

**MEMORANDUM REQUESTING APPROVAL TO AWARD A LETTER CONTRACT
COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers
Serving the Uninsured**

In accordance with FAR 16.603-3 and HHSAR 316.603-3 this memo documents, in writing, that no other contract type is suitable for award of the COVID-19 Uninsured Testing Program

a) Name and Address of Proposed Contractor

United HealthCare Services, Inc. (UHC)
9900 BREN RD E
MINNETONKA MN 55343-9664

b) Place of Performance: Contractor's facility

c) Contract Number: 75R60220C00005

d) Description of Work

HRSA is proposing to issue a contract to provide end-to-end claims processing services to physician practices, clinics, health care centers, hospitals, labs, and any health care entity that provides the Doctor Visits (screening), Testing and Treatment of Uninsured Patients. HHS requires services for COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers Serving the Uninsured. The scope of activity will include:

1. Project Management
2. Intake Electronic and Paper Claims
 - a. Electronic Data Interchange
 - b. Paper Claim Intake, Scanning, and Optical Character Recognition
3. Claim Adjudication
 - a. Paper Remittance Advice
 - b. General Claims Processing
 - c. Back-End Processing
 - d. Remittance Advice and Explanation of Benefits
4. Provider Customer Service Program
 - a. Education and Outreach
 - b. Call Center
5. Provider Payment and Integrity
6. Security

e) Performance Schedule

The period of performance will be for 12 months.
Upon definitization of the Cost Reimbursement contract, two additional 12-month option periods will be negotiated.

f) Amount of Letter Contract

The estimated amount of the definitized contract is approximately \$ (b) (4).

The letter contract obligates \$3,100,000.

In performance of the Letter contract, UHC is not authorized to make expenditures or incur obligations exceeding \$3,100,000. In the event of a termination, the maximum amount for which the Government may be liable is \$1,500,000.

g) Estimated Total Amount of Definitized Contract

Total Estimated Price: \$ **(b) (4)**.

h) Type of Definitive Contract to be Executed

HHS/Health Resources and Services Administration (HRSA), Office of Acquisition Management and Policy (OAMP) determined that a Cost Reimbursement contract would be the most advantageous contract type for the COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers Serving the Uninsured. The claims processing services will be based on a Cost Reimbursement for actual cost on the number of uninsured patient testing, doctor visits and treatments for the COVID-19 uninsured patients. HHS/HRSA will be issuing a contract to provide claims processing services to physician practices, clinics, health care centers, hospitals, labs, and any health care entity that provides COVID-19 services to uninsured patients.

This letter contract will be issued as authorized by FAR 6.302-2 Unusual and compelling urgency under HHS Class Justification for Other Than Full and Open Competition COVID-19 Response. A class Justification & Approval (J&A) in accordance with FAR § 6.303-1(d) and 6.302-2, Unusual and Compelling Urgency, FAR § 8.405-6(a)(1)(A), Limiting Sources, and FAR § 16.505(b)(2)(i)(A), Exceptions to the Fair Opportunity Process for all contract actions to facilitate the recovery efforts necessary to address the 2019 Novel Coronavirus (COVID-19). Because COVID-19 is an emerging disease, and there are no vaccines or approved treatments, it is prudent to have adequate flexibility to address this public health emergency. The class J&A is essential to enable the Government to act in response to urgent requests for immediate support, and to respond to the expanding outbreak of COVID-19 which was just declared a pandemic on March 11, 2020 and a national emergency via Presidential Proclamation on March 13, 2020. The class J&A supersedes all other class J&As executed and issued by HHS and negates the need for individual J&As for contract actions to facilitate the recovery efforts necessary to address COVID-19.

i) Statement of Necessity and Advantage to Government for Issuing Letter Contract

In December 2019, a novel (new) coronavirus known as SARS-CoV-) was first detected in Wuhan, Hubei Province, People's Republic of China, causing outbreaks of the coronavirus disease COVID-19 that has now spread globally. The Secretary of Health and Human Services (HHS) declared a public health emergency on January 31, 2020, under section 319 of the Public Health Service Act (42 U.S.C. 247d), in response to COVID-19. The Federal Government, along with State and local governments, has taken preventive and proactive measures to slow the spread of the virus and treat those affected, including by instituting Federal quarantines for individuals evacuated from foreign nations, issuing a declaration pursuant to section 319F-3 of the Public Health Service Act (42 U.S.C. 247d-6d), and

releasing policies to accelerate the acquisition of personal protective equipment and streamline bringing new diagnostic capabilities to laboratories. On March 11, 2020, the World Health Organization announced that the COVID-19 outbreak can be characterized as a pandemic, as the rates of infection continue to rise in many locations around the world and across the United States. On March 13, 2020, President Donald J. Trump announced and proclaimed that the COVID-19 outbreak in the United States constitutes a national emergency.

