Master Enrollment File – Full Projection Detail
- Summary level data in Excel
- Enrollment, Patient, Utilization, and Expenditure Projection Scenario Database – Full Projection Detail
- Report Writers – SAS Based model with an Excel interface allows users to report summary level data output. Includes base year and full projection detail except that age is summarized by four age bands (Under 45, Ages 45-64, Ages 65-84, Ages 85 and Over). See example in Attachment A.
- Budget Impact Analyses – Separately quantifies the key drivers of changes in the enrollment, utilization, and expenditure projections over time. See example in Attachment B.

DRAFT

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

Deliverables

6.5.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

6.5.2 Scenario Projections

Desired Outcomes – Summary impact worksheet, report writers, projections in Excel or SAS, and a budget impact analysis with projections tailored to a set of assumptions specified by VA as directed by the VA COR.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor.

Monitoring Method – Random quality inspection.

6.5.3 Reports

Desired Outcomes – Technical report describing the EHCPM scenario settings and assumptions.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

7.0 Task: EHCPM Projections for Strategic, Capital, and Workforce Planning

VA requires actuarial consulting, analysis, and modeling support to enhance the EHCPM to support strategic, capital, workforce planning, and other applications of the EHCPM. VA also requires special reporting of the EHCPM projections to support various applications of the EHCPM. For example, Current Procedural Terminology (CPT)-based utilization projections may be the best metric for strategic and capital planning, but Relative Value Unit (RVU)-based utilization projections may be the best metric for workforce planning. Further, workforce planning projections may require the projections to be reported by provider type rather than service categories. These tasks will require extensive collaboration between VA and the Contractor.

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

7.1 Enhance the EHCPM to Support Capital, Strategic, and Workforce Planning

Background – The EHCPM projections are integrated into many system wide processes that enable VA to address the strategic, capital, workforce, and resource requirements needed to meet the projected demand for VA health care. Projections are used for market based planning to address gaps between current capacity and projected utilization growth or decline; for facility footprint planning; to assess access, capacity,

DRAFT

productivity, and staffing requirements; to Community Care Network Contract scope and adequacy and anticipated costs; and to inform VA's Strategic Environmental Assessment.

Task Assignment –This task provides for consultation to assist VA in developing projections to support strategic, capital, and workforce planning, and other applications of the EHCPM. Tasks will be defined and accomplished with VA program offices and led by ADUSH/PP staff. VA staff who have clinical and programmatic expertise in the task area provide insight into VA's health care system, data, policies, and programmatic guidance. The Contractor will provide technical and analytical expertise to the workgroup and participate as a member of the workgroup.

The workgroup will identify the appropriate service categories, metrics (CPTs, RVUs, Clinic Stops), reporting categories (services, provider types) for the various applications of the EHCPM. This task may require changes to the EHCPM modeled services and enhancements to the EHCPM structure or methodology. This consultation will be coordinated by the Contractor's project manager and the VA COR to support VA program offices.

Deliverables

7.1.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

7.1.2 Analyses

Desired Outcomes – Analyses, data, and market research.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor.

Monitoring Method – Random quality inspection.

7.1.3 Reports

Desired Outcomes – Desired Outcomes – Report detailing analysis or market research conducted under this task as requested by the VA COR.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

7.2 Projections to Support Strategic, Capital, and Workforce Planning

VA requires special reporting of the EHCPM projections to support strategic and capital planning. Currently, these include the Health Systems Planning Categories and the Strategic Planning Category and Treating Facility Projections. In addition, special reporting of the projections to support workforce planning and other applications of the projections will be developed in Task 7.1.

7.2.1 Health Systems Planning Category Projections

DRAFT

Background – VA requires a special reporting of the projections for strategic planning purposes. The Health Systems Planning Categories (HSPCs) are defined in Section B1 and the methodology for developing the Ambulatory HSPCs is documented in Section L3 in the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report.* Ambulatory HSPCs represent the ambulatory workload provided by a medical and surgical specialty (internal medicine, dermatology, cardiology, neurology, etc.) as defined by the VA's Office of Physician Productivity, Efficiency, and Staffing (OPES). For each ambulatory HSPC, projections are provided on both a service (CPT, procedure, visit, etc.) count and a Work Relative Value Unit (wRVU)[1] count, as defined in Section L2, or a VA Defined Relative Value Unit (VARVU).

Task Assignment – Contractor shall produce Health Systems Planning Category Projections for an EHCPM scenario defined by VA from the newly updated EHCPM. Additional Health Systems Planning Category Projections may be required for alternative scenarios as directed by the VA COR.

Deliverables

7.2.1.1 Strategic Planning Projections

Desired Outcomes – SQL database and SAS database containing Health Systems Planning Category Projections with full projection detail produced for strategic planning scenario(s) as defined by VA.

Performance Standard – Accurate, understandable, usable, and delivered on schedule. Deliverable date for the initial scenario from the updated EHCPM is documented in Section 17. Additional Health Systems Planning Category Projections are delivered on the schedule agreed upon by VA and the Contractor.

Monitoring Method – Random quality inspection.

7.2.3 Treating Facility Projections

Background –The EHCPM develops projections based on the enrollees' county of residence. To support the strategic planning process, the projections are also reported by the treating facility where they are provided. The current methodology for the Treating Facility Projections in the 2017 EHCPM is documented in the Section L4 in the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report.*

Task Assignment – Contractor shall produce Treating Facility Projections for an EHCPM scenario defined by VA from the newly updated EHCPM. Additional Treating Facility Projections may be required for alternative scenarios as directed by the VA COR. The current definitions and methodology may evolve or be replaced as a result of the work conducted in Task 7.1.

Deliverables

7.2.3.1 Treating Facility Planning Projections

Desired Outcomes – SQL database and SAS database containing Treating Facility Projections with full projection detail produced for EHCPM scenario(s) as defined by VA.

Performance Standard – Accurate, understandable, usable, and delivered on schedule. Deliverable date for the initial scenario from the updated EHCPM is documented in Section 17. Additional Treating Facility Projections are delivered on the schedule agreed upon by VA and the Contractor.

Monitoring Method – Random quality inspection.

7.2.4 Projections for Workforce Planning and Other Applications

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[1] Established by the Centers for Medicare & Medicaid Services (CMS) Resource-Based Relative Value Scale (RBRVS).

DRAFT

Background – Task 7.1 will result in new requirements for reporting the EHCPM projections to support strategic, capital, workforce planning, or other applications.

Task Assignment – Contractor shall report the EHCPM projections for various applications as directed by the VA COR.

Deliverables

7.2.4.1 Projections

Desired Outcomes – Excel, SQL database, and/or SAS database at a level of detail as defined by the VA COR.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor.

Monitoring Method – Random quality inspection.

8.0 Model Validation

VA requires actuarial consulting, analysis, and modeling support to assess the predictive power of the EHCPM and to respond to requests for comparisons of actual enrollment, patients, utilization, and expenditures to project enrollment, patients, utilization, and expenditures.

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

8.1 Comparisons of Actual Enrollment, Patients, Utilization, and Expenditures

Background – VA requires actuarial consulting, analysis, and modeling support to report on the accuracy of the EHCPM and to respond to requests for comparisons of actual enrollment, patients, utilization, and expenditures to projected enrollment, patients, utilization, and expenditures.

Task Assignment – Contractor will produce summaries of actual-to-expected analyses and document known reasons for discrepancies. Specific analyses and the level of detail required will be directed by the COR.

Deliverables

8.1.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

8.1.2 Data Summaries and Reports

Desired Outcomes – Accurate, complete report including the actual and projection data, methodology used to develop actual-to-expected analyses, outcomes, and recommendations for improvements to the EHCPM, if necessary.

DRAFT

Performance Standard – Accurate, understandable, usable, and delivered on schedule (see Section 17). Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

8.2 Annual EHCPM Validation Study

Background – The purpose of a model validation study is to analyze the predictive power of the EHCPM at a very detailed level and provide recommendations for future model enhancements on the basis of this analysis.

Task Assignment – On an annual basis, the Contractor will compare modeled projections with actual experience at a very detailed level, identify services or populations that require special analyses to identify reasons for discrepancies, and recommend whether improvements can be made to improve the predictive power of the EHCPM. Documentation shall identify the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

Deliverables

8.2.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling support.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

8.2.2 Model Validation Report

Desired Outcomes – Accurate, complete report describing methodology and outcomes of the model validation study, including proposed areas for future model improvements.

Performance Standard – Accurate, understandable, usable, and delivered on schedule (see Section 17). Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy and completeness.

8.3 Monthly Comparisons of Actual Enrollment & Patients to Projected

Background – Periodic (more frequent than annual) actual-to-expected analyses provide up-to-date information on the model's predictive accuracy as well as trends in the VA health care system.

Task Assignment – The Contractor will conduct an actual-to-expected analysis on a monthly basis. This analysis will compare VA actual enrollment with projected enrollment for 1- and 3-year projections. Currently, this comparison is performed at the submarket and VISN level by Priority level, age band (under age 45, ages 45 to 64 and over age 65) and enrollee type. Level of detail required may change to meet stakeholder needs. Analysis will also be performed on modeled patients as the data become available.

Deliverables

8.3.1 Data Summaries and Reports

Desired Outcomes – Accurate, complete report including the actual and projection data, methodology used to develop actual-to-expected analyses, outcomes, and recommendations for improvements to the EHCPM, if

DRAFT

necessary.

Performance Standard – Accurate, understandable, usable, and delivered on schedule (see Section 17). Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

8.4 Comparisons of Actual Utilization and Expenditures to Projected During the Fiscal Year

Background – VA desires the ability to compare actual utilization and expenditures to projected utilization and expenditures during the fiscal year.

Task Assignment – The Contractor will work with the VHA Office of Finance to develop a methodology to align projected utilization and expenditures from the EHCPM with actual utilization and obligations from the Managerial Cost Accounting System to allow for a comparison during the fiscal year.

Deliverables

8.4.1 Data Summaries and Reports

Desired Outcomes – Accurate, complete report including the actual and projection data, detailing methodology used to develop actual-to-expected analyses, outcomes, and recommendations for improvements to the EHCPM, if necessary.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final report is accurate and complete.

Monitoring Method – 100% review for accuracy, content, and completeness.

9.0 Maintain, Enhance, and Update the CHAMPVA Projection Model

Background – The Civilian Health and Medical Program of the Department of Veterans' Affairs (CHAMPVA) was established in 1973. VA is authorized to furnish medical care to the spouse or child of a veteran who has a total and permanent service-connected disability, and the widowed spouse or child of a veteran who: (a) died as a result of a service-connected disability; or (b) at the time of death had a total disability permanent in nature, resulting from a service-connected disability. The statute at 38 U.S.C. 1781 states that CHAMPVA is to provide health care benefits in the same or similar manner and subject to the same or similar limitations as the Department of Defense (DoD) TRICARE program. Although TRICARE generally excludes dental coverage, and therefore CHAMPVA does as well, a voluntary dental insurance plan was implemented for TRICARE beneficiaries in 1998 that is completely funded by enrollee premiums. The CHAMPVA Model is a claims-based model developed as a companion model to the EHCPM.

Task Assignment – VA will provide the necessary data, documentation of the methodology and assumptions, and the SAS code that constitutes the 2019 CHAMPVA Model (expected to be developed during the final Option Year of the existing contract) to the Contractor. Contractor will use the 2019 CHAMPVA model as the starting point for updating, enhancing, and producing the CHAMPVA model.

The methodology, analyses, and assumptions will evolve with each annual CHAMPVA Model update to meet stakeholder needs and as directed by the VA COR. The annual CHAMPVA Model update will build on the enhancements to the prior CHAMPVA Model. The methodology and assumptions used in the CHAMPVA Model are documented in Section N of the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report.*

This task requires extensive collaboration between VA and the Contractor. The Contractor will:

DRAFT

- Update the CHAMPVA Model and supporting analyses with new data from the most recently completed fiscal year (base year) and other newly available data.
- Develop and integrate new or updated assumptions and enhanced methodology as defined under Task 5.
- Produce projections for CHAMPVA for an initial current policy scenario and other EHCPM scenarios as defined by VA.

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

Deliverables

9.0.1 Database

Desired Outcomes – SAS or Excel format with CHAMPVA modeling assumptions.

