Chapter 14 Section 1

Audits And Inspections

1.0 GENERAL

1.1 Government Right To Inspect

Federal Acquisition Regulation (FAR) 52.215-2 (Audit and Records - Negotiation), included in all cost reimbursement type TRICARE contracts, provides that TMA, its related audit-agencies, and the Comptroller General of the United States have the right to examine all supporting documentation to permit evaluation of cost or pricing data submitted by a contractor. This examination is to verify that cost or pricing data submitted during negotiations, including changes and the preparation of any fiscal report of settlement, are current, accurate, and complete. This right continues for three years after final payment to the contractor. The contractor's facilities and applicable records also shall be subject to inspection and audit by the TRICARE Management Activity (TMA).

1.2 Contractor's Responsibilities

The contractor is required to provide TMA with free access to all financial records, cost information, systems documentation, program logic, operating manuals, procedures, and other information and documentation gathered, used, and stored as a part of the contractor's TRICARE operations, including the performance of its subcontractor(s). Subcontractors must provide the same free access to TMA.

1.3 Records Retention Requirement

Records relating to appeals under the disputes clause, litigation or settlement of claims, or cost and expenses to which exception has been taken by audit, shall be retained by the contractor until the issues have been settled, and shall be retrievable for three years subsequent to the date of the settlement pursuant to the records retention requirements set forth in Chapter 2.

1.4 Proprietary Rights

Proprietary information, if so designated in the contract (including the technical proposal) will not be released by TMA. However, TMA will not recognize, as proprietary, information records and files (including attendant documentation) used by the contractor which constitute essential data resources in the processing of TRICARE claims and the generation of TRICARE Encounter Data (TED) records. This includes all files and data identified in the contract for release to TMA and files, lists, manuals, etc., relating to beneficiaries, providers, fee and rate profiles, provider charges, pending claims, and paid claims.

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