FEDERAL SUPPLY SCHEDULE LIMITED-SOURCES JUSTIFICATION

Acquisition Title: Medicare Fee For Service Health Data Analytics Services
Agency: Centers for Medicare & Medicaid Services
Acquisition Year: 2026
Author: Mark Smolenski and Jennifer Rushanan

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: $1,690,000
Funding Source (s): 0511 - Program Operations Direct:Disc

Name of Proposed Contractor(s): Magpie Health Analytics, Inc. (Magpie)
Street Address: 15019 Maderia Way, Suite 86031
City, State, Zip: Saint Petersburg, FL 33708

2. **Description of Supplies or Services:**

The estimated value of the proposed action, including all options, is $1,690,000.

The purpose of this contract is to provide data analytic support services for the Center for Medicare / Medicare Contractor Management Group (CM/MCMG) within The Centers for Medicare and Medicaid Services (CMS).

CMS administers the Medicare program, including formulation and promulgation of Medicare program policy and guidance, contract execution, operation and management, maintenance and review of utilization records, and general Medicare financing. CMS is the largest purchaser of health care in the United States and provides health care coverage to nearly one in four Americans. CMS' annual budget places it among the largest businesses in the world; its programs channel one out of every three dollars in the health care market, and its policies influence the other two dollars. CMS Contractors process approximately 1.2 billion Medicare claims annually.

As part of its responsibility to administer the Medicare program, CMS manages the work of the contractors

engaged in its day-to-day operation. This management is accomplished through a variety of avenues such as periodic conferences on topics of general interest; targeted sessions with selected subsets of the contractors; issuance of manual updates describing changes in coverage, pricing, and eligibility; and evaluation of the performance of those contractors within the description of the work CMS engages them to do.

In order to achieve higher levels of program success, CM/MCMG is adding to its existing Health Data Analytics capabilities to provide increased focus and deeper research into the Medicare operations to yield the greatest value. MCMG must design a strategy that is consciously responsive to the dynamic needs of CM's operational programs.

The activities undertaken through this contract will build upon an existing service model for delivering excellence in data and statistical modeling, program review and evaluations. Where applicable, the project will leverage existing tools, solutions and infrastructure to design easy-to-use solutions.

The contractor will provide data analysis to support measure refinements and development and execution of a methodology to assess performance. The contractor will also provide assistance with the projection of cost expenditures, model development and imputation, development of dashboards and other ad-hoc analysis to support CM/MCMG.

The current task order for Medicare Fee For Service Health Data Analytics Services with Magpie, 47QRAA19D005A / 75FCMC21F0056, was competitively awarded on the GSA Multiple Award Schedule Professional Services SIN 541611 in Fiscal Year 2021.

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)(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

Awarding a logical follow-on task order to Magpie will benefit the government by providing continuity and efficiency during a critical time of transition. CMS is currently transitioning away from SAS software to CMS CIO-approved alternative solutions, which will need to be completed by December of 2026. Magpie is supporting CM/MCMG in this transition by converting key operational programs from SAS to Python/SQL

and providing hands-on training and coaching to support CMS staff in utilizing these Python/SQL programs in Snowflake.

Additionally, CMS is in the process of consolidating Medicare Administrative Contractors to improve efficiency and reduce costs to the Medicare program over the next couple of years. These Medicare Administrative Contractors are responsible for processing approximately 1.2 billion Medicare claims annually and are among the largest and highest dollar contracts that CMS procures. Magpie assists CM/MCMG in the oversight of the Medicare Administrative Contractors by providing data analysis support, which includes developing and refining performance evaluation criteria, developing and maintaining dashboards, projecting cost expenditures and other ad-hoc analyses.

Procuring and transitioning the Medicare Fee For Service Health Data Analytics Services contract to a new contractor during this time could cause significant delays and increased cost due to the time-sensitive nature of the transition away from SAS and Medicare Administrative Contractor consolidation. Magpie is already familiar with the critical work that needs to be completed over the next few years. They have proven that they are not only capable of completing this work but able to do so efficiently and at a very high level of performance, as demonstrated by their consistently Very Good and Exceptional CPARS ratings under the current Medicare Fee For Service Health Data Analytics Services contract.

☐ 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:**
A review of available data and contractors listed in GSA Advantage, GSA eLibrary, and FPDS.gov/SAM.gov by data analysis, NAICS code 541611 and Service Code B506 was completed. That review and given the current contractor is a small business justifies continuing to set this work aside for small businesses. CMS believes there are other small businesses that may be capable of performing this work but as stated in Section 3 above, continuing this work with Magpie is in the best interest of the Government.

5. **Actions to Increase Competition:**
The next contract for this work must be competed as FAR 8.405-6(a) only allows a logical follow-on order if the previous order was placed in accordance with the applicable Federal Supply Schedule ordering procedures.

6. **Any other facts supporting the justification:**
N/A

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.

Jennifer H. Rushanan -S Digitally signed by Jennifer H. Rushanan -S
Date: 2025.08.18 15:30:31 -04'00'

Contracting Officer Representative (COR) / Date

Stephen Calfo -S Digitally signed by Stephen Calfo -S
Date: 2025.08.18 15:21:31 -04'00'

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.

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:

Magpie has been performing work under this program for several years. GSA has already determined pricing to be reasonable, however CMS will evaluate the pricing that is submitted against the current task order and Independent Government Cost Estimate (IGCE) that the program staff will produce. The evaluation of the quote against those items will enable CMS to make a fair and reasonable determination of the contractor's pricing.

Mark Smolenski -S Digitally signed by Mark Smolenski -S
Date: 2025.08.18 15:39:00 -04'00'

Contracting Officer / Date

3. **CMS Competition Advocate Approval**

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

Digitally signed by Donald Knode -S
Date: 2025.08.18 16:51:46 -04'00'

Name / Date

4. **Head of Contracting Activity (HCA) Approval**
   I hereby confirm the circumstances described above apply and approve the Limited Source Justification.

   N/A

   _____

   Name / Date

5. **Office of Small and Disadvantaged Business Utilization**

   N/A

   _____

   Name / Date

6. **OGC Legal Review**

   N/A

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   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