Performance Standard – Accurate, understandable, usable, and delivered on schedule (see Section 17).

Monitoring Method – Random quality inspection.

10.0 Task: EHCPM Training and Transparency

VA requires actuarial consulting, analysis, and modeling services to increase the transparency of the EHCPM methodology, assumptions, and projections. The objective of this task is to assist stakeholders in understanding the EHCPM and the key drivers of Veteran demand for VA health care. This task will require extensive collaboration between VA and the Contractor.

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

10.1 EHCPM Training, Briefings, and Knowledge Transfer

Background – VA requires assistance in developing trainings, briefings, and briefing materials for VA staff and stakeholders to increase the transparency of the VA Enrollee Health Care Projection Model. This task also provides for consultation and training for VA staff to ensure transfer of knowledge from the Contractor to VA staff about the specific details of the EHCPM analyses, methodology and results.

Task Assignment – The Contractor will develop trainings, briefings, and briefing materials for VA staff and stakeholders to increase the transparency of the EHCPM. This task will require extensive collaboration between VA and the Contractor. The VA COR will define and direct required training topic, duration, and location. The Contractor may be required to conduct the trainings/briefings or prepare VA staff to conduct the trainings/briefings.

This task also provides for consultation and training for VA staff on the results of the annual update to the EHCPM to ensure knowledge transfer from the Contractor to VA staff. The Contractor will provide trainings and materials designed to prepare VA staff to discuss the analyses and methodology supporting the updated EHCPM and the impact of the EHCPM update on the projections with stakeholders. This task can require extensive one-on-one consultation and training with the VA staff leading the project.

This task includes up to 30 Contractor staff trips to VACO, or other locations chosen by VA. This task includes

DRAFT

staff time and travel expenses.

Deliverables

10.1.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analysis, and modeling to develop trainings and briefings for presentation by the Contractor or VA staff.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

10.1.2 Training and Briefings

Desired Outcomes – Trainings and briefings designed to enhance the transparency of the EHCPM.

Performance Standard – Upon completion of training, attendees will have a thorough understanding of the topic.

Monitoring Method – 100% review for accuracy, content, and completeness.

10.1.3 Training and Briefing Materials

Desired Outcomes – White papers, charts, graphs, flow charts, Power Point presentations.

Performance Standard – Draft provided to VA for comments, final is accurate and complete.

Monitoring Method – 100% review for accuracy and completeness.

10.2 EHCPM Transparency Tools

Background – This task provides for the delivery of EHCPM databases and SAS code and the development of educational tools to increase the transparency of the EHCPM. These include tools that organize data in usable formats for programs or planners; tools that separately quantify the key drivers of changes in the enrollment, utilization, and expenditure projections over time; and tools that explain why the projections change from one version of the EHCPM to the next. Tools may be required at varying levels of demographic and geographic detail.

Examples of the current transparency tools include the Mental Health Workbook, Facility Baseline Reporting Tool, Enrollment Key Driver Tool, Enrollment Increment and Decrement Tool, the Utilization Key Driver Tools, and the Budget Impact Analysis. VA will provide Contractor with the tools from the 2019 EHCPM as a starting point in producing and enhancing the tools. This task will require extensive collaboration between VA and the Contractor.

The key drivers of enrollment, utilization, and expenditures over time that are separately quantified in the 2017 EHCPM tools include: Clinical Efficiencies; policies and initiatives, including Mental Health, Homeless, Long Term Services and Supports, and the Civilian Wage policy; Economic Conditions (Recession and Recovery); enrollment impacts including Net Enrollment Growth, Duration Since Enrollment, Priority Level & Morbidity Transitions, Geographic Migration, and Aging; Utilization, Inflation, and Intensity Trends; and Pharmacy Copayment Schedule Changes.

Task Assignment – The Contractor will develop new tools and enhance the functionality of the current tools as directed by the VA COR. At a minimum, the tools will be produced for each annual EHCPM update based

DRAFT

on a scenario defined by the VA COR. However, VA may require that the tools be produced based on additional EHCPM scenarios.

Deliverables

10.2.1 Consulting Hours

Desired Outcomes – Actuarial consulting, analyses, and modeling to develop and enhance transparency tools.

Performance Standard – Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.

Monitoring Method – Stakeholder satisfaction.

10.2.2 EHCPM Transparency Tools

Desired Outcomes – Tools may be data bases, non-executable SAS Code, Excel workbooks, graphs, charts, and diagrams.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final materials are accurate and complete.

Monitoring Method – Random quality inspection.

10.2.3 EHCPM Databases and SAS Code

At the direction of the VA COR, Contractor will deliver any of the databases used to support the EHCPM including databases with the results of the analyses and databases used as inputs to the EHCPM for scenarios as defined by VA. In addition, VA may require the Contractor to provide the EHCPM related executable or non-executable SAS Code. Deliverables, format, and level of projection detail requirements may change to meet stakeholder needs. Data deliverables will include current base year data and projections for 21 years unless otherwise directed by the VA COR. Documentation should identify the data, assumptions, and methods used by the actuary with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

Desired Outcomes – Databases in SAS or Excel format; executable or non-executable SAS code with appropriate documentation.

Performance Standard – Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final materials are accurate and complete.

Monitoring Method – Random quality inspection.

11.0 Maintain, Enhance, and Update the Caregiver Stipend Projection Model

Background – The Caregivers Projection Model was initiated in 2015 to produce cost projections for elements of the Caregiver Support program. The Caregiver Support program provides comprehensive assistance to caregivers of certain Veterans and Servicemembers, as defined by law. For eligible Veterans, their primary caregivers are compensated by means of: monthly stipend payments (based on assigned tier level), healthcare expense reimbursement through the CHAMPVA program (if they have no other health insurance), mental health services, education and training, respite care, and travel expenses.

Task Assignment – VA will provide the necessary data, documentation of the methodology and assumptions, and the SAS code that constitutes the 2019 Caregiver Projection Model (expected to be

DRAFT

developed during the final Option Year of the existing contract) to the Contractor. Contractor will use the 2019 Caregiver Projection Model as the starting point for updating, enhancing, and producing the Caregiver Projection Model.

The methodology, analyses, and assumptions will evolve with each annual Caregiver Projection Model update to meet stakeholder needs and as directed by the VA COR. The annual Caregiver Projection Model update will build on the enhancements to the prior Caregiver Projection Model. The methodology and assumptions used in the Caregiver Projection Model are documented in Section P of the *2017 VA Enrollee Health Care Projection Model Documentation and Analysis Report.*

This task requires extensive collaboration between VA and the Contractor. The Contractor will:

- Update the Caregiver Projection Model and supporting analyses with new data from the most recently completed fiscal year (base year) and other newly available data
- Develop and integrate new or updated assumptions and enhanced methodology as defined under Task 5
- Produce projections for the Caregiver program for an initial current policy scenario and other EHCPM scenarios as defined by VA.

VA requires documentation that meets varying stakeholder needs. At the direction of the COR, Contractor shall provide documentation that (1) includes data summaries and documentation at a level of detail appropriate for stakeholders and/or (2) identifies the data, assumptions, and methods used with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work.

Deliverables

11.0.1 Database

Desired Outcomes – SAS or Excel format with Caregiver Stipend Projection modeling assumptions.

Performance Standard – Accurate, understandable, usable, and delivered on schedule (see Section 17).

Monitoring Method – Random quality inspection.

12.0 Period of Performance: Period of Performance for this effort shall be from July 1, 2019 through June 30, 2020.

Any work at the Government site shall not take place on Federal holidays or weekends unless directed by the Contracting Officer (CO).

There are ten (10) Federal holidays set by law (USC Title 5 Section 6103) that VA follows:

Under current definitions, four are set by date:

New Year's Day	January 1
Independence Day	July 4
Veterans Day	November 11
Christmas Day	December 25

If any of the above falls on a Saturday, then Friday shall be observed as a holiday. Similarly, if one falls on a Sunday, then Monday shall be observed as a holiday.

DRAFT

The other six are set by a day of the week and month:

Martin Luther King's Birthday	Third Monday in January
Washington's Birthday	Third Monday in February
Memorial Day	Last Monday in May
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Thanksgiving	Fourth Thursday in November

13.0 Place of Performance
Place of performance is at the contractor's facility.

14.0. Travel: Travel shall be approved by the COR in advance and shall be reimbursed at cost and in accordance with the Federal Travel Regulation.

15.0 Other Direct Costs – The contractor will be responsible for other direct costs associated with printing and shipping deliverables. The costs should not exceed the micro purchase threshold.

16.0 Key Personnel

The Contract Program Manager and Senior Consulting Actuaries are designated as Key Personnel positions. The personnel offered in response to this solicitation shall remain in place for the first six months of the contract unless substitution is necessitated by sudden illness, death, or termination of employment. After the initial six months of the contract, personnel occupying these positions may be substituted or otherwise replaced, from time to time during the term of the contract. Prior to removing, replacing, or diverting the Contract Program Manager, and Senior Consulting Actuaries, the Contractor shall promptly notify the Contracting Officer in writing at least 30 calendar days in advance of the proposed effective date. If substitution is necessitated by sudden illness, death, or termination of employment, notice shall be made within three business days of the action. Proposed replacements for Key Personnel positions shall have comparable qualifications to those of the persons being replaced and shall meet or exceed the qualifications designated for that Key Personnel position. The Contractor agrees that it has a contractual obligation to mitigate the consequences of the loss of Key Personnel and shall promptly secure any necessary replacements in accordance with this PWS section. Failure to replace Key Personnel pursuant to this clause and without a break in performance of the labor category at issue shall be considered a condition endangering contract performance and may provide grounds for default termination.

17.0 SPECIFIC TASKS AND DELIVERABLES

All Tasks and Deliverables will be prioritized by the Contracting Officers Representative. Deliverable dates may be adjusted by mutual agreement.

Deliverables	Project Task	Required Delivery Date
4.0	**Project Management**	30-June-2020
4.0.1	Microsoft Project EHCPM Project Plan	03-June-2019
4.1	**Progress Reports**	31-May-2020

DRAFT

4.1.1	Bi-weekly conference calls	Biweekly
4.2	**Labor Hour, Travel, and ODC Reports**	
4.2.1	Reports	30-June-2020
5.0	**Actuarial Consulting, Modeling, and Analyses**	
5.1	**Special Analyses and Market Research Services**	
5.1.1	Consulting Hours	
5.1.2	Analyses	
5.1.3	Reports	
5.2	**VA Medical Care Budget Support**	
5.2.1	Consulting Hours	
5.2.2	Analyses	
5.2.3	Reports	30-June-2020
6.0	**Maintain, Enhance, and Annually Update the EHCPM**	
6.1	**Maintain, Enhance, and Annually Update the EHCPM Veteran, Enrollment, and Patient Projection Models**	
6.1.1	Consulting Hours	
6.2	**Maintain, Enhance, and Annually Update the EHCPM Utilization, Unit Cost, and Expenditure Projection Models**	
6.2.1	Consultation Hours	
6.3	**EHCPM Update Baseline and Projection Databases**	
6.3.1	Baseline and Projection Databases	30-June-2020
6.4	**VA Enrollee Health Care Projection Model Documentation and Analysis Report**	
6.4.1	VA Enrollee Health Care Projection Model Documentation and Analysis Report	
6.5	**Additional EHCPM Projection Scenarios**	
6.5.1	Consulting Hours	
6.5.2	Scenario Projections	
6.5.3	Reports	30-June-2020
7.0	**EHCPM Projections for Strategic, Capital, and Workforce Planning**	
7.1	**Enhance the EHCPM to Support Strategic, Capital and Workforce Planning**	
7.1.1	Consulting Hours	
7.1.2	Analyses	
7.1.3	Reports	30-June-2020
7.2	**Projections to Support Strategic, Capital, and Workforce Planning**	
7.2.1	**Strategic Planning Category Projections**	30-June-2020
7.2.1.1	Strategic Planning Projections	30-June-2020

DRAFT

7.2.3	**Treating Facility Projections**	
7.2.3.1	Treating Facility Planning Projections	30-June-2020
7.2.4	**Projections for Workforce Planning and Other Applications**	
7.2.4.1	Projections	30-June-2020
8.0	**Model Validation**	
8.1	**Comparisons of Actual Enrollment, Patients, Utilization, and Expenditures**	
8.1.1	Consulting Hours	
8.1.2	Reports	30-June-2020
8.2	**Annual EHCPM Validation Study**	
8.2.1	Consulting Hours	
8.2.2	Reports	30-June-2020
8.3	**Monthly Comparisons of Actual Enrollment & Patients to Projected**	
8.3.1	Reports	30-June-2020
8.4	**Comparisons of Actual Utilization and Expenditures to Projected During the Fiscal Year**	
8.4.1	Reports	30-June-2020
9.0	**Maintain, Enhance, and Update the CHAMPVA Projection Model**	
9.0.1	Database	30-June-2020
10.0	**EHCPM Training and Transparency**	
10.0.1	**EHCPM Training, Briefings, and Knowledge Transfer**	30-June-2020
10.1.1	Consulting Hours	
10.1.2	Training and Briefings	
10.1.3	Training and Briefing Materials	
10.2	**EHCPM Transparency Tools**	
10.2.1	Consulting Hours	
10.2.2	EHCPM Transparency Tools	
10.2.3	EHCPM Databases and SAS Code	30-June-2020
11.0	**Maintain, Enhance, and Update the Caregiver Stipend Projection Model**	
10.0.1	Database	30-June-2020

18.0 Method and Distribution of Deliverables

Unless specified or otherwise mutually agreed to, all information, data and reports used or produced for this contract will be in an electronic format fully compatible with the then current release level of SAS and or Microsoft Office software. The projection models developed for this contract will be provided in an executable format (SAS programs). Complete written documentation of the methodologies, analyses, and results including factor tables used for calculating impacts of various factors throughout the models are required for satisfactory performance of this contract. This includes all intermediate or interim analyses and findings that have a significant impact on the final results or reveal additional insight into delivering health care to Veterans. The final model report will be provided in electronic format (MS Word and Adobe PDF formats) as well as 40 printed copies.

