

FEDERAL SUPPLY SCHEDULE LIMITED-SOURCES JUSTIFICATION

Acquisition Title: Medicare Shared Savings Program (Shared Savings Program) Accountable Care Organization (ACO) Program Analysis and Operational Support (PAOS) Logical Follow-On (LFO) / Requirement # 260143J

Agency: Department of Health and Human Services (HHS)/Centers for Medicare & Medicaid Services (CMS)

Acquisition Year: 2026

Author: Andrew Keenan, Contracting Officer's Representative (COR) Dan Berkovitz, Contract Specialist (CS), and Malissa Shin, Contracting Officer (CO)

1. Description of Action:

Nature

- ☐ New Requirement
- ☒ Follow-On Order
- ☐ Modification of Existing Purchase Order / Contract Number

Contract Type

- ☒ Firm-Fixed Price
- ☒ Time and Materials
- ☐ Cost Plus Fixed Fee (CPFF)
 - ☐ Term
 - ☐ Completion
- ☐ Cost Plus Award Fee (CPAF)
- ☐ Other:

Total Projected Cost / Price: \$22,459,092

Funding Source (s):

Project #:	Funding Source Name:

Name of Proposed Contractor(s): Research Triangle Institute (RTI)

Street Address: 3040 Cornwallis Rd

City, State, Zip: Durham, NC 27709-0155

2. Description of Supplies or Services:

The estimated value of the proposed action, including all options, is:

Base Period: \$22,178,592

Transition Out: \$280,500

Estimated funding by Source:

Project #:	Funding – FY26

CMS seeks consideration to award a one (1) year logical-follow on (LFO) task order consisting of a 12-month Base Period and a 3-month transition with a total potential period of performance of September 1, 2026 – August 31, 2027.

The proposed LFO is for the Shared Savings Program ACO Program Analysis and Operational Support (PAOS) contract GS00F354CA, task order 75FCMC21F0064 that was awarded competitively using the General Services Administration (GSA)'s Multiple Award Schedule (MAS) SIN 541611. The current contractor, Research Triangle Institute (RTI) provides extensive program analysis and operational support in: (1) the implementation of the financial and quality performance determination of the Shared Savings Program and CMMI's ACO Primary Care Flex (PC) Model (2) the quality determination for clinician initiatives led by Center for Clinical Standards and Quality (CCSQ), and (3) the intersection of the Quality Payment Program (QPP) and the Shared Savings Program, to the extent that it impacts the Shared Savings Program.

The ACO PAOS contract allows the Shared Savings Program to conduct mission critical operations for the statutorily mandated Program with 511 ACOs composed of over 600,000 health care providers serving over 12 million Medicare FFS beneficiaries. The contract annually conducts quality and financial reconciliation which resulted in over \$4.1 billion in payments to over 475 ACOs and produced over \$2 billion in savings to Medicare for performance in 2024 alone, produces and disseminates over 25,000 performance feedback reports to ACOs annually, among other critical business functions.

Currently, the ACO PAOS contract is set to be recompeted for an award on September 1, 2026. Last year, CMS mandated that SAS operations be transitioned to open-source software (e.g. Python) with a December 2026 completion date. The ACO PAOS contract has spent the last year converting datasets and code from the start of the program going back to 2012 from SAS to Python to comply with this new requirement. However, the recomplete schedule overlaps with this tremendous data conversion effort, creating complexity and challenges for Shared Savings Program operations. Additionally, a September 1, 2026 contract start date could impact our ability to conduct rulemaking for the Shared Savings Program through the Calendar Year 2027 Physician Fee Schedule rule, since the transition would be occurring after the completion of the proposed rule and as development of the final rule is commencing. This could put the development and implementation of policies that advance the Administration's priorities at risk.

To date, a total of approximately \$93,112,929 has been obligated.