On March 18, 2020, the Families First Coronavirus Response Act (P.L. 116 - 127) became law. The Families First Coronavirus Response Act responds to the coronavirus outbreak by providing paid sick leave and free coronavirus testing, expanding food assistance and unemployment benefits, and requiring employers to provide additional protections for health care workers. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116 – 136) became law and amended the Families First Coronavirus Response Act, specifying coverage and pricing of diagnostic COVID testing and treatment.

The spread of COVID-19 within the Nation’s communities threatens to strain our Nation’s healthcare systems. To provide relief, Congress appropriated funding from the Public Health and Social Services Emergency Fund to allow provider reimbursement payments for certain COVID-19 claims for uninsured patients.

HRSA will distribute funding under the Treatment to Health Care Providers serving the uninsured and in coordination and alignment with the Testing to Health Care Providers serving the uninsured authorized and appropriated separately under the Families First Coronavirus Response Act, 2020. HRSA will award a contract to a vendor who will make payments directly to eligible entities beginning in May. Payments will be made on a rolling basis directly to eligible providers for claims that are attributable to the treatment of the COVID-19 for uninsured individuals. Applicants will agree to accept reimbursement from the COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers Serving the Uninsured as payment in full and not subsequently balance bill patients. Applicants will attest/certify to eligibility, allowable costs, and availability of records. HRSA will disburse funds under the COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers Serving the Uninsured until all funds are expended.

The services covered under the Families First Coronavirus Response Act are as follows:

- *In vitro* diagnostic products (as defined in section 809.3(a) of title 21, Code of Federal Regulations) for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19 that are approved, cleared, or authorized under section 510(k), 513, 515 or 564 of the Federal Food, Drug, and Cosmetic Act, and the administration of such *in vitro* diagnostic products.
- Items and services furnished to an individual during health care provider office visits (which term in this paragraph includes in-person visits and telehealth visits), urgent care center visits, and emergency room visits that result in an order for or administration of an *in vitro* diagnostic product described in paragraph (1), but only to the extent such items and services relate to the furnishing or administration of such product or to the evaluation of such individual for purposes of determining the need of such individual

for such product and to the provision of the test results to the patient if a test was administered.

- Treatment of individuals for possible or actual cases of COVID-19

Therefore, negotiating a definitive contract is not possible in sufficient time to meet the requirements.

j) Statement of Percentage of the Estimated Cost that the Obligation of Funds Represents

The obligated funds in the letter contract represent approximately (b) (4) % of the estimated price of the final contract upon definitization.

k) Period of Effectiveness of Letter Contract

It is anticipated that the letter contract will be definitized within 90 days of award. See the definitization schedule below.

l) Statement of Substantive Matters that need to be Resolved

UHC will submit a technical business proposal for evaluation. As part of the evaluation procedures, a detailed price analysis and, if necessary, price realism analysis will be performed on the business proposal. UHC is eligible to receive the award based on review of the Federal Awardee Performance and Integrity Information System and the System for Award Management.

m) Definitization Schedule

Action	Date
Estimated issuance of Letter Contract	April 13, 2020
Receipt of Proposal	May 26, 2020
Negotiations Start date	June 11, 2020
Receipt of Final Proposal (if needed)	July 1, 2020
Target Date for Definitization	July 13, 2020

RECOMMENDATION:

In view of the above, it is considered necessary and in the best interest of the Government to award a letter contract because it is not possible to complete the contract documents and supporting file documentation in sufficient time for work to commence. In order to relieve the stress of the Nation’s health care system, COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers Serving the Uninsured is crucial. A letter contract must be issued in order to begin contractor’s performance immediately.

CONCUR:

Shirley Karver
Senior Contracting Officer
Health Resources and Services Administration

Date

DETERMINATION & APPROVAL:

In accordance with FAR 16.603-3 and based on the above determination, I determine that no other contract is suitable for award of this contract and hereby approve the use of a letter contract for the COVID-19 Testing and Treatment Assistance Program, which will reimburse health care providers for serving the uninsured.

Alexandra B. Garcia
Head of Contracting Activity
Health Resources and Services Administration

Date

Memo for the Record Letter Contract Process

Acquisition flexibilities associated with emergency contracting in response to the Public Health Emergency declaration made January 31, 2020, and the National Emergency declaration made March 13, 2020, in response to Coronavirus (COVID-19) are being used in our process to expedite the award of these contracts.