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Rights in Computer Software

The Contractor is required to deliver technical data, configurations, documentation or other information during contract performance. The Government shall receive Unlimited Rights in intellectual property first produced and delivered in the performance of this contract in accordance with FAR 52.227-14, Rights In Data-General (DEC 2007). This includes all rights to source code and any and all documentation created in support thereof.

19.0 Performance Metrics

The Government will utilize a Quality Assurance Surveillance Plan (QASP) throughout the life of the contract to ensure that the Contractor is performing the services required by this PWS in an acceptable manner.

Description	Performance Standard and Acceptable Quality Level (AQL)		Surveillance Method/Measure	Incentives
Analyses, Briefing Materials, Reports, and Documentation	Accurate, understandable, usable, and delivered on the schedule agreed upon by VA and the Contractor. Draft provided to VA for comments. Final report is accurate and complete.	Final report is 90% acceptable on first submission to Government 100% acceptable on subsequent submission to Government.	100% Inspection by VA COR	(+) Positive Performance Feedback in CPARS (-) Negative Performance Feedback in CPARS
Consulting Hours	Appropriate expertise and staffing is available to meet stakeholder needs and deadlines.		Stakeholder Satisfaction	(+) Positive Performance Feedback in CPARS (-) Negative Performance Feedback in CPARS
Database, Tools, and SAS Code	The COR shall review a random sampling of the Contractor’s database and SAS deliverables.		Random Sampling	(+) Positive Performance Feedback in CPARS (-) Negative Performance Feedback in CPARS

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VA Enrollee Health Care Projection Model Documentation and Analysis Report	Draft report sections created by the Contractor are provided to VA for comments at least four weeks before the final due date. Contractor provides comments to VA on draft report sections created by VA within two weeks from submission. Final report is accurate and complete.	Final report is 90% acceptable on first submission to Government 100% acceptable on subsequent submission to Government.	100% Inspection by VA COR	(+) Positive Performance Feedback in CPARS (-) Negative Performance Feedback in CPARS
Stakeholder Satisfaction	The COR shall review the Contractor's performance corresponding to a validated stakeholder complaint or validated inability to perform in accordance with the Performance Standard in a specific area and document their results accordingly.		Complaints from VA staff regarding performance shall be addressed and validated during conference calls.	(+) Positive Performance Feedback in CPARS (-) Negative Performance Feedback in CPARS

20.0 Facility/Resource Provisions

All procedural guides, reference materials, and program documentation for the project and other Government applications will also be provided on an as-needed basis.
The Contractor shall request other Government documentation deemed pertinent to the work accomplishment directly from the Government officials with whom the Contractor has contact. The Contractor shall consider the COR as the final source for needed Government documentation when the Contractor fails to secure the documents by other means. The Contractor is expected to use common knowledge and resourcefulness in securing all other reference materials, standard industry publications, and related materials that are pertinent to the work.
The Contractor shall not transmit, store or otherwise maintain sensitive data or products in Contractor systems (or media) within the VA firewall IAW VA Handbook 6500.6 dated March 12, 2010. All VA sensitive information shall be protected at all times in accordance with local security field office and VACO office System Security Plans (SSP's) and Authority to Operate (ATO)'s for all systems/LAN's accessed while performing the tasks detailed in this PWS.

21.0 Security

Background Investigation Sensitivity. The position sensitivity for this effort has been designated as LOW. Risk and the level of background investigation are National Agency Check and Inquiry (NACI).

VA Information and Information Technology Security Requirements

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The contractor, their personnel, and their subcontractors shall be subject to the Federal laws, regulations, standards, and VA Directives and Handbooks regarding information and information system security as delineated in this contract.

General

Contractors, contractor personnel, subcontractors, and subcontractor personnel shall be subject to the same Federal laws, regulations, standards, and VA Directives and Handbooks as VA and VA personnel regarding information and information system security.

Access to VA information and VA information systems

a. A contractor/subcontractor shall request logical (technical) or physical access to VA information and VA information systems for their employees, subcontractors, and affiliates only to the extent necessary to perform the services specified in the contract, agreement, or task order.

b. All contractors, subcontractors, and third-party servicers and associates working with VA information are subject to the same investigative requirements as those of VA appointees or employees who have access to the same types of information. The level and process of background security investigations for contractors must be in accordance with VA Directive and Handbook 0710, *Personnel Suitability and Security Program*. The Office for Operations, Security, and Preparedness is responsible for these policies and procedures.

c. Custom software development and outsourced operations must be located in the U.S. to the maximum extent practical. If such services are proposed to be performed abroad and are not disallowed by other VA policy or mandates, the contractor/subcontractor must state where all non-U.S. services are provided and detail a security plan, deemed to be acceptable by VA, specifically to address mitigation of the resulting problems of communication, control, data protection, and so forth. Location within the U.S. may be an evaluation factor.

d. The contractor or subcontractor must notify the Contracting Officer immediately when an employee working on a VA system or with access to VA information is reassigned or leaves the contractor or subcontractor's employ. The Contracting Officer must also be notified immediately by the contractor or subcontractor prior to an unfriendly termination.

VA information custodial language

a. Information made available to the contractor or subcontractor by VA for the performance or administration of this contract or information developed by the contractor/subcontractor in performance or administration of the contract shall be used only for those purposes and shall not be used in any other way without the prior written agreement of the VA. This clause expressly limits the contractor/subcontractor's rights to use data as described in Rights in Data - General, FAR 52.227-14(d) (1).

b. VA information should not be co-mingled, if possible, with any other data on the contractors/subcontractor's information systems or media storage systems in order to ensure VA requirements related to data protection and media sanitization can be met. If co-mingling must be allowed to meet the requirements of the business need, the contractor must ensure that VA's information is returned to the VA or destroyed in accordance with VA's sanitization requirements. VA reserves the right to conduct on site inspections of contractor and subcontractor IT resources to ensure data security controls, separation of data and job duties, and destruction/media sanitization procedures are in compliance with VA directive requirements.

c. Prior to termination or completion of this contract, contractor/subcontractor must not destroy information received from VA, or gathered/created by the contractor in the course of performing this contract without prior

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written approval by the VA. Any data destruction done on behalf of VA by a contractor/subcontractor must be done in accordance with National Archives and Records Administration (NARA) requirements as outlined in VA Directive 6300, *Records and Information Management* and its Handbook 6300.1 *Records Management Procedures*, applicable VA Records Control Schedules, and VA Handbook 6500.1, *Electronic Media Sanitization*. Self-certification by the contractor that the data destruction requirements above have been met must be sent to the VA Contracting Officer within 30 days of termination of the contract.

d. The contractor/subcontractor must receive, gather, store, back up, maintain, use, disclose and dispose of VA information only in compliance with the terms of the contract and applicable Federal and VA information confidentiality and security laws, regulations and policies. If Federal or VA information confidentiality and security laws, regulations and policies become applicable to the VA information or information systems after execution of the contract, or if NIST issues or updates applicable FIPS or Special Publications (SP) after execution of this contract, the parties agree to negotiate in good faith to implement the information confidentiality and security laws, regulations and policies in this contract.

e. The contractor/subcontractor shall not make copies of VA information except as authorized and necessary to perform the terms of the agreement or to preserve electronic information stored on contractor/subcontractor electronic storage media for restoration in case any electronic equipment or data used by the contractor/subcontractor needs to be restored to an operating state. If copies are made for restoration purposes, after the restoration is complete, the copies must be appropriately destroyed.

f. If VA determines that the contractor has violated any of the information confidentiality, privacy, and security provisions of the contract, it shall be sufficient grounds for VA to withhold payment to the contractor or third party or terminate the contract for default or terminate for cause under Federal Acquisition Regulation (FAR) part 12.

g. The contractor/subcontractor must store, transport, or transmit VA sensitive information in an encrypted form, using VA-approved encryption tools that are, at a minimum, FIPS 140-2 validated.

h. The contractor/subcontractor's firewall and Web services security controls, if applicable, shall meet or exceed VA's minimum requirements. VA Configuration Guidelines are available upon request.

i. Except for uses and disclosures of VA information authorized by this contract for performance of the contract, the contractor/subcontractor may use and disclose VA information only in two other situations: (i) in response to a qualifying order of a court of competent jurisdiction, or (ii) with VA's prior written approval. The contractor/subcontractor must refer all requests for, demands for production of, or inquiries about, VA information and information systems to the VA contracting officer for response.

j. For service that involves the storage, generating, transmitting, or exchanging of VA sensitive information but does not require C&A or an MOU-ISA for system interconnection, the contractor/subcontractor must complete a Contractor Security Control Assessment (CSCA) on a yearly basis and provide it to the COR.

Information system hosting, operation, maintenance, or use

a. For information systems that are hosted, operated, maintained, or used on behalf of VA at non-VA facilities, contractors/subcontractors are fully responsible and accountable for ensuring compliance with all HIPAA, Privacy Act, FISMA, NIST, FIPS, and VA security and privacy directives and handbooks. This includes conducting compliant risk assessments, routine vulnerability scanning, system patching and change management procedures, and the completion of an acceptable contingency plan for each system. The contractor's security control procedures must be equivalent, to those procedures used to secure VA systems. A Privacy Impact Assessment (PIA) must also be provided to the COR and approved by VA Privacy Service prior to operational approval. All external Internet connections to VA's network involving VA information must be reviewed and approved by VA prior to implementation.