The **current** period of performance is:

Base Period: September 1, 2021 through December 31, 2023

Option Period 1: September 1, 2023 through August 31, 2024

Option Period 2: September 1, 2024 through August 31, 2025

Option Period 3: September 1, 2025 through August 31, 2026

The **proposed** LFO period of performance is:

Base period: September 1, 2026 through August 31, 2027

Transition Out: June 1, 2027 – August 31, 2027

Program Background

Section 1899 of the Social Security Act established the Shared Savings Program, which promotes accountability for a patient population, fosters coordination of items and services under Medicare Parts A and B, encourages investment in infrastructure and redesigned care processes for high quality and efficient health care service delivery, and promotes higher value care. The Shared Savings Program is a voluntary program that encourages groups of doctors, hospitals, and other health care providers to come together as an ACO to lower growth in expenditures and improve quality. An ACO agrees to be held accountable for the quality, cost, and experience of care of an assigned Medicare FFS beneficiary population. ACOs that successfully meet quality and savings requirements share a percentage of the achieved savings with Medicare.

On March 23, 2010, the Patient Protection and Affordable Care Act (Pub. L. 111–148) was enacted, followed by enactment of the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111–152) on March 30, 2010, which amended certain provisions of Public Law 111– 148 (hereinafter collectively referred to as “the Affordable Care Act”).

Section 3022 of the Affordable Care Act amended Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) by adding section 1899 to the Social Security Act to establish the Shared Savings Program to facilitate coordination and cooperation among health care providers to improve the quality of care for Medicare FFS beneficiaries and reduce the rate of growth in expenditures under Medicare Parts A and B. See 42 U.S.C. 1395jjj.

The Shared Savings Program regulations are codified at 42 CFR part 425. The final rule establishing the Shared Savings Program appeared in the November 2, 2011, Federal Register (Medicare Program; Medicare Shared Savings Program: Accountable Care Organizations; final rule (76 FR 67802). Several subsequent rules provided updates to the Shared Savings Program, and additional information on the statutory and regulatory basis for the program is provided on the Shared Savings Program, [Program Statutes & Regulations](#) webpage.

<https://www.govinfo.gov/link/plaw/114/public/10><https://www.federalregister.gov/citation/81-FR-77008>

3. Authority:

☒ ORDER AGAINST FSS: Authority of the Multiple Award Schedule Program, Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251, *et seq.*); Title 40 U.S.C. 501, Services for Executive Agencies; and Section 803 of the National Defense Authorization Act of 2002 (PL 107-107) and implemented by [FAR 8.405-6](#). Mark the applicable exception and for each discuss how the cited authority applies in accordance with FAR 8.405-6(c)(2)(iv).

☐ An urgent and compelling need exists, and following the procedures would result in unacceptable delays ([FAR 8.405-6\(a\)\(1\)\(i\)\(A\)](#));

☐ Only one source is capable of providing the supplies or services required at the level or quality required because the supplies or services are unique or highly specialized ([FAR 8.405-6\(a\)\(1\)\(i\)\(B\)](#)); or

☒ In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order or BPA must not have been previously issued under sole-source or limited sources procedures ([FAR 8.405-6\(a\)\(1\)\(i\)\(C\)](#)); or

As stated above and detailed below, the Center for Medicare (CM), Performance-Based Payment Policy Group (P3) requires the continuation of services with RTI to ensure successful completion of actions outlined below:

A. SAS to Python Migration

In 2025, CMS mandated that all SAS operations be transitioned to open-source software (e.g., Python) with a December 2026 completion date. RTI has spent the past year converting datasets and code accumulated since the program's inception in 2012 from SAS to Python to comply with this requirement.

This transition includes:

- Parallel programming in SAS and Python to test efficacy
- Maintaining current operations to produce over 3,000 reports annually
- Independent validation of all converted specifications and code
- Quality assurance testing across multiple data environments (IDR Snowflake, IDR Cloud, etc.)

RTI is currently on schedule and on budget to complete the SAS to Python transition before the end of 2026. However, the original recompute schedule overlaps with this tremendous data conversion effort, creating significant complexity and risk. A competitive transition during this critical period would require:

- The new contractor to complete the SAS migration while simultaneously learning RTI's existing systems
- Dual knowledge transfer (operational processes AND migration methodology)
- Potential delays to the December 2026 migration deadline
- Risk to ongoing operations serving 12+ million beneficiaries

Awarding an LFO allows RTI to complete the migration prior to any transition, significantly reducing risk and ensuring continuity of mission-critical operations.

