SEC. ___. ELIMINATION OF MANDATORY WEIGHTING OF CERTAIN FACTORS IN DETERMINING BEST VALUE FOR AWARDING HEALTH CARE CONTRACTS.

Section 1073a of title 10, United States Code, is amended—

(1) by striking subsection (b); and

(2) by redesignating subsection (c) as subsection (b).

Section-by-Section Analysis

Section 1073a of title 10, United States Code, requires health care contracts be awarded in the administration of the TRICARE program to the offeror or offerors that will provide the best value to the United States to the maximum extent consistent with furnishing high quality health care in a manner that protects the fiscal and other interests of the United States. In the determination of best value consideration shall be given to the factors specified in the regulations; and greater weight shall be accorded to technical and performance-related factors than to cost and price-related factors. This amendment to the current statutory requirement would delete the mandatory requirement to provide greater weight to technical performance over cost and price related functions and determine for each contract the relative importance of cost/price factors over technical or past performance as is otherwise allowed under the Federal Acquisition Regulations, paragraph 15.101.

Changing the requirements for awarding health care contracts would allow the Department to decide for each health care procurement what weight to give cost/price factors and technical/past performances factors and not require greater weight to be given to the technical and performance based factors. When the solicitation instructs offerors that technical approach and performance history are the most important evaluation criteria, they must propose the best solution that they can reasonably provide. This "best technical approach" has an additional cost factor that is bid as part of the contract. This emphasis on best technical approach does not mean that if the agency chooses to deemphasize it, that the contract requirements or standards are lessened and high quality of care to the beneficiary is jeopardized. This request is to give the agency the latitude to seek the most appropriate and cost effective approach to purchase care for our beneficiaries. This would not affect the Agency's ability to ensure access to care for active duty service members and retirees and their family members at a lower cost while furnishing high quality health care in a manner that protects the fiscal and other interests of the United States.

Budget Implications: There are no budgetary implications for this proposal.

RESOURCE REQUIREMENTS ($ MILLIONS) REFLECTED IN PRESIDENT'S BUDGET									
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Appropriation From	Budget Activity	Dash-1 Line Item	Program Element

DHP	0	0	0	0	0	DHP O&M	BA-01 01	01	

Changes to Existing Law: This proposal would make the following changes to section 1073a of title 10, United States Code:

§ 1073a. Contracts for health care: best value contracting

(a) Authority.—Under regulations prescribed by the administering Secretaries, health care contracts shall be awarded in the administration of this chapter to the offeror or offerors that will provide the best value to the United States to the maximum extent consistent with furnishing high-quality health care in a manner that protects the fiscal and other interests of the United States.

~~(b) Factors considered.—In the determination of best value under subsection (a)—~~

~~(1) consideration shall be given to the factors specified in the regulations; and~~

~~(2) greater weight shall be accorded to technical and performance-related factors than to cost and price-related factors.~~

~~(c)~~(b) Applicability.—The authority under the regulations prescribed under subsection (a) shall apply to any contract in excess of $5,000,000.