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b. Adequate security controls for collecting, processing, transmitting, and storing of Personally Identifiable Information (PII), as determined by the VA Privacy Service, must be in place, tested, and approved by VA prior to hosting, operation, maintenance, or use of the information system, or systems by or on behalf of VA. These security controls are to be assessed and stated within the PIA and if these controls are determined not to be in place, or inadequate, a Plan of Action and Milestones (POA&M) must be submitted and approved prior to the collection of PII.

c. Outsourcing (contractor facility, contractor equipment or contractor staff) of systems or network operations, telecommunications services, or other managed service requires certification and accreditation (authorization) (C&A) of the contractor's systems in accordance with VA Handbook 6500.3, *Certification and Accreditation,* and/or the VA OCS Certification Program Office. Government-owned (government facility or government equipment) contractor-operated systems, third party or business partner networks require memorandums of understanding and interconnection agreements (MOU-ISA) which detail what data types are shared, who has access, and the appropriate level of security controls for all systems connected to VA networks.

d. The contractor/subcontractor's system must adhere to all FISMA, FIPS, and NIST standards related to the annual FISMA security controls assessment and review and update the PIA. Any deficiencies noted during this assessment must be provided to the VA contracting officer and the ISO for entry into VA's POA&M management process. The contractor/subcontractor must use VA's POA&M process to document planned remedial actions to address any deficiencies in information security policies, procedures, and practices, and the completion of those activities. Security deficiencies must be corrected within the timeframes approved by the government. Contractor/subcontractor procedures are subject to periodic, unannounced assessments by VA officials, including the VA Office of Inspector General. The physical security aspects associated with contractor/subcontractor activities must also be subject to such assessments. If major changes to the system occur that may affect the privacy or security of the data or the system, the C&A of the system may need to be reviewed, retested and re-authorized per VA Handbook 6500.3. This may require reviewing and updating all of the documentation (PIA, System Security Plan, and Contingency Plan). The Certification Program Office can provide guidance on whether a new C&A would be necessary.

e. The contractor/subcontractor must conduct an annual self-assessment on all systems and outsourced services as required. Both hard copy and electronic copies of the assessment must be provided to the COR. The government reserves the right to conduct such an assessment using government personnel or another contractor/subcontractor. The contractor/subcontractor must take appropriate and timely action (this can be specified in the contract) to correct or mitigate any weaknesses discovered during such testing, generally at no additional cost.

f. VA prohibits the installation and use of personally owned or contractor/subcontractor owned equipment or software on VA's network. If non-VA owned equipment must be used to fulfill the requirements of a contract, it must be stated in the service agreement, SOW or contract. All of the security controls required for government furnished equipment (GFE) must be utilized in approved other equipment (OE) and must be funded by the owner of the equipment. All remote systems must be equipped with, and use, a VA-approved antivirus (AV) software and a personal (host-based or enclave based) firewall that is configured with a VA approved configuration. Software must be kept current, including all critical updates and patches. Owners of approved OE are responsible for providing and maintaining the anti-viral software and the firewall on the non-VA owned OE.

g. All electronic storage media used on non-VA leased or non-VA owned IT equipment that is used to store, process, or access VA information must be handled in adherence with VA Handbook 6500.1, *Electronic Media Sanitization* upon: (i) completion or termination of the contract or (ii) disposal or return of the IT equipment by the contractor/subcontractor or any person acting on behalf of the contractor/subcontractor, whichever is earlier. Media (hard drives, optical disks, CDs, back-up tapes, etc.) used by the contractors/subcontractors that contain VA information must be returned to the VA for sanitization or destruction or the contractor/subcontractor must self-certify that the media has been disposed of per 6500.1 requirements. This must be completed within 30 days of termination of the contract.

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Security incident investigation

a. The term “security incident” means an event that has, or could have, resulted in unauthorized access to, loss or damage to VA assets, or sensitive information, or an action that breaches VA security procedures. The contractor/subcontractor shall immediately notify the COR and simultaneously, the designated ISO and Privacy Officer for the contract of any known or suspected security/privacy incidents, or any unauthorized disclosure of sensitive information, including that contained in system(s) to which the contractor/subcontractor has access.

b. To the extent known by the contractor/subcontractor, the contractor/subcontractor’s notice to VA shall identify the information involved, the circumstances surrounding the incident (including to whom, how, when, and where the VA information or assets were placed at risk or compromised), and any other information that the contractor/subcontractor considers relevant.

c. In instances of theft or break-in or other criminal activity, the contractor/subcontractor must concurrently report the incident to the appropriate law enforcement entity (or entities) of jurisdiction, including the VA OIG and Security and Law Enforcement. The contractor, its employees, and its subcontractors and their employees shall cooperate with VA and any law enforcement authority responsible for the investigation and prosecution of any possible criminal law violation(s) associated with any incident. The contractor/subcontractor shall cooperate with VA in any civil litigation to recover VA information, obtain monetary or other compensation from a third party for damages arising from any incident, or obtain injunctive relief against any third party arising from, or related to, the incident.

Liquidated damages for data breach

a. Consistent with the requirements of 38 U.S.C. §5725, a contract may require access to sensitive personal information. If so, the contractor is liable to VA for liquidated damages in the event of a data breach or privacy incident involving any SPI the contractor/subcontractor processes or maintains under this contract.

b. The contractor/subcontractor shall provide notice to VA of a “security incident” as set forth in the Security Incident Investigation section above. Upon such notification, VA must secure from a non-Department entity or the VA Office of Inspector General an independent risk analysis of the data breach to determine the level of risk associated with the data breach for the potential misuse of any sensitive personal information involved in the data breach. The term 'data breach' means the loss, theft, or other unauthorized access, or any access other than that incidental to the scope of employment, to data containing sensitive personal information, in electronic or printed form, that results in the potential compromise of the confidentiality or integrity of the data. Contractor shall fully cooperate with the entity performing the risk analysis. Failure to cooperate may be deemed a material breach and grounds for contract termination.

c. Each risk analysis shall address all relevant information concerning the data breach, including the following:

(1) Nature of the event (loss, theft, unauthorized access);

(2) Description of the event, including:

(a) date of occurrence;

(b) data elements involved, including any PII, such as full name, social security number, date of birth, home address, account number, disability code;

(3) Number of individuals affected or potentially affected;

(4) Names of individuals or groups affected or potentially affected;

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(5) Ease of logical data access to the lost, stolen or improperly accessed data in light of the degree of protection for the data, e.g., unencrypted, plain text;

(6) Amount of time the data has been out of VA control;

(7) The likelihood that the sensitive personal information will or has been compromised (made accessible to and usable by unauthorized persons);

(8) Known misuses of data containing sensitive personal information, if any;

(9) Assessment of the potential harm to the affected individuals;

(10) Data breach analysis as outlined in 6500.2 Handbook, *Management of Security and Privacy Incidents*, as appropriate; and

(11) Whether credit protection services may assist record subjects in avoiding or mitigating the results of identity theft based on the sensitive personal information that may have been compromised.

d. Based on the determinations of the independent risk analysis, the contractor shall be responsible for paying to the VA liquidated damages in the amount of $___37.50__per affected individual to cover the cost of providing credit protection services to affected individuals consisting of the following:

(1) Notification;

(2) One year of credit monitoring services consisting of automatic daily monitoring of at least 3 relevant credit bureau reports;

(3) Data breach analysis;

(4) Fraud resolution services, including writing dispute letters, initiating fraud alerts and credit freezes, to assist affected individuals to bring matters to resolution;

(5) One year of identity theft insurance with $20,000.00 coverage at $0 deductible; and

(6) Necessary legal expenses the subjects may incur to repair falsified or damaged credit records, histories, or financial affairs.

Security controls compliance testing

On a periodic basis, VA, including the Office of Inspector General, reserves the right to evaluate any or all of the security controls and privacy practices implemented by the contractor under the clauses contained within the contract. With 10 working-days notice, at the request of the government, the contractor must fully cooperate and assist in a government-sponsored security controls assessment at each location wherein VA information is processed or stored, or information systems are developed, operated, maintained, or used on behalf of VA, including those initiated by the Office of Inspector General. The government may conduct a security control assessment on shorter notice (to include unannounced assessments) as determined by VA in the event of a security incident or at any other time.

Training

a. All contractor employees and subcontractor employees requiring access to VA information and VA information systems shall complete the following before being granted access to VA information and its systems:

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(1) Sign and acknowledge (either manually or electronically) understanding of and responsibilities for compliance with the *Contractor Rules of Behavior*, Appendix E relating to access to VA information and information systems;

(2) Successfully complete the *VA Cyber Security Awareness and Rules of Behavior* training and annually complete required security training;

(3) Successfully complete the appropriate VA privacy training and annually complete required privacy training; and

(4) Successfully complete any additional cyber security or privacy training, as required for VA personnel with equivalent information system access *[to be defined by the VA program official and provided to the contracting officer for inclusion in the solicitation document – e.g., any role-based information security training required in accordance with NIST Special Publication 800-16, Information Technology Security Training Requirements.]*

(5) The Contractor shall complete all mandatory training courses identified on the current external VA training site, the Employee Education System (EES), and will be tracked therein. The EES may be accessed at https://www.ees-learning.net/librix/loginhtml.asp?v=librix. If the decision is made by the local Program Office to provide the Contractor a VA Talent Management System (TMS) account, the Contractor shall use the VA TMS to complete their mandatory training, accessed at http://www.insidetms.va.gov/

(6) Contractor employees shall complete a VA Systems Access Agreement if they are provided access privileges as an authorized user of the computer system of VA.

b. The contractor shall provide to the contracting officer and/or the COR a copy of the training certificates and certification of signing the Contractor Rules of Behavior for each applicable employee within 1 week of the initiation of the contract and annually thereafter, as required.

c. Failure to complete the mandatory annual training and sign the Rules of Behavior annually, within the timeframe required, is grounds for suspension or termination of all physical or electronic access privileges and removal from work on the contract until such time as the training and documents are complete.

Section 508 – Electronic and Information Technology (EIT) Standards:

The Section 508 standards established by the Architectural and Transportation Barriers Compliance Board (Access Board) are incorporated into, and made part of all VA orders, solicitations and purchase orders developed to procure Electronic and Information Technology (EIT). These standards are found in their entirety at: http://www.section508.gov and http://www.access-board.gov/sec508/standards.htm. A printed copy of the standards will be supplied upon request. The Contractor shall comply with the technical standards as marked:

_x_ § 1194.21 Software applications and operating systems

_x_ § 1194.22 Web-based intranet and internet information and applications

_x_ § 1194.23 Telecommunications products

_x_ § 1194.24 Video and multimedia products

_x_ § 1194.25 Self-contained, closed products

_x_ § 1194.26 Desktop and portable computers

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_x_ § 1194.31 Functional Performance Criteria

_x_ § 1194.41 Information, Documentation, and Support

The standards do not require the installation of specific accessibility-related software or the attachment of an assistive technology device, but merely require that the EIT be compatible with such software and devices so that it can be made accessible if so required by the agency in the future.

Physical Security & Safety Requirements:

The Contractor and their personnel shall follow all VA policies, standard operating procedures, applicable laws and regulations while on VA property. Violations of VA regulations and policies may result in citation and disciplinary measures for persons violating the law.

1. The Contractor and their personnel shall wear visible identification at all times while they are on the premises.
2. The VA does not provide parking spaces at the work site; the Contractor must obtain parking at the work site if needed. It is the responsibility of the Contractor to park in the appropriate designated parking areas. The VA will not invalidate or make reimbursement for parking violations of the Contractor under any conditions.
3. Smoking is prohibited inside/outside any building other than the designated smoking areas.
4. Possession of weapons is prohibited.
5. The Contractor shall obtain all necessary licenses and/or permits required to perform the work, with the exception of software licenses that need to be procured from a Contractor or vendor in accordance with the requirements document. The Contractor shall take all reasonable precautions necessary to protect persons and property from injury or damage during the performance of this contract.

Confidentiality and Non-Disclosure

The Contractor shall follow all VA rules and regulations regarding information security to prevent disclosure of sensitive information to unauthorized individuals or organizations.

The Contractor may have access to Protected Health Information (PHI) and Electronic Protected Health Information (EPHI) that is subject to protection under the regulations issued by the Department of Health and Human Services, as mandated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA); 45 CFR Parts 160 and 164, Subparts A and E, the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule"); and 45 CFR Parts 160 and 164, Subparts A and C, the Security Standard ("Security Rule"). Pursuant to the Privacy and Security Rules, the Contractor must agree in writing to certain mandatory provisions regarding the use and disclosure of PHI and EPHI.

1. The Contractor will have access to some privileged and confidential materials of VA. These printed and electronic documents are for internal use only, are not to be copied or released without permission, and remain the sole property of VA. Some of these materials are protected by the Privacy Act of 1974 (revised by PL 93-5791) and Title 38. Unauthorized disclosure of Privacy Act or Title 38 covered materials is a criminal offense.

DRAFT

2. The VA Contracting Officer will be the sole authorized official to release in writing, any data, draft deliverables, final deliverables, or any other written or printed materials pertaining to this contract. The Contractor shall release no information. Any request for information relating to this contract presented to the Contractor shall be submitted to the VA Contracting Officer for response.

3. Contractor personnel recognize that in the performance of this effort, Contractor personnel may receive or have access to sensitive information, including information provided on a proprietary basis by carriers, equipment manufacturers and other private or public entities. Contractor personnel agree to safeguard such information and use the information exclusively in the performance of this contract. Contractor shall follow all VA rules and regulations regarding information security to prevent disclosure of sensitive information to unauthorized individuals or organizations as enumerated in this section and elsewhere in this Contract and its subparts and appendices.