- The HRSA technical evaluation panel members (including HHS subject matter experts) hold calls/meetings with the offerors who expressed an interest in the requirement. During the call, the panel discusses the program needs.
- Using the flexibilities given to HRSA by the procurement regulations and the HHS Class Justification and Approval, no formal solicitation is issued. In order to maintain fair opportunity to the extent possible, the offerors submit a slide deck after the initial meeting described above. The slide deck is considered the offerors proposal. Following the submission, the offeror's are invited to a second meeting to present their slide decks. During the second meeting, the panel members are able to ask questions and so are the offeror's.
- At the end of all the meetings, the panel gets together to ensure there is a consensus of the majority. Generally, upon the panel recommendation, the contracts office moves forward to make the award.
- Before an award is made the contracts office reviews past performance, Duns and Bradstreet, debarment, exclusion, EEO compliance, and previous year's financial report from the offeror or any parent company. All this information is used to determine the offeror's responsibility and also for the Head of Contracting Activity to approve the issuance of the Letter Contract.
- The Streamlined Acquisition Plan (AP) is sent to ASFR to request action for review and approval by the HHS Senior Procurement Executive. The AP includes the following documents: Independent Government Cost Estimate (IGCE), Performance Work Statement (PWS), Market Research documents, Contractor Responsibility Determination, request for Approval for a Letter Contract, and the HHS COVID19 Class Justification and Approval (J&A).
- A draft Letter Contract and PWS are sent to the prospective contractor as the offer from the Government. If there is agreement, the contract is signed by the offeror and then signed by the Contracting Officer.
- If there is no agreement, discussions are held with the prospective contractor until agreement is reached.
- The Letter Contract includes a schedule that delineates when the contract will be definitized.

Memo for the Record for the Letter Contract Process for COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers Serving the Uninsured

- (b) (3) (A), (b) (4)
- Using the flexibilities given to HRSA by the procurement regulations and the HHS Class Justification and Approval, no formal solicitation was issued. In order to maintain fair opportunity to the maximum extent possible, the offerors submitted a slide deck after the initial meeting described above. The slide deck was considered the offeror's proposal. Following the submissions, the offerors were invited to a second meeting to present the slide deck. (b) (3) (A), (b) (4)
During the second meeting, the panel members had the opportunity to ask questions and so did the offerors.
- At the end of all the meetings, the panel reconvened to ensure there was a consensus of the majority. During the consensus discussion, the panel unanimously deemed UHC as the most advantageous offer to the Government; however, (b) (3) (A), (b) (4)
- (b) (3) (A), (b) (4)
- (b) (3) (A), (b) (4)
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- A draft Letter Contract and PWS were sent to the (b) (3) (A), (b) (4)
- A call was held on Monday, April 13, 2020, to discuss with the prospective offeror to (b) (3) (A), (b) (4)
- The contractor responded that they were working on incorporating the approach they shared during the Monday, April 13, call for a 90-day retrospective review. (b) (3) (A), (b) (4)
- This response was accepted by the panel. Per discussion with the offeror, they have been instructed to use the draft Letter Contract and PWS as an offer and to submit a counteroffer by Wednesday, April 15, 2020.
- The prospective contractor responded timely and submitted the updated Letter Contract and also a new slide deck proposal. The proposal was forwarded to the panel for review. The panel provided acceptance of the revised proposal.
- The Letter Contract included some terms that HRSA could not accept without the acceptance of the CIO. As well as a request to change the proposed contract from Cost Reimbursement to Firm Fixed Price. All issues were address an agreement was reached.
- The Letter Contract was signed by both parties on April 16, 2020.

Procurement Sensitive Information / for internal use only

- HRSA's contracts office next steps are to definitize the Letter Contract into a Firm Fixed Price contract in accordance to the following timeline following the Federal Acquisition Regulations (FAR):

Receipt of contractor's proposal	45 days after receipt of Letter Contract award	Monday, June 1 2020
Negotiation start date	15 days after receipt of proposal	Tuesday, June 16, 2020
Definitization	within 90 days of Letter Contract award	Monday, July 20, 2020

Summary of Review of Potential Contractors for the Families First Coronavirus Response Act for Testing and Treatment for Health Care Providers Serving the Uninsured

Overview: On April 10th, 2020, HHS leadership and subject matter experts (as listed below) received verbal explanation of organizational capabilities from ^{(b) (3) (A), (b) (4)} potential contractors,

(b) (3) (A), (b) (4)

HHS leadership and SMEs:

• **(b) (3) (A)**
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• **(b) (3) (A)**
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Summary of Potential Contractors Capabilities (as verbally described by each contractor):

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• **(b) (3) (A), (b) (4)**
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- (b) (3) (A), (b) (4)

