

IV. CONTINGENCIES FOR MOBILIZATION

A. General

1. In the event of a mobilization, the terms and conditions of this contract may be modified in accordance with the guidelines, terms and conditions set forth below. These emergency procedures may be made operable in the form of an adjustment of payment methods and/or payment schedules to the contractor or by relieving the contractor from the at-risk provisions of the contract. Any such change or changes shall be implemented when it is determined by the Contracting Officer to be in the best interest of the Government.

2. The Government and the contractor shall make every reasonable effort to retain the levels of service and care which were in place prior to the start of the emergency. To maintain the contractually required levels of service without requiring the implementation of the emergency provisions below, the Government, at the discretion of the Contracting Officer and at the request of the contractor, may make adjustments in reimbursement procedures. The adjustments may include modifications to the contract bid price adjustment process. The contractor must document, to the satisfaction of the Contracting Officer, that there have been substantial increases in the TRICARE workload which are attributable to the emergency. Documentation shall establish the appropriate scope of the increase. These payments and/or modifications may be made without a shift from the at-risk provisions of the contract. In addition, the Contracting Officer may permit an adjustment to administrative payments during the option period(s) of the emergency.

3. The "Emergency Provisions," set forth below shall be implemented when the President recommends and the Congress orders full mobilization. Full mobilization requires passage by the Congress of a public law or joint resolution declaring war and involves the mobilization of all reserve component units. In such event, the contractor will be paid an administrative claim rate (Section B of the specific contract, CLINs 1005, 2005, etc.) under the terms and conditions outlined herein.

B. Implementation of Emergency Provisions

1. Conditions Permitting Change to Emergency Operational Mode

The emergency provisions of the contract shall be implemented when the U.S. Congress passes a public law or a joint resolution ordering full mobilization. The Contracting Officer shall then have the authority to direct implementation of the emergency provisions of the contract.

2. Effective Date of the Change

When the Contracting Officer directs the implementation of the emergency provisions of the contract, the contractor shall convert to a "not at-risk" contracting mode effective with health care services rendered on the first day of the month following the month in which the determination is made. The contractor shall retain the responsibility for processing and paying for all care prior to the effective date of the change. Any added administrative costs incurred during the period between the start of the emergency and the effective date of implementation of the emergency provisions shall be covered by the amount proposed by the contractor for CLINs 1005, 2005, etc., of Section B

of the specific contract. Any added health care services costs incurred during the period between the declaration of full mobilization and the implementation of the emergency provisions shall be covered by the bid price adjustment process.

C. Reimbursement Procedures Under Emergency Operations

1. General Reimbursement Provisions - Benefit Costs

The contractor shall be reimbursed for the actual costs for payments made for medical expenses incurred on and after the effective date of the implementation of the emergency provisions. All claims reimbursed must have been processed and paid in accordance with the provisions of the contract, including the Policy Manual, Operations Manual and ADP Manual, unless the contractor has been relieved of specific requirements by written direction of the Contracting Officer. Unless otherwise directed by the Contracting officer, the payments shall be made according to the current established Line of Credit procedures ([OPM Part One, Chapter 4](#)).

2. Transitional Reimbursement Provisions - Inpatient Care

In those situations where the beneficiary is an inpatient prior to the effective date of the emergency provisions, and remains on or after the effective date, then the contractor shall make payment for those services under the “at-risk” requirements of the contract if the beneficiary is in a DRG institution. If the beneficiary is an inpatient in a non-DRG situation, the contractor shall cover the hospitalization until the date of discharge or through the last day of the first month of “not at-risk” operations. When the period of emergency operations ends, the contractor shall continue to be reimbursed on a cost basis for the care of those beneficiaries who are in a DRG institution on the effective date of the change. If the beneficiary is an inpatient in a non-DRG situation, the contractor shall continue to be reimbursed for actual costs of the hospitalization until the date of discharge or through the last day of the first month of the restoration of “at-risk” operations, whichever is first.

3. Administrative Cost Reimbursement During Emergency Operations

a. Operational Costs

The contractor shall be reimbursed an administrative claim rate for each claim completed. Reimbursement shall be as set forth in Section B and Section G of the contract. The determination of completion shall be based on the provisions in [OPM Part Two, Chapter 11](#), “Processed to Completion” Definition; [OPM Part Two, Chapter 1](#); and [ADP Manual, Chapter 2](#). Only claims which have been processed to a final benefit determination are eligible for payment of the administrative claim rate. The contractor must submit a Health Care Service Record for each processed claim. The standards in [OPM Part One, Chapter 1, Section III](#), shall apply during the period of the emergency provisions. However, the Contracting Officer may specifically waive certain claims processing requirements during a time of emergency.