B. Rulemaking Implementation and Policy Development

A September 1, 2026 contract transition would impact our ability to conduct rulemaking for the Shared Savings Program through the Calendar Year 2027 Physician Fee Schedule rule, as the transition would occur after completion of the proposed rule and as development of the final rule commences. This puts at risk the development and implementation of policies that advance the Administration's healthcare strategy.

During the proposed LFO period, the contractor will be responsible for:

- **Developing and implementing ambitious regulatory reforms** designed to accelerate accountable care service delivery, including:

- Benchmarking adjustments
- Accountable Care Prospective Trend refinements
- Revisions to increase ACO participation and savings
- Refinements to the assignment algorithm to reduce gaming
- Interoperability assessments
- Updates to quality reporting requirements supporting transition to digital quality measurement

- **Operationalizing new policies** effective with Performance Years 2025 and 2026:

- Prepaid Shared Savings option
- Extreme and uncontrollable circumstances policy revisions (cyberattacks, ransomware, malware)
- Improved quarterly prediction methodology
- ACO PC Flex Model integration into financial reconciliation

A transition during this period would disrupt policy implementation and create inefficiencies in translating regulatory changes into operational specifications.

C. ACO PC Flex Model Integration

Effective January 1, 2025, the CMS Innovation Center began testing the ACO PC Flex Model within the Medicare Shared Savings Program (Shared Savings Program). In Performance Year (PY) 2025, ACO PC Flex Model ACOs were incorporated for the first time into Shared Savings Program financial reconciliation calculations.

This integration requires:

- Extension of beneficiary assignment methodology to the CMS Certification Numbers, Tax Identification Numbers, and National Provider Identifier levels
- Development of new Prospective Primary Care Payment (PPCP) calculations
- Creation of ACO PC Flex County Rate Book
- Implementation of complex payment mechanisms and repayment calculations
- Coordination with multiple CMS contractors and systems

RTI has developed these new methodologies and is positioned to execute the first full year of operations

during the LFO period. A transition would require the new contractor to learn and execute these complex, newly-developed processes while they are still being refined based on initial operational experience.

D. Critical Financial Operations

The contractor will calculate annual performance payments expected to exceed the \$4.1 billion paid to over 475 ACOs for Performance Year 2024. These calculations directly impact:

- Medicare Trust Fund savings (estimated at \$2 billion to \$6 billion against benchmarks annually)
- Payment accuracy for over 650,000 healthcare providers
- Healthcare delivery for 12+ million Medicare beneficiaries

The contractor will also calculate and process:

- Advance Investment Payments totaling approximately \$7 million annually for 25+ ACOs
- Prepaid Shared Savings Payments on a quarterly basis
- Over 25,000 quarterly and annual performance reports

Any disruption to these operations could affect program integrity, provider payments, and beneficiary care.

E. Operational Continuity and Institutional Knowledge

RTI has been successfully performing ACO PAOS services for over ten years and has demonstrated high-quality performance throughout. The contractor maintains:

- Deep institutional knowledge of program evolution since 2012
- Established relationships with CMS staff, ACOs, and other CMS contractors
- Validated systems and processes for all program functions
- Expertise in the complex regulatory and statutory framework

A LFO will preserve this expertise through the critical migration and policy implementation period, ensuring:

- Continuity of operations for mission-critical functions
- Successful completion of the SAS migration
- Smooth implementation of new policies and the ACO PC Flex Model
- Preservation of institutional knowledge for transfer to future contractor

F. Resource Optimization

Significant CMS resources within the Performance-based Payment Policy Group are currently dedicated to:

- Supporting SAS to Python migration
- Implementing ACO PC Flex Model
- Developing and implementing major policy reforms
- Managing ongoing program operations

These resource demands limit the staff available to support conducting a new solicitation and managing a potential transition during this critical period. An LFO allows CMS to:

- Focus resources on successful policy implementation

- Ensure migration completion
- Plan and execute a more effective future competition
- Avoid transition risks during a period of maximum operational complexity

☐ An item peculiar to one manufacturer can be a particular brand name, product, or a feature of a product, peculiar to one manufacturer). A brand name item, whether available on one or more schedule contracts, is an item peculiar to one manufacturer. ([FAR 8.405-6\(b\)](#));

4. Market Research:

The original GSA task order (GS00F354CA, task order 75FCMC21F0064) was competed on the GSA MAS SIN 541611 in 2021. GSA has already determined the prices of supplies and fixed price services, and rates for services offered at hourly rates under schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by 8.405-2(d). Based on RTI's strong track record of performance with this work, CMS believes that RTI is still capable of completing this work to ensure successful implementation of this important work. The Contracting Officer will ensure the level of effort, mix of labor proposed, and total price is reasonable for the modification.