4. Contractor shall limit access to the minimum number of personnel necessary for contract performance for all information considered sensitive or proprietary in nature. If the Contractor is uncertain of the sensitivity of any information obtained during the performance this contract, the Contractor has a responsibility to ask the VA Contracting Officer.

5. Contractor shall train all of their employees involved in the performance of this contract on their roles and responsibilities for proper handling and nondisclosure of sensitive VA or proprietary information. Contractor personnel shall not engage in any other action, venture or employment wherein sensitive information shall be used for the profit of any party other than those furnishing the information. The sensitive information transferred, generated, transmitted, or stored herein is for VA benefit and ownership alone.

6. Contractor shall maintain physical security at all facilities housing the activities performed under this contract, including any Contractor facilities according to VA-approved guidelines and directives. The Contractor shall ensure that security procedures are defined and enforced to ensure all personnel who are provided access to patient data must comply with published procedures to protect the privacy and confidentiality of such information as required by VA.

7. Contractor must adhere to the following:

    a. The use of “thumb drives” or any other medium for transport of information is expressly prohibited.

    b. Controlled access to system and security software and documentation.

    c. Recording, monitoring, and control of passwords and privileges.

    d. All terminated personnel are denied physical and electronic access to all data, program listings, data processing equipment and systems.

    e. VA, as well as any Contractor (or SubContractor) systems used to support development, provide the capability to cancel immediately all access privileges and authorizations upon employee termination.

    f. Contractor PM and VA PM are informed within twenty-four (24) hours of any employee termination.

DRAFT

g. Acquisition sensitive information shall be marked "Acquisition Sensitive" and shall be handled as "For Official Use Only (FOUO)".

h. Contractor does not require access to classified data.

8. Regulatory standard of conduct governs all personnel directly and indirectly involved in procurements. All personnel engaged in procurement and related activities shall conduct business in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. The general rule is to strictly avoid any conflict of interest or even the appearance of a conflict of interest in VA/Contractor relationships.

The Security Investigations Center will require the following forms from the Contractor or to the Contractor's personnel:

1. Within 3 business days after award, the Contractor shall provide a roster of Contractor and SubContractor employees to the COR to begin their background investigations. The roster shall contain the Contractor's Full Name, Full Social Security Number, Date of Birth, Place of Birth, and individual background investigation level requirement (based upon Section 6.2 Tasks).

2. The Contractor should coordinate the location of the nearest VA fingerprinting office through the COR. Only electronic fingerprints are authorized.

3. For a Low Risk designation the following forms are required to be completed: 1.OF-306 and 2. DVA Memorandum – Electronic Fingerprints. For Moderate or High Risk the following forms are required to be completed: 1. VA Form 0710 and 2. DVA Memorandum – Electronic Fingerprints. These should be submitted to the COR within 5 business days after award. (DVA Memorandum – Electronic Fingerprints is filled out by the VA Facility that took the electronic fingerprints)

4. The Contractor personnel will receive an email notification from the Security and Investigation Center (SIC); through the Electronics Questionnaire for Investigations Processes (e-QIP) identifying the website link that includes detailed instructions regarding completion of the investigation documents (SF85, SF85P, or SF 86). (The SF85 does not need to be uploaded because OPM is going paperless and the Contractor will complete this questionnaire online when the e-QIP link is sent.) (DVA Memorandum – Electronic Fingerprints is filled out by the VA Facility that took the electronic fingerprints) (Please be advised that the Contractor will need all the necessary information easily accessible as the website will time out and they can lose the information they inputted if they take too long to fill it in.)The Contractor personnel shall submit all required information related to their background investigations utilizing the Office of Personnel Management's (OPM) Electronic Questionnaire for Investigations Processing (e-QIP).

5. The Contractor is to certify and release the e-QIP document, print and sign the signature pages, and send them to the COR for electronic submission to the SIC. These should be submitted to the COR within 3 business days of receipt of the e-QIP notification email. The SIC will then upload the e-QIP signature pages to e-QIP and release the case file to OPM for investigation.

6. The SIC will notify the CO and Contractor after adjudicating the results of the background investigations received from OMB.

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CONTRACT CLAUSES

FSS RFQ INTRODUCTORY LANGUAGE

The terms and conditions of the contractor's FSS contract (including any contract modifications) apply to this task order issued under the contract as a result of this RFQ. When a lower price has been established, or when the delivery terms, FOB terms, or ordering requirements have been modified by the task order, those modified terms will apply to it and take precedence over the FSS contract. Any unique terms and conditions of the order issued under the contract that are not a part of the applicable FSS contract will govern. In the event of an inconsistency between the terms and conditions of the task order and the Contractor's FSS terms, other than those identified above, the terms of the FSS contract will take precedence.

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

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

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

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 12 months.

(End of Clause)

52.227-14 -- Rights in Data – General. (Dec 2007)

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

“Computer database” or “database” means a collection of recorded information in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer. The term does not include computer software.

“Computer software”—

(1) *Means*

(i) Computer programs that comprise a series of instructions, rules, routines, or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations; and

(ii) Recorded information comprising source code listings, design details, algorithms, processes, flow charts, formulas, and related material that would enable the computer program to be produced, created, or compiled.

(2) Does not include computer databases or computer software documentation.

“Computer software documentation” means owner’s manuals, user’s manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using the software.

DRAFT

“Data” means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

“Form, fit, and function data” means data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability, and data identifying source, size, configuration, mating, and attachment characteristics, functional characteristics, and performance requirements. For computer software it means data identifying source, functional characteristics, and performance requirements but specifically excludes the source code, algorithms, processes, formulas, and flow charts of the software.

“Limited rights” means the rights of the Government in limited rights data as set forth in the Limited Rights Notice of subparagraph (g)(2) if included in this clause.

“Limited rights data” means data, other than computer software, that embody trade secrets or are commercial or financial and confidential or privileged, to the extent that such data pertain to items, components, or processes developed at private expense, including minor modifications.

”Restricted computer software” means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is copyrighted computer software, including minor modifications of the computer software.

“Restricted rights,” as used in this clause, means the rights of the Government in restricted computer software, as set forth in a Restricted Rights Notice of paragraph (g) if included in this clause, or as otherwise may be provided in a collateral agreement incorporated in and made part of this contract, including minor modifications of such computer software.

“Technical data” means recorded information (regardless of the form or method of the recording) of a scientific or technical nature (including computer databases and computer software documentation). This term does not include computer software or financial, administrative, cost or pricing, or management data or other information incidental to contract administration. The term includes recorded information of a scientific or technical nature that is included in computer databases (See 41 U.S.C. 403(8)).

“Unlimited rights” means the right of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

(b) *Allocation of rights.*

(1) Except as provided in paragraph (c) of this clause, the Government shall have unlimited rights in—

(i) Data first produced in the performance of this contract;

(ii) Form, fit, and function data delivered under this contract;

(iii) Data delivered under this contract (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair of items, components, or processes delivered or furnished for use under this contract; and

(iv) All other data delivered under this contract unless provided otherwise for limited rights data or restricted computer software in accordance with paragraph (g) of this clause.

(2) The Contractor shall have the right to—

DRAFT

(i) Assert copyright in data first produced in the performance of this contract to the extent provided in paragraph (c)(1) of this clause;

(ii) Use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Contractor in the performance of this contract, unless provided otherwise in paragraph (d) of this clause;

(iii) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices and to take other appropriate action, in accordance with paragraphs (e) and (f) of this clause; and

(iv) Protect from unauthorized disclosure and use those data that are limited rights data or restricted computer software to the extent provided in paragraph (g) of this clause.

(c) *Copyright*—

(1) *Data first produced in the performance of this contract.*

(i) Unless provided otherwise in paragraph (d) of this clause, the Contractor may establish, without prior approval of the Contracting Officer, claim to copyright in scientific and technical articles based on or containing data first produced in the performance of this contract and published in academic, technical or professional journals, symposia proceedings or similar works. The prior, express written permission of the Contracting Officer is required to assert copyright in all other data first produced in the performance of this contract.

(ii) When authorized to assert copyright to the data, the Contractor shall affix the applicable copyright notices of 17 U.S.C. 401 or 402, and acknowledgment of Government sponsorship (including contract number).

(iii) For data other than computer software, the Contractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government. For computer software, the Contractor grants to the Government and others acting on its behalf, a paid-up nonexclusive, irrevocable worldwide license in such copyrighted computer software to reproduce, prepare derivative works, and perform publicly and display publicly (but not to distribute copies to the public) by or on behalf of the Government.

(2) *Data not first produced in the performance of this contract.* The Contractor shall not, without prior written permission of the Contracting Officer, incorporate in data delivered under this contract any data not first produced in the performance of this contract unless the Contractor—

(i) Identifies the data; and

(ii) Grants to the Government, or acquires on its behalf, a license of the same scope as set forth in subparagraph (c)(1) of this clause or; if such data are restricted computer software, the Government shall acquire a copyright license as set forth in subparagraph (g)(4) of this clause (if included in this contract) or as otherwise provided in a collateral agreement incorporated in or made part of this contract.

(3) *Removal of copyright notices.* The Government will not remove any authorized copyright notices placed on data pursuant to this paragraph (c), and will include such notices on all reproductions of the data.

DRAFT

(d) *Release, publication and use of data*. The Contractor shall have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Contractor in the performance of this contract, except—

(1) As prohibited by Federal law or regulation (*e.g.*, export control or national security laws or regulations);

(2) As expressly set forth in this contract; or

(3) If the Contractor receives or is given access to data necessary for the performance of this contract which contain restrictive markings, the Contractor shall treat the data in accordance with such markings unless otherwise specifically authorized otherwise in writing by the Contracting Officer.

(e) *Unauthorized marking of data*.

(1) Notwithstanding any other provisions of this contract concerning inspection or acceptance, if any data delivered under this contract are marked with the notices specified in paragraph (g)(3) or (g)(4) of this clause and use of the notices is not authorized by this clause, or if such data bears any other restrictive or limiting markings not authorized by this contract, the Contracting Officer may at any time either return the data to the Contractor, or cancel or ignore the markings. However, pursuant to 41 U.S.C. 253d, the following procedures shall apply prior to canceling or ignoring the markings.

(i) The Contracting Officer will make written inquiry to the Contractor affording the Contractor 60 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;

(ii) If the Contractor fails to respond or fails to provide written justification to substantiate the propriety of the markings within the 60-day period (or a longer time approved in writing by the Contracting Officer for good cause shown), the Government shall have the right to cancel or ignore the markings at any time after said period and the data will no longer be made subject to any disclosure prohibitions.

(iii) If the Contractor provides written justification to substantiate the propriety of the markings within the period set in subdivision (e)(1)(i) of this clause, the Contracting Officer will consider such written justification and determine whether or not the markings are to be canceled or ignored. If the Contracting Officer determines that the markings are authorized, the Contractor will be so notified in writing. If the Contracting Officer determines, with concurrence of the head of the contracting activity, that the markings are not authorized, the Contracting Officer will furnish the Contractor a written determination, which determination shall become the final agency decision regarding the appropriateness of the markings unless the Contractor files suit in a court of competent jurisdiction within 90 days of receipt of the Contracting Officer's decision. The Government shall continue to abide by the markings under this paragraph (e)(1)(iii) until final resolution of the matter either by the Contracting Officer's determination becoming final (in which instance the Government will thereafter have the right to cancel or ignore the markings at any time and the data will no longer be made subject to any disclosure prohibitions), or by final disposition of the matter by court decision if suit is filed.

(2) The time limits in the procedures set forth in subparagraph (e)(1) of this clause may be modified in accordance with agency regulations implementing the Freedom of Information Act (5 U.S.C. 552) if necessary to respond to a request thereunder.

(3) Except to the extent the Government's action occurs as the result of final disposition of the matter by a court of competent jurisdiction, the Contractor is not precluded by paragraph (e) of this clause from

DRAFT

brining a claim, in accordance with the Disputes clause of this contract, that may arise as a result of the Government removing or ignoring authorized markings on data delivered under this contract.