IV.C.3.b.

b. Audit of Costs and Cost Limits

The amount reimbursed to the contractor for additional administrative expenses incurred during the period of emergency or additional health care services costs incurred during the period between the declaration of full mobilization and the implementation of the emergency provisions shall be subject to Government audit following completion of the contract or following the end of the period of emergency operations, whichever occurs first. Any amount which has been paid in excess of actual allowable costs and a reasonable profit, which shall not exceed the ratio established in accordance with DoD Weighted Guidelines, shall be reimbursed to the Government. If the Contracting Officer, during the period of emergency, reduces the scope of required services to facilitate the processing of claims, the changes shall be rapidly implemented within the time frames directed by the Contracting Officer. If a lower claim rate is justified by the change(s), then a lower rate shall be expeditiously negotiated.

c. Limitations on Operational Cost Increases

During the period of emergency operations the contractor shall not increase levels of payments, without the written consent or direction of the Contracting Officer, made for salaries, services, equipment lease or rental, space costs, depreciation or other operational costs above the levels in effect, or the levels contracted, on the first day of the month preceding the month in which this clause was implemented. The contractor is permitted and obligated to make reasonable additions to and commitments for operating resources to meet the requirements of the contract as claims volumes increase. However, such increases shall be promptly submitted for Contracting Officer review and approval prior to actual employment. Replacement of approved or existing resources are not subject to this clause if the salary scale remains constant.

4. Payment to Providers Who Operate Solely as Employees, Agents, or Sub-entities of the Contractor Under the At-Risk Contract Arrangement

In the event that TRICARE beneficiaries receive services from providers who, prior to the effective date of emergency operations, participated in the TRICARE program solely as employees, agents or sub-entities of the contractor, services from such providers shall be compensated on the basis of TRICARE Standard non-network reimbursement ([OPM Part Two, Chapter 4, Section I.](#) and [Policy Manual, Chapter 13](#)). Charges for services by such providers shall be billed to TRICARE on an acceptable claim form or other approved method of recording treatment encounters ([OPM Part Two, Chapter 1, Section I.](#)) If the contractor provides, or continues to provide, care, services, supplies, or equipment to the MTF and these services are not otherwise directly reimbursable under one of the methodologies [OPM Part Two, Chapter 4](#), the government will negotiate with the contractor to provide equitable compensation for such care, services, supplies, or equipment ([OPM Part Two, Chapter 4.](#))

5. Operational Responsibilities under Emergency Operations

The contractor remains responsible for performance of all the duties and responsibilities set forth under this contract, unless the Contracting Officer otherwise directs. This shall include, but is not limited to:

Contractor Responsibilities for Coordination and Interface with Lead Agents and MTFs

IV.C.5.a.

- a.** Maintenance of claims processing capability to meet timeliness and accuracy standards for payment of claims (OPM Part One, Chapter 1, Section III.).
- b.** Maintenance, and expansion, if needed, of the provider network(s).
- c.** Maintenance and, if needed, expansion of ADP resources to properly service the contract and report payments through HCSRs. To the extent required by the Contracting Officer, ADP resources furnished by the contractor shall be made available to the Contracting Officer to maintain records of the disposition of patients, other than TRICARE patients, who are diverted to the civilian medical care system pursuant to a mobilization order. The contractor shall, to the extent required by the Contracting Officer, maintain updated patient disposition information throughout the duration of the emergency.
- d.** Maintenance of resources to meet all non-network standards related to beneficiary and provider services. (See OPM Part One, Chapter 1, Section III.)
- e.** Except as otherwise instructed, maintain and operate the Health Care Finders to assist in the referral of beneficiaries to the available medical resources within each catchment area. The purpose shall be to assist in the referral and transfer of patients to civilian facilities.
- f.** Resources furnished by the contractor pursuant to Section II. of this chapter, shall be made available by the contractor to each MTF Commander in whose MTF such facilities are located. Although contractor personnel may be placed in MTF facilities, these personnel are not to be supervised or controlled by Government officers or employees, e.g. directing the terms and conditions of employment. However, this does not preclude resource sharing personnel from complying with directions received from MTF professional personnel in the course of patient care activities.
- g.** Effective upon the date of implementation of the emergency operations provisions, all resource sharing arrangements and resource support task orders entered into subject to the terms in Section II. of this chapter, at the option of the Contracting Officer, are subject to renegotiation. In the period between the date of implementation of emergency operations and the conclusion of such negotiations, the contractor shall maintain all personnel, facilities, and equipment furnished to the Government in MTFs that are present on the first day of the month prior to the effective date of emergency operations, except to the extent that such personnel, facilities, or equipment have a higher priority government commitment arising from the emergency, such as military reserve call up or National Disaster Medical System (NDMS) commitments. All acute care network hospitals shall be members of the NDMS network, unless it can be shown that they do not qualify for membership. Compensation to the contractor for these services during this period shall be made pursuant to the provisions in this chapter.

D. Termination of Emergency Provisions

The contract shall continue to operate under the “not-at-risk” provisions in this section until a determination has been made by Congress that full mobilization is no longer in effect and the Contracting Officer has directed that the requirement for emergency operations has ended. The contractor shall resume responsibility for “at-risk” operations and shall restore full service under the contract upon a mutually agreed to date, not to

Contractor Responsibilities for Coordination and Interface with Lead Agents and MTFs

IV.D.

exceed ninety (90) calendar days from the date of determination that emergency operations have ended. If the beginning of the next option period falls within the ninety (90) day window, the contractor shall be responsible for “at-risk” operations upon the first day of the option period, however, the resumption of full services may be completed on a mutually agreed date after the start of the option period, not to exceed ninety (90) calendar days from the initial determination that emergency operations are no longer in effect.

