



COLORADO

Department of Health Care
Policy & Financing

303 E. 17th Ave. Suite 1100
Denver, CO 80203

Recovery Audit Contract SOP: Contract Transmittals

RAC SOP-0002

Definitions:

- **Approved Transmittal:** a request by an Originator that has received all necessary internal approvals to make a transmittal effective.
- **Breach of Contract:** means the failure of a Party to perform any of its obligations in accordance with this Contract, in whole or in part or in a timely or satisfactory manner. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within 30 days after the institution of such proceeding, shall also constitute a breach. If Contractor is debarred or suspended under §24-109-105, C.R.S. at any time during the term of this Contract, then such debarment or suspension shall constitute a breach.
- **Business Day:** means any day other than Saturday, Sunday, or a Legal Holiday as listed in C.R.S. §24-11-101(1).
- **Contract:** means this agreement, including all attached Exhibits, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.
- **Contract Funds:** means the funds that have been appropriated, designated, encumbered, or otherwise made available for payment by the State under this Contract.
- **Contractor Pre-Existing Material:** means material, code, methodology, concepts, process, systems, technique, trade or service marks, copyrights, or other intellectual property developed, licensed or otherwise acquired by Contractor prior to the Effective Date of this Contract and independent of any services rendered under any other contract with the State.
- **Effective Date:** This Contract shall not be valid or enforceable until the Effective Date. The State shall not be bound by any provision of this Contract before the Effective Date and shall have no obligation to pay Contractor for any Work performed

or expense incurred before the Effective Date or after the expiration or sooner termination of this Contract.

- **Goods:** means any movable material acquired, produced, or delivered by Contractor as set forth in this Contract and shall include any movable material acquired, produced, or delivered by Contractor in connection with the Services.
- **Incident:** means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of any communications or information resources of the State, which are included as part of the Work, as described in C.R.S. §24-37.5-401, et. seq. Incidents include, without limitation, (i) successful attempts to gain unauthorized access to a State system or State Information regardless of where such information is located; (ii) unwanted disruption or denial of service; (iii) the unauthorized use of a State system for the processing or storage of data; or (iv) changes to State system hardware, firmware, or software characteristics without the State's knowledge, instruction, or consent.
- **Initial Term:** means the time period defined in §2.B P.
- **Medicaid Information Management System (MMIS):** The claims system used to adjudicate medical claims and directed by the department to furnish payment for medical services, adjustments, and collections of provider monies.
- **Party:** means the State or Contractor, and "Parties" means both the State and Contractor.
- **Personal Health Information (PHI):** means any protected health information, including, without limitation any information whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the Contract Number: 22-169631 Page 5 of 23 Version 1118 individual. PHI includes, but is not limited to, any information defined as Individually Identifiable Health Information by the federal Health Insurance Portability and Accountability Act.
- **Personally Identifiable Information (PII):** means personally identifiable information including, without limitation, any information maintained by the State about an individual that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. PII

includes, but is not limited to, all information defined as personally identifiable information in C.R.S. §24-72-501.

- **Principal Representatives:** the individuals selected by HCPF to approve transmittals for a contract. There is one principal representative for the state and there is one specifically designated for the contractor. This is noted on the Cover page of the current contract.
- **Services:** means the services to be performed by Contractor as set forth in this Contract and shall include any services to be rendered by Contractor in connection with the Goods.
- **State Fiscal Rules:** means the fiscal rules promulgated by the Colorado State Controller pursuant to C.R.S. §24-30-202(13)(a).
- **State Fiscal Year:** means a 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year. If a single calendar year follows the term, then it means the State Fiscal Year ending in that calendar year.
- **State Records:** means any and all State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.
- **Subcontractor:** means third parties, if any, engaged by Contractor to aid in performance of the Work.
- **Contract Transmittal:** is the formal communication between the Department and a Department contractor as permitted by the contract. This should be differentiated from transmittals used to communicate official guidance to the Medicaid Information Management System (MMIS) claims system vendor for work performed as part of claims corrects and reporting.
- **Work:** means the Goods delivered and Services performed pursuant to this Contract.
- **Work Product:** means the tangible and intangible results of the Work, whether finished or unfinished, including drafts. Work Product includes, but is not limited to, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, and any other results of the Work. Work Product does not include any material that was developed prior to the Effective Date that is used, without modification, in the performance of the Work.

Document References & Templates

- [RAC Contract C22-169631](#)
- RAC Policies and Procedures Manual
- RAC Quality Control Plan
- Transmittal Template
- The Code of Federal Regulations, 42 CFR Part 455, Program Integrity
- The Code of Federal Regulations, 42 CFR Part 455 Subpart F, Medicaid Recovery Audit Contractors Program

Transmittal Policies & Requirements

- A. For the current RAC contract (C22-169632) there are provisions for the use of contract transmittals. This process is defined in the policies and procedures document for the RAC contract and are specific to the contractor and the current contract.
- B. The department will designate communications as being a transmittal as defined in the current RAC contract (C22-169632).
- C. Medicaid RAC Contracts require certain processes and controls as defined by the Federal government under [42 CFR Part 455 Subpart F](#).
- D. The contract manager and primary representative will work collaboratively to put in place specific transmittals which can fluctuate throughout the contract such as:
 - a. claims limits
 - b. provider tiers, and
 - c. other reporting requirements
- E. The transmittals shall include, at a minimum, all of the following details:
 - a. Who the principal representative and backup representatives are, including any details on when a backup representative may approve a specific transmittal, if any.
 - b. An approved process for the principal representative and backup representatives to document their approval of the transmittal, such as by signing a document (physically or digitally), approving it in a digital system, or by being the sender of the email that is designated as a Transmittal.