5. Actions to Increase Competition:

Once the logical follow-on is complete, there will no longer be any barriers that lead to this exception to fair opportunity. At the completion of the new 12-month period of performance, it is anticipated that the NSA work will be successfully implemented such that a competitive procurement can be conducted without risk to CMS' compliance with the statute.

6. Any other facts supporting the justification:

Not applicable.

Approvals:

1. **Program Office Certification:** This is to certify that portions of this justification have been developed by the undersigned program office personnel, including supporting information and/or data verifying the Government's minimum needs, schedule requirements and other rationale, which form the basis for this Limited Source Justification.

ANDREW KEENAN

Andrew Keenan

Contracting Officer Representative (COR) / Date

NISHA V. BHAT

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BHAT -S
Date: 2026.03.13 08:34:54 -04'00'

Nisha Bhat

Program/Project Manager (P/PM) / Date

2. **Contracting Officer Certification and Best Value Determination:**

This is to certify that the justification for the proposed acquisition has been reviewed and that to the best of my knowledge and belief, the information and/or data provided to support the rationale and recommendation for approval, is accurate and complete.

Best Value Determination: By my signature below, after review of the relevant documents, I have determined that the order subject to this Limited-Sources Justification represents the best value for the Government as set forth in FAR 8.404(d), and constitutes a fair and reasonable price. The basis for my determination is as follows:

The proposed logical follow-on order to Research Triangle Institute (RTI) leverages an existing Federal Supply Schedule contract under which labor rates have been determined fair and reasonable by the General Services Administration. The proposed pricing is consistent with the terms, conditions, and pricing of RTI's Schedule contract and reflects continued performance at established rates, ensuring price reasonableness without the need for additional negotiation.

RTI has demonstrated a sustained record of high-quality performance on the incumbent ACO PAOS task order, including timely delivery of all contractual deliverables, accurate execution of complex financial calculations affecting billions of dollars in Medicare payments, reliable production of thousands of performance and reconciliation reports, and effective technical assistance to over 500 Accountable Care Organizations. This performance history materially reduces performance risk to the Government.

Awarding this logical follow-on order provides substantial value through continuity of operations during a period of exceptional technical and operational complexity, including completion of the SAS-to-Python migration, implementation of major regulatory and policy changes, and integration of the ACO Primary Care Flex Model. Transitioning these mission-critical functions to a new contractor during this period would introduce significant cost, schedule, and performance risks that would likely outweigh any potential benefits of immediate competition.

Considering price reasonableness, demonstrated past performance, technical capability, reduced transition risk, and the critical nature of uninterrupted ACO PAOS operations, award of this logical follow-on order to

RTI represents the best value to the Government.

MALISSA M. SHIN -S

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SHIN -S
Date: 2026.03.19 14:08:04 -04'00'

Malissa Shin - Contracting Officer / Date

3. CMS Competition Advocate Approval

I hereby confirm the circumstances described above apply and approve the Limited Source Justification.

Lyandra

Emmanuel -S

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Emmanuel -S
Date: 2026.04.10 16:35:06
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Lyandra Emmanuel – Competition Advocate / Date

4. Head of Contracting Activity (HCA) Approval

I hereby confirm the circumstances described above apply and approve the Limited Source Justification.

DOUGLAS D. BERGEVIN -S

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Date: 2026.04.12 22:40:03 -04'00'

Douglas Bergevin / Date

5. Office of Small and Disadvantaged Business Utilization

N/A

Name / Date

6. OGC Legal Review

N/A

Name / Date

7. HHS Competition Advocate Approval

N/A

Name / Date

8. Senior Procurement Executive (SPE) Approval

Based on the foregoing justification, I hereby confirm the circumstances described above apply and approve

the Limited Source Justification.

____N/A____
Name / Date