(f) *Omitted or incorrect markings.*

(1) Data delivered to the Government without any restrictive markings shall be deemed to have been furnished with unlimited rights. The Government is not liable for the disclosure, use, or reproduction of such data.

(2) If the unmarked data has not been disclosed without restriction outside the Government, the Contractor may request, within 6 months (or a longer time approved by the Contracting Officer in writing for good cause shown) after delivery of such data, permission to have authorized notices placed on qualifying data at the Contractor's expense, and the Contracting Officer may agree to do so if the Contractor—

(i) Identifies the data to which the omitted notice is to be applied;

(ii) Demonstrates that the omission of the notice was inadvertent;

(iii) Establishes that the use of the proposed notice is authorized; and

(iv) Acknowledges that the Government has no liability for the disclosure, use, or reproduction of any data made prior to the addition of the notice or resulting from the omission of the notice.

(3) If data has been marked with an incorrect notice, the Contracting Officer may—

(i) Permit correction of the notice at the Contractor's expense if the Contractor identifies the data and demonstrates that the correct notice is authorized, or

(ii) Correct any incorrect notices.

(g) *Protection of limited rights data and restricted computer software.*

(1) The Contractor may withhold from delivery qualifying limited rights data or restricted computer software that are not data identified in paragraphs (b)(1)(i), (ii), and (iii) of this clause. As a condition to this withholding, the Contractor shall—

(i) Identify the data being withheld; and

(ii) Furnish form, fit, and function data instead.

(2) Limited rights data that are formatted as a computer database for delivery to the Government shall be treated as limited rights data and not restricted computer software.

(3) [Reserved]

(h) *Subcontracting.* The Contractor shall obtain from its subcontractors all data and rights therein necessary to fulfill the Contractor's obligations to the Government under this contract. If a subcontractor refuses to accept terms affording the Government such rights, the Contractor shall promptly notify the Contracting Officer of the refusal and shall not proceed with the subcontract award without authorization in writing from the Contracting Officer.

DRAFT

(i) *Relationship to patents or other rights*. Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government.

(End of Clause)

52.227-16 -- Additional Data Requirements. (Jun 1987)

(a) In addition to the data (as defined in the clause at 52.227-14, Rights in Data -- General clause or other equivalent included in this contract) specified elsewhere in this contract to be delivered, the Contracting Officer may, at any time during contract performance or within a period of 3 years after acceptance of all items to be delivered under this contract, order any data first produced or specifically used in the performance of this contract.

(b) The Rights in Data -- General clause or other equivalent included in this contract is applicable to all data ordered under this Additional Data Requirements clause. Nothing contained in this clause shall require the Contractor to deliver any data the withholding of which is authorized by the Rights in Data -- General or other equivalent clause of this contract, or data which are specifically identified in this contract as not subject to this clause.

(c) When data are to be delivered under this clause, the Contractor will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.

(d) The Contracting Officer may release the Contractor from the requirements of this clause for specifically identified data items at any time during the 3-year period set forth in paragraph (a) of this clause.

(End of Clause)

VAAR 852.203-70 COMMERCIAL ADVERTISING (JAN 2008)

The bidder or offeror agrees that if a contract is awarded to him/her, as a result of this solicitation, he/she will not advertise the award of the contract in his/her commercial advertising in such a manner as to state or imply that the Department of Veterans Affairs endorses a product, project or commercial line of endeavor.

(End of Clause)

VAAR 852.203-71 DISPLAY OF DEPARTMENT OF VETERAN AFFAIRS HOTLINE POSTER (DEC 1992)

(a) Except as provided in paragraph (c) below, the Contractor shall display prominently, in common work areas within business segments performing work under VA contracts, Department of Veterans Affairs Hotline posters prepared by the VA Office of Inspector General.

(b) Department of Veterans Affairs Hotline posters may be obtained from the VA Office of Inspector General (53E), P.O. Box 34647, Washington, DC 20043-4647.

(c) The Contractor need not comply with paragraph (a) above if the Contractor has established a mechanism, such as a hotline, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports.

(End of Clause)

DRAFT

852.232-72 Electronic Submission of Payment Requests. (Nov 2012)

(a) Definitions. As used in this clause-

(1) Contract financing payment has the meaning given in FAR 32.001.

(2) Designated agency office has the meaning given in 5 CFR 1315.2(m).

(3) Electronic form means an automated system transmitting information electronically according to the accepted electronic data transmission methods and formats identified in paragraph (c) of this clause. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests.

(4) Invoice payment has the meaning given in FAR 32.001.

(5) Payment request means any request for contract financing payment or invoice payment submitted by the contractor under this contract.

(b) Electronic Payment Requests. Except as provided in paragraph (e) of this clause, the contractor shall submit payment requests in electronic form. Purchases paid with a Government-wide commercial purchase card are considered to be an electronic transaction for purposes of this rule, and therefore no additional electronic invoice submission is required.

(c) Data Transmission. A contractor must ensure that the data transmission method and format are through one of the following:

(1) VA's Electronic Invoice Presentment and Payment System. (See Web site at http://www.fsc.va.gov/einvoice.asp.)

(2) Any system that conforms to the X12 electronic data interchange (EDI) formats established by the Accredited Standards Center (ASC) and chartered by the American National Standards Institute (ANSI). The X12 EDI Web site (http://www.x12.org) includes additional information on EDI 810 and 811 formats.

(d) Invoice requirements. Invoices shall comply with FAR 32.905.

(e) Exceptions. If, based on one of the circumstances below, the contracting officer directs that payment requests be made by mail, the contractor shall submit payment requests by mail through the United States Postal Service to the designated agency office. Submission of payment requests by mail may be required for:

(1) Awards made to foreign vendors for work performed outside the United States;

(2) Classified contracts or purchases when electronic submission and processing of payment requests could compromise the safeguarding of classified or privacy information;

(3) Contracts awarded by contracting officers in the conduct of emergency operations, such as responses to national emergencies;

(4) Solicitations or contracts in which the designated agency office is a VA entity other than the VA Financial Services Center in Austin, Texas; or

(5) Solicitations or contracts in which the VA designated agency office does not have electronic invoicing capability as described above.

(End of clause)

SOLICITATION PROVISIONS

52.212-1 INSTRUCTIONS TO OFFERORS--COMMERCIAL ITEMS (FEB 2012)

(a) *North American Industry Classification System (NAICS) code and small business size standard*. The NAICS code and small business size standard for this acquisition appear in Block 10 of the solicitation cover sheet (SF 1449). However, the small business size standard for a concern which submits an offer in its own name, but which proposes to furnish an item which it did not itself manufacture, is $14 million.

(b) *Submission of offers*. Submit signed and dated offers to the office specified in this solicitation at or before the exact time specified in this solicitation. Offers may be submitted on the SF 1449, letterhead stationery, or as otherwise specified in the solicitation. As a minimum, offers must show --

(1) The solicitation number;

(2) The time specified in the solicitation for receipt of offers;

(3) The name, address, and telephone number of the offeror;

(4) Technical: Describe managerial capabilities to include organizational structure, management practices, and proposed personnel. Also describe the capability to provide a sufficient number of adequately trained personnel. Provide licenses/credentials/certification of all personnel who will perform under this contract to include their principle responsibilities. This component shall not exceed fifty (50) single-sided pages with no smaller than a ten point font and shall be submitted entirely on 8 ½" X 11" papers. Any additional pages will be removed and not considered;

(5) Terms of any express warranty;

(6) Price and any discount terms;

(7) "Remit to" address, if different than mailing address;

(8) A completed copy of the representations and certifications at FAR 52.212-3 (see FAR 52.212-3(b) for those representations and certifications that the offeror shall complete electronically);

(9) Acknowledgment of Solicitation Amendments;

(10) Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items and other references (including contract numbers, points of contact with telephone numbers and other relevant information); and

(11) If the offer is not submitted on the SF 1449, include a statement specifying the extent of agreement with all terms, conditions, and provisions included in the solicitation. Offers that fail to furnish required representations or information, or reject the terms and conditions of the solicitation may be excluded from consideration.

DRAFT

(c) *Period for acceptance of offers*. The offeror agrees to hold the prices in its offer firm for 30 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

(d) *Product samples*. When required by the solicitation, product samples shall be submitted at or prior to the time specified for receipt of offers. Unless otherwise specified in this solicitation, these samples shall be submitted at no expense to the Government, and returned at the sender's request and expense, unless they are destroyed during preaward testing.

(e) *Multiple offers*. Not Applicable.

(f) Late submissions, modifications, revisions, and withdrawals of offers.

(1) Offerors are responsible for submitting offers, and any modifications, revisions, or withdrawals, so as to reach the Government office designated in the solicitation by the time specified in the solicitation. If no time is specified in the solicitation, the time for receipt is 4:30 p.m., local time, for the designated Government office on the date that offers or revisions are due.

(2)(i) Any offer, modification, revision, or withdrawal of an offer received at the Government office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and--

(A) If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the Government infrastructure not later than 5:00 p.m. one working day prior to the date specified for receipt of offers; or

(B) There is acceptable evidence to establish that it was received at the Government installation designated for receipt of offers and was under the Government's control prior to the time set for receipt of offers; or

(C) If this solicitation is a request for proposals, it was the only proposal received.

(ii) However, a late modification of an otherwise successful offer, that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.

(3) Acceptable evidence to establish the time of receipt at the Government installation includes the time/date stamp of that installation on the offer wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of Government personnel.

(4) If an emergency or unanticipated event interrupts normal Government processes so that offers cannot be received at the Government office designated for receipt of offers by the exact time specified in the solicitation, and urgent Government requirements preclude amendment of the solicitation or other notice of an extension of the closing date, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal Government processes resume.

(5) Offers may be withdrawn by written notice received at any time before the exact time set for receipt of offers. Oral offers in response to oral solicitations may be withdrawn orally. If the solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for receipt of offers, subject to the conditions specified in the solicitation concerning facsimile offers. An offer may be withdrawn in person by an offeror or its authorized representative if, before the exact time set for receipt of offers, the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

(g) *Contract award (not applicable to Invitation for Bids).* The Government intends to evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the

DRAFT

offeror's best terms from a price and technical standpoint. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The Government may reject any or all offers if such action is in the public interest; accept other than the lowest offer; and waive informalities and minor irregularities in offers received.

(h) *Multiple awards.* The Government does intend to make a multiple award.

(i) Availability of requirements documents cited in the solicitation.

(1)(i) The GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR Part 101-29, and copies of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained for a fee by submitting a request to—

GSA Federal Supply Service Specifications Section
Suite 8100 470 East L'Enfant Plaza, SW
Washington, DC 20407
Telephone (202) 619-8925
Facsimile (202) 619-8978.

(ii) If the General Services Administration, Department of Agriculture, or Department of Veterans Affairs issued this solicitation, a single copy of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained free of charge by submitting a request to the addressee in paragraph (i)(1)(i) of this provision. Additional copies will be issued for a fee.

(2) Most unclassified Defense specifications and standards may be downloaded from the following ASSIST websites:

(i) ASSIST (http://assist.daps.dla.mil).

(ii) Quick Search (http://assist.daps.dla.mil/quicksearch).

(iii) ASSISTdocs.com (http://assistdocs.com).

(3) Documents not available from ASSIST may be ordered from the Department of Defense Single Stock Point (DoDSSP) by?

(i) Using the ASSIST Shopping Wizard (http://assist.daps.dla.mil/wizard);

(ii) Phoning the DoDSSP Customer Service Desk (215) 697-2179, Mon-Fri, 0730 to 1600 EST; or

(iii) Ordering from DoDSSP, Building 4, Section D, 700 Robbins Avenue, Philadelphia, PA 19111-5094, Telephone (215) 697-2667/2179, Facsimile (215) 697-1462.

(4) Nongovernment (voluntary) standards must be obtained from the organization responsible for their preparation, publication, or maintenance.

(j) *Data Universal Numbering System (DUNS) Number.* (Applies to all offers exceeding $3,000, and offers of $3,000 or less if the solicitation requires the Contractor to be registered in the Central Contractor Registration (CCR) database. The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS +4" followed by the DUNS or DUNS +4 number that identifies the offeror's name and address. The DUNS +4 is the DUNS number plus a 4-character suffix that may be assigned at the discretion of the offeror to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts (see FAR Subpart 32.11) for the same concern. If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. An offeror within the United States may contact Dun

DRAFT

and Bradstreet by calling 1-866-705-5711 or via the internet at http://www.fedgov.dnb.com/webform. An offeror located outside the United States must contact the local Dun and Bradstreet office for a DUNS number. The offeror should indicate that it is an offeror for a Government contract when contacting the local Dun and Bradstreet office.