- c. The criteria for how transmittals will be stored for future reference, such as by storing them in a dedicated communication system or by storing them in the contract file.
- d. The timeline for re-review of a transmittal, retirement, or re-submission of new guidance and when it is needed.
 - i. It should be specific to each transmittal and follow timelines and deadlines in the contract.

Approval of RAC Contract transmittals:

- A. Each transmittal shall be entered into e-clearance and will include the following approvals:
 - a. Contract manager
 - b. Primary representative/ Backup representative
 - c. Unit Supervisor/ Section Manager
 - d. Division Director
 - e. Procurement Director/ Legal Division Director
 - f. Office Director/ Executive Director

Applicable uses for transmittals:

- A. A contract transmittal may be used for the following:
 - a. Provide direction as to the format or structure of deliverables or reports.
 - b. Modify the specific details contained in a report, as long as the details are within the general scope of the report.
 - c. Approve or reject changes to key personnel in the contract.
 - d. Make a formal request for records or documentation from the Contractor.
 - e. Request changes to deliverables and provide direction to the contractor regarding unacceptable deliverables.
 - f. Formally request updates to any ongoing plan under the contract.
 - g. Modify processes or procedures that are not clearly spelled out in the contract.

- h. Authorize ad-hoc work, if ad-hoc work is allowed under the contract.
- i. Provide notice of a change in the representatives for the Department shown in the contract.
- j. Provide any specific direction regarding any requirements that are already described in the contract.
- k. Document a waiver of a requirement of the contract, including the extension of due dates or deadlines, and any mitigation efforts or contingencies for the waiver such as partial or alternate performance that is required.
 - i. A waiver permits a vendor to not perform a requirement for a specific time and reason without removing that requirement from the contract.

Impermissible uses for transmittals:

- A. Transmittals may not be used for any of the following:
 - a. To accelerate or move up a due date in the contract.
 - b. Modify the term of a contract.
 - c. Modify the compensation under a contract.
 - d. Add new projects or requirements beyond the scope of the contract.

Other Transmittal uses:

- A. For any use that is not specifically described in this section, contract manager and primary representative or Backup representative should contact Procurement to determine if the Transmittal is allowed.

Verbal Direction on Contracts:

- A. Verbal direction is often used for day-to-day communication and to provide contractors with guidance on their performance of their contract.
- B. While this verbal guidance is legally sufficient and the use of a transmittal is not mandatory for any guidance, it is a best practice to document any formal guidance in a transmittal in a timely manner so that it is recorded for future reference.

Violations:

- A. Any Transmittal that is sent for an impermissible use is void.
- B. If an impermissible use of a Transmittal results in the creation of a liability that exceeds the approved contract, such as a transmittal that purports to increase the contract maximum or that requires work beyond the scope of the contract for which additional payment may be due, then the contract manager, the primary representative or backup representative who approved the transmittal shall be listed as the responsible individuals on any statutory violation that results.
- C. Repeated impermissible uses of transmittals by a contract manager and primary representative or backup representative may result in the revocation of that individual's designation as a primary representative or backup representative and any other personnel actions, up to and including termination, at the discretion of that individual's appointing authority.

Contract Requirements for a transmittal:

- 1.8. Communication with the Department
 - 1.8.2. The Department will use a transmittal process to provide Contractor with official direction within the scope of the Contract. Contractor shall comply with all direction contained within a completed transmittal. For a transmittal to be considered complete, it must include, at a minimum, all of the following:
 - 1.8.2.1. The date the transmittal will be effective.
 - 1.8.2.2. Direction to Contractor regarding performance under the Contract.
 - 1.8.2.3. A due date or timeline by which Contractor shall comply with the direction contained in the transmittal.
 - 1.8.2.4. The signature of the Department employee who has been designated to sign transmittals.
 - 1.8.2.4.1. The Department will provide Contractor with the name of the person it has designated to sign transmittals on behalf of the Department, who will be the Department's primary designee. The Department will also provide Contractor with a list of backups who may sign a transmittal on behalf of the Department if the primary designee is unavailable. The Department may change any of its

designees from time to time by providing notice to Contractor through a transmittal.

- 1.8.3. The Department may deliver a completed transmittal to Contractor in hard copy, as a scanned attachment to an email or through a dedicated communication system, if such a system is available.
- 1.8.3.1. If a transmittal is delivered through a dedicated communication system or other electronic system, then the Department may use an electronic signature to sign that transmittal.
- 1.8.4. If Contractor receives conflicting transmittals, Contractor shall contact the Department's primary designee, or backup designees if the primary designee is unavailable, to obtain direction. If the Department does not provide direction otherwise, then the transmittal with the latest effective date shall control.
- 1.8.5. In the event that Contractor receives direction from the Department outside of the transmittal process, it shall contact the Department's primary designee, or backup designees if the primary designee is unavailable, and have the Department confirm that direction through a transmittal prior to complying with that direction.
- 1.8.6. Transmittals may not be used in place of an amendment, and may not, under any circumstances be used to modify the term of the Contract or any compensation under the Contract. Transmittals are not intended to be the sole means of communication between the Department and Contractor, and the Department may provide day-to-day communication to Contractor without using a transmittal.
- 1.8.7. Contractor shall retain all transmittals for reference and shall provide copies of any received transmittals upon request by the Department.

SOP Approved 08/26/2024 by:

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Change Log:

Date	Update Made	Contributor