(k) *Central Contractor Registration*. Unless exempted by an addendum to this solicitation, by submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the CCR database prior to award, during performance and through final payment of any contract resulting from this solicitation. If the Offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror. Offerors may obtain information on registration and annual confirmation requirements via the CCR database through https://www.acquisition.gov or by calling 1-888-227-2423 or 269-961-5757.

(l) *Debriefing*. If a post-award debriefing is given to requesting offerors, the Government shall disclose the following information, if applicable:

(1) The agency's evaluation of the significant weak or deficient factors in the debriefed offeror's offer.

(2) The overall evaluated cost or price and technical rating of the successful and the debriefed offeror and past performance information on the debriefed offeror.

(3) The overall ranking of all offerors, when any ranking was developed by the agency during source selection.

(4) A summary of the rationale for award;

(5) For acquisitions of commercial items, the make and model of the item to be delivered by the successful offeror.

(6) Reasonable responses to relevant questions posed by the debriefed offeror as to whether source-selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the agency.

(End of Provision)

52.216-31 TIME-AND-MATERIALS/LABOR-HOUR PROPOSAL REQUIREMENTS-- COMMERCIAL ITEM ACQUISITION (FEB 2007)

(a) The Government contemplates award of a Time-and-Materials or Labor-Hour type of contract resulting from this solicitation.

(b) The offeror must specify fixed hourly rates in its offer that include wages, overhead, general and administrative expenses, and profit. The offeror must specify whether the fixed hourly rate for each labor category applies to labor performed by--

(1) The offeror;

(2) Subcontractors; and/or

(3) Divisions, subsidiaries, or affiliates of the offeror under a common control.

(End of Provision)

VAAR 852.209-70 ORGANIZATIONAL CONFLICTS OF INTEREST (JAN 2008)

DRAFT

(a) It is in the best interest of the Government to avoid situations which might create an organizational conflict of interest or where the offeror's performance of work under the contract may provide the contractor with an unfair competitive advantage. The term "organizational conflict of interest" means that because of other activities or relationships with other persons, a person is unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or the person has an unfair competitive advantage.

(b) The offeror shall provide a statement with its offer which describes, in a concise manner, all relevant facts concerning any past, present, or currently planned interest (financial, contractual, organizational, or otherwise) or actual or potential organizational conflicts of interest relating to the services to be provided under this solicitation. The offeror shall also provide statements with its offer containing the same information for any consultants and subcontractors identified in its proposal and which will provide services under the solicitation. The offeror may also provide relevant facts that show how its organizational and/or management system or other actions would avoid or mitigate any actual or potential organizational conflicts of interest.

(c) Based on this information and any other information solicited or obtained by the contracting officer, the contracting officer may determine that an organizational conflict of interest exists which would warrant disqualifying the contractor for award of the contract unless the organizational conflict of interest can be mitigated to the contracting officer's satisfaction by negotiating terms and conditions of the contract to that effect. If the conflict of interest cannot be mitigated and if the contracting officer finds that it is in the best interest of the United States to award the contract, the contracting officer shall request a waiver in accordance with FAR 9.503 and 48 CFR 809.503.

(d) Nondisclosure or misrepresentation of actual or potential organizational conflicts of interest at the time of the offer, or arising as a result of a modification to the contract, may result in the termination of the contract at no expense to the Government.

(End of Provision)

VAAR 852.233-70 PROTEST CONTENT/ALTERNATIVE DISPUTE RESOLUTION (JAN 2008)

(a) Any protest filed by an interested party shall:

(1) Include the name, address, fax number, and telephone number of the protester;

(2) Identify the solicitation and/or contract number;

(3) Include an original signed by the protester or the protester's representative and at least one copy;

(4) Set forth a detailed statement of the legal and factual grounds of the protest, including a description of resulting prejudice to the protester, and provide copies of relevant documents;

(5) Specifically request a ruling of the individual upon whom the protest is served;

(6) State the form of relief requested; and

(7) Provide all information establishing the timeliness of the protest.

(b) Failure to comply with the above may result in dismissal of the protest without further consideration.

(c) Bidders/offerors and contracting officers are encouraged to use alternative dispute resolution (ADR) procedures to resolve protests at any stage in the protest process. If ADR is used, the Department of Veterans

DRAFT

Affairs will not furnish any documentation in an ADR proceeding beyond what is allowed by the Federal Acquisition Regulation.

(End of Provision)

PLEASE NOTE: The correct mailing information for filing alternate protests is as follows:

Deputy Assistant Secretary for Acquisition and Logistics,
Risk Management Team, Department of Veterans Affairs
810 Vermont Avenue, N.W.
Washington, DC 20420

VAAR 852.233-71 Alternate protest procedure. (JAN 1998)

As an alternative to filing a protest with the contracting officer, an interested party may file a protest with the Deputy Assistant Secretary for Acquisition and Materiel Management, Acquisition Administration Team, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, or for solicitations issued by the Office of Construction and Facilities Management, the Director, Office of Construction and Facilities Management, 810 Vermont Avenue, NW., Washington, DC 20420. The protest will not be considered if the interested party has a protest on the same or similar issues pending with the contracting officer.

(End of Provision)

VAAR 852.270-1 REPRESENTATIVES OF CONTRACTING OFFICERS (JAN 2008)

The contracting officer reserves the right to designate representatives to act for him/her in furnishing technical guidance and advice or generally monitor the work to be performed under this contract. Such designation will be in writing and will define the scope and limitation of the designee's authority. A copy of the designation shall be furnished to the contractor.

(End of Provision)

VAAR 852.273-70 LATE OFFERS (JAN 2003)

This provision replaces paragraph (f) of FAR provision 52.212-1. Offers or modifications of offers received after the time set forth in a request for quotations or request for proposals may be considered, at the discretion of the contracting officer, if determined to be in the best interest of the Government. Late bids submitted in response to an invitation for bid (IFB) will not be considered.

(End of Provision)

VAAR 852.273-74 AWARD WITHOUT EXCHANGES (JAN 2003)

The Government intends to evaluate proposals and award a contract without exchanges with offerors. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint. However, the Government reserves the right to conduct exchanges if later determined by the contracting officer to be necessary.

(End of Provision)

REPRESENTATION BY CORPORATIONS REGARDING AN UNPAID TAX LIABILITY OR A FELONY CONVICTION UNDER ANY FEDERAL LAW (DEVIATION) (MARCH 2012)

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(a) In accordance with Division H, sections 8124 and 8125 of P.L. 112-74 and sections 738 and 739 of P.L. 112-55 none of the funds made available by either Act may be used to enter into a contract with any corporation that-

(1) Has an unpaid federal tax liability, unless the agency has considered suspension or debarment of the corporation and the Suspension and Debarment Official has made a determination that this action is not necessary to protect the interests of the Government.

(2) Has a felony criminal violation under any Federal or State law within the preceding 24 months, unless the agency has considered suspension or debarment of the corporation and Suspension and Debarment Official has made a determination that this action is not necessary to protect the interests of the Government.

(b) The Offeror represents that-

(1) The offeror does [ ] does not [ ] have any unpaid Federal tax liability that has been assessed and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

(2) The offeror, its officers or agents acting on its behalf have [ ] have not [ ] been convicted of a felony criminal violation under a Federal or State law within the preceding 24 months.

(End of provision)

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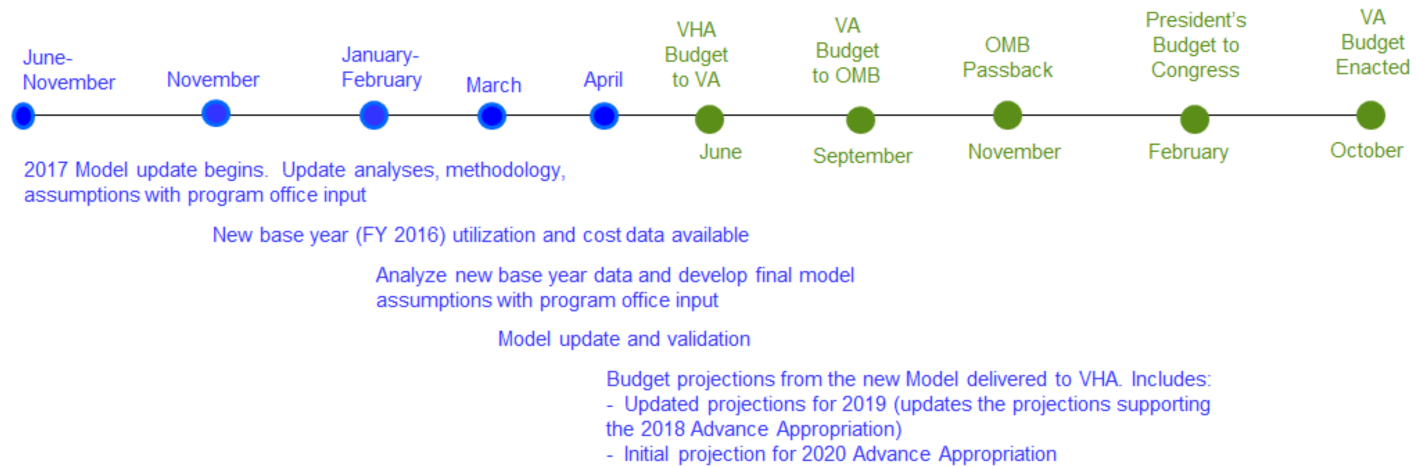
Attachment A

VA Enrollee Health Care Projection Model and Advance Appropriation Timeline

2017 Model and VA 2019 Budget and 2020 Advance Appropriation

2016	2017	2018



VETERANS HEALTH ADMINISTRATION

Model Update Budget Formulation

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Attachment B

20XX Model (BYXX)
VA Enrollee Health Care Projection Model (Base Year 20XX)
Projected Enrollment, Utilization and VA Costs for Fiscal Year 20XX
Healthcare Services Category Projections
Ages: XX-XX, Priority X, All Enrollee Types
National

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Code	Type of Service	Enrollees/ Unique Patients	Projected Annual Admissions	Length of Stay	Average Daily Census	Average Work RVU Per Service	Projected Annual Utilization	Projected Annual Expenditures
	Projected Services Summary							
	AMBULATORY PRIMARY AND SPECIALTY CARE - DIAGNOSTICS AND THERAPIES						4,769,217 services	$336,169,617
	AMBULATORY PRIMARY AND SPECIALTY CARE - EVALUATION AND MANAGEMENT SERVICES						1,090,681 services	$234,883,612
	AMBULATORY PRIMARY AND SPECIALTY CARE - PROFESSIONAL SERVICES AND PROCEDURES						728,296 services	$300,029,815
	DENTAL					27.55	13,151 proced	$2,929,894
	INPATIENT DIAGNOSTICS, THERAPIES, AND PROFESSIONAL SERVICES AND PROCEDURES¹						143,805 services	n/a
	INPATIENT MEDICINE AND SURGERY						71,624 days	$338,486,174
	LONG TERM SERVICES AND SUPPORTS: FACILITY BASED SERVICES						39,332 days	$35,612,434
	LONG TERM SERVICES AND SUPPORTS: HOME AND COMMUNITY BASED SERVICES						333,969 services	$47,829,844
	MENTAL HEALTH - INPATIENT						32,031 days	$32,755,901
	MENTAL HEALTH AND HOMELESS - OUTPATIENT						232,969 services	$59,145,267
	PHARMACY - OUTPATIENT PRESCRIPTIONS						6,318,571 scripts	$197,352,192
	PROSTHETICS						773,687 units	$75,601,857
	REHABILITATIVE CARE (Blind Rehab & SCI)						936 days	$2,190,565
	ALL MODELED BENEFITS TOTAL							**$1,662,987,171**
	Enrollment and Patient Summary							
	ENROLLMENT							
	End of Year Enrollment	475,334						
	Unique Enrollment	497,733						
	ENROLLED PATIENTS							
	Unique Enrolled Patients Total	211,091						
	Unique Enrolled CITC Patients	24,796						
	Details for Projected Services Summarized Above							
	AMBULATORY PRIMARY AND SPECIALTY CARE - DIAGNOSTICS AND THERAPIES							
HM063_063	Radiology - General						240,013 proced	$34,355,698
HM064_064	Radiology - CT/MRI/PET						71,306 proced	30,681,600
HM034_034	Pathology						3,427,754 proced	80,035,909
HM021_021	Cardiovascular						118,716 proced	29,704,789
HM030_030	Misc. Medical						286,688 proced	51,713,953
HM040_040	Office Administered Drugs						131,990 proced	32,479,524
HM058_058	Dialysis and Related Services						58,803 proced	30,899,687
HM036_036	Physical Medicine						169,681 visits	22,629,921
HM054_054	Chiropractic						7,164 visits	473,904
HM109_109	Recreational Therapy						5,509 stops	489,422
HM026_026	Immunizations						249,754 proced	22,547,423
HM018_018	Allergy Immunotherapy						1,514 visits	80,719
HM019_019	Allergy Testing						325 proced	77,070
	Subtotal						4,769,217 services	$336,169,617
	AMBULATORY PRIMARY AND SPECIALTY CARE - EVALUATION AND MANAGEMENT SERVICES							
HM085_085	Office Visits/Urgent Care/Physical Exams - Non Mental Health						1,090,681 visits	$234,883,612
	AMBULATORY PRIMARY AND SPECIALTY CARE - PROFESSIONAL SERVICES AND PROCEDURES							
HM038_038	Surgery						196,213 proced	$160,825,842
HM023_023	Emergency Room Visits						74,111 visits	46,481,048
HM025_025	Hearing/Speech Exams						37,893 exams	5,647,865
HM059_059	Hearing Aid Services						61,360 visits	10,311,209
HM060_060	Prosthetic and Orthotic Services						46,081 visits	23,494,138
HM042_042	Vision Exams						102,593 exams	22,863,026
HM028_028	Maternity						193 proced	72,487
HM057_057	Nutritional Counseling						22,685 visits	3,465,487
HM056_056	Compensation & Pension Exams						40,806 visits	16,196,598
HM065_065	OP Medication Therapy Management						141,895 proced	8,939,455
HM045_045	Ambulance						4,468 runs	1,732,660
	Subtotal						728,296 services	$300,029,815
	DENTAL							
HM841_841	Preventative and Basic Dental Services					16.53	6,769 proced	$892,180
HM842_842	Minor Restorative Dental Services					33.70	5,003 proced	1,423,332
HM843_843	Major Restorative Dental Services					59.33	1,379 proced	614,382
	Subtotal					27.55	13,151 proced	$2,929,894
	INPATIENT DIAGNOSTICS, THERAPIES, AND PROFESSIONAL SERVICES AND PROCEDURES¹							
HM565_565	IP Medication Therapy Management						13,133 proced	n/a
HM538_538	IP Surgical Procedures						10,922 proced	n/a
HM521_521	IP Cardiovascular						17,366 proced	n/a
HM530_530	IP Misc. Medical						25,012 proced	n/a
HM534_534	IP Pathology						12,759 proced	n/a
HM536_536	IP Physical Medicine						20,669 visits	n/a
HM537_537	IP Radiology						30,862 proced	n/a
HM609_609	IP Recreational Therapy						6,477 stops	n/a
HM561_561	IP Mental Health						3,415 visits	n/a
HM562_562	IP Psychotherapy (Ind. 45+ min / Group)						1,702 visits	n/a
HM533_533	IP Substance Abuse						1,188 visits	n/a
HM602_602	IP Psychosocial Rehabilitation and Recovery Centers						117 stops	n/a
HM605_605	IP Mental Health Intensive Case Management (MHICM)						71 stops	n/a
HM606_606	IP Work Therapy						12 stops	n/a
HM608_608	IP MH RRTP Aftercare/Screening/Outreach						56 stops	n/a
HM603_603	IP Homeless						44 stops	n/a
	Subtotal						143,805 services	n/a

20XX Model (BYXX)
VA Enrollee Health Care Projection Model (Base Year 20XX)
Projected Enrollment, Utilization and VA Costs for Fiscal Year 20XX
Healthcare Services Category Projections
Ages: XX-XX, Priority X, All Enrollee Types
National

Type of Service	Enrollees/ Unique Patients	Projected Annual Admissions	Length of Stay	Average Daily Census	Average Work RVU Per Service	Projected Annual Utilization	Projected Annual Expenditures
INPATIENT MEDICINE AND SURGERY							
HM001_001 Medical		10,571 adm	4.5			47,643 days	$175,258,937
HM002_002 Surgical		3,768 adm	6.3			23,804 days	162,766,545
HM005_005 Maternity Deliveries		54 adm	2.9			158 days	408,970
HM006_006 Maternity Non-Deliveries		5 adm	3.5			19 days	51,722
Subtotal		14,397 adm	5.0			71,624 days	$338,486,174
LONG TERM SERVICES AND SUPPORTS: FACILITY BASED SERVICES							
VA Community Living Centers (CLC)							
HM000_342 VA Community Living Center (Long Stay)				22		7,974 days	$7,753,739
HM000_341 VA Community Living Center (Short Stay)				54		19,656 days	24,415,793
Subtotal				76		27,631 days	$32,169,532
Community Nursing Home (CNH)							
HM332_332 Community Nursing Home (Long Stay)				14		5,188 days	$1,526,396
HM331_331 Community Nursing Home (Short Stay)				18		6,513 days	1,916,505
Subtotal				32		11,701 days	$3,442,902
LONG TERM SERVICES AND SUPPORTS: HOME AND COMMUNITY BASED SERVICES							
HM352_352 VA Adult Day Health Care						3,586 stops	$475,544
HM353_353 Community Adult Day Health Care						52,861 proced	7,588,926
HM350_350 Home-Based Primary Care						14,030 stops	9,044,816
HM357_357 Home Respite Care						5,385 proced	648,765
HM356_356 Purchased Skilled Home Care						25,852 proced	4,910,599
HM354_354 Home Hospice Care						7,254 proced	1,767,414
HM355_355 Homemaker/Home Health Aide Programs						194,794 proced	17,017,357
HM351_351 SCI&D Home Care						20 stops	11,248
HM107_107 Community Residential Care						326 stops	361,817
HM111_111 Home Telehealth						29,862 months	6,003,358
Subtotal						333,969 services	$47,829,844
MENTAL HEALTH - INPATIENT							
HM003_003 Inpatient Mental Health[2]		788 adm	8.0			6,279 days	$14,163,925
HM004_004 Acute Substance Abuse		727 adm	5.0			3,668 days	8,418,884
HM000_089 MH Residential Rehab						18,820 days	7,866,086
HM014_014 Comp Work Therapy/Transitional Residence (CWT/TR)						1,623 days	401,207
HM017_017 Sustained Treatment and Rehab (STAR I II III)						1,641 days	1,905,800
Subtotal						32,031 days	$32,755,901
MENTAL HEALTH AND HOMELESS - OUTPATIENT							
HM061_061 Outpatient Mental Health						47,598 visits	$15,755,062
HM062_062 Psychotherapy (Ind. 45+ min / Group)						44,987 visits	16,605,945
HM033_033 Outpatient Substance Abuse						44,198 visits	8,471,337
HM086_086 Mental Health Office Visits						46,421 visits	9,801,136
HM102_102 Psychosocial Rehabilitation and Recovery Centers						3,468 stops	524,672
HM105_105 Mental Health Intensive Case Management (MHICM)						1,047 stops	247,094
HM106_106 Work Therapy						3,923 stops	926,497
HM112_112 MH RRTP Outpatient[3]						886 stops	166,033
HM113_113 MH RRTP Residential Stay[3]						20,194 stops	2,198,573
HM103_103 Homeless						20,245 stops	4,448,917
Subtotal						232,969 services	$59,145,267
PHARMACY - OUTPATIENT PRESCRIPTIONS							
HM000_431 Prescription Drugs (Brand & Generic)						5,335,533 scripts	$177,342,153
HM432_432 OTC Medication						504,234 scripts	8,407,406
HM433_433-HM436_436 Rx Related Supplies						478,803 scripts	11,602,633
Subtotal						6,318,571 scripts	$197,352,192
PROSTHETICS							
HM210_210 Glasses/Contacts						48,549 units	$3,342,331
HM211_211 Hearing Aids						44,241 units	19,600,389
HM212_212 Surgical Implants						9,959 units	11,310,606
HM213_213 Cardiothoracic Surgical Implants						1,406 units	5,946,369
HM214_214 Medical Equipment & Supplies						134,605 units	11,127,199
HM215_215 Home Telehealth Devices						11,117 units	1,650,489
HM216_216 Oxygen						375,199 units	5,703,582
HM217_217 Respiratory Equipment						69,621 units	5,771,426
HM218_218 Wheelchairs						4,490 units	3,976,044
HM219_219 Orthotics						70,869 units	5,744,177
HM220_220 Prosthetics - Artificial Limbs						279 units	695,335
HM221_221 Blind Aids						2,348 units	335,034
HM222_222 VA Specialized Products and Services						1,004 units	398,877
Subtotal						773,687 units	$75,601,857
REHABILITATIVE CARE							
HM010_010 Blind Rehab						65 days	$113,402
HM011_011 Spinal Cord Injury & Disorders						870 days	2,077,163
Subtotal						936 days	$2,190,565

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Attachment C

Department of Veterans Affairs 20XX Model (BYX) Scenario XXX ANNUAL Expenditure Impacts from FY 20XX to FY 20XX (millions)						
	BYXX Scenario XXX Projected Expenditure Impacts					
	FY 20XX to FY 20XX Change					
	Expenditures ($millions)			% Change		
	Modeled Services Excluding LTSS	Modeled LTSS	All Modeled Services	Modeled Services Excluding LTSS	Modeled LTSS	All Modeled Services
FY 20XX Projection	**XX,XXX**	**X,XXX**	**XX,XXX**			
System Transformation[1]						
Choice Act FTE Growth	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Projected Community Care (CC) Utilization excluding reliance changes and shift of VA facility utilization	XXX	XXX	XXX			
Repricing: VA Historical CC to Contract MAC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
40-Mile Group Reliance Change at VA Historical CC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Repricing: Historical CC to Contract MAC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
40-Mile Group Reliance Change at Contract MAC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
30-Day Wait Policy Reliance Change at VA Historical CC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Repricing: Historical CC to Contract MAC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
30-Day Wait Policy Reliance Change at Contract MAC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Shift of VA Facillity Utilization Growth to Community Care at VA Historical CC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Repricing: Historical CC to Contract MAC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Shift of VA Facillity Utilization Growth to Community Care at Contract MAC Unit Costs	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Homeless Program Adjustment[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
LTSS Home and Community Based Care Program Adjustment[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
LTSS Long Stay Facility Based Transition Program Adjustment[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
LTSS Short Stay Facility Based Acute Transition[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Mental Health Program Adjustment' Detail						
MH Utilization Impact[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
MH Unit Cost Impact[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Mental Health Program Adjustment[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
PACT Emergency Room Program Adjustment[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Dialysis Reliance Behavior[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Economic Impact on Reliance Behavior[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Medicare Part D Impact on Reliance Behavior[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Facility Adjustments[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Health Care Management						
Inpatient Medicine and Surgery[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Ambulatory Services[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Inpatient Mental Health[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Pharmacy[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Health Care Management Total[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Enrollment Growth & Demographic Mix Changes						
Net Enrollment Growth w/ Duration	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Priority Level & Morbidity Transitions	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Geographic Migration	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Aging Impact	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Net Enrollment Growth & Demographic Mix Changes	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Utilization Trend	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Inflation Trend Detail						
Base Trend *(Before Wage Increase)*	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Civilian Wage Increase[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Inflation Trend	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Intensity Trend Detail						
Base Trend (*Before Hepatitis C Drugs*)	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
New Hepatitis C Drugs[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Intensity Trend	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Pharmacy Cost Sharing Changes	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Interaction Impact[1]	XXX	XXX	XXX	X.XX%	X.XX%	X.XX%
Total Change	**X,XXX**	**XXX**	**X,XXX**	X.XX%	X.XX%	X.XX%
FY 20XX Projection	**XX,XXX**	**X,XXX**	**XX,XXX**			

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