

## SUBCHAPTER E—GENERAL CONTRACTING REQUIREMENTS

### PART 1629—TAXES

AUTHORITY: 5 U.S.C. 8913; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 62 FR 47575, Sept. 10, 1997, unless otherwise noted.

#### Subpart 1629.4—Contract Clauses

##### 1629.402 Foreign contracts.

The clause set forth in section 1652.229-70 shall be inserted in all FEHBP contracts performed outside the United States, its possessions, and Puerto Rico.

### PART 1631—CONTRACT COST PRINCIPLES AND PROCEDURES

#### Subpart 1631.1—Definitions

Sec.

1631.1 Definitions.

#### Subpart 1631.2—Contracts With Commercial Organizations

- 1631.200 Scope of subpart.
- 1631.201-70 Credits.
- 1631.203 Indirect costs.
- 1631.203-70 Allocation techniques.
- 1631.203-71 Business unit General and Administrative (G&A) expenses.
- 1631.203-72 Home office expense.
- 1631.205 Selected costs.
- 1631.205-10 Cost of money.
- 1631.205-41 Taxes.
- 1631.205-70 FEHBP public relations and advertising costs.
- 1631.205-71 FEHBP bad debts.
- 1631.205-72 FEHBP compensation for personal services.
- 1631.205-73 FEHBP interest expense.
- 1631.205-74 FEHBP losses on other contracts.
- 1631.205-75 Selling costs.
- 1631.205-76 Trade, business, technical and professional activity costs.
- 1631.205-77 FEHBP start-up and other non-recurring costs.
- 1631.205-78 FEHBP printed material costs.
- 1631.205-79 Mandatory statutory reserves.
- 1631.205-80 Major subcontractor service charges.
- 1631.205-81 Inferred reasonableness.
- 1631.205-82 Audits.

AUTHORITY: 5 U.S.C. 8913; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 52 FR 16041, May 1, 1987, unless otherwise noted.

#### Subpart 1631.1—Definitions

##### 1631.1 Definitions.

The definitions in FAR 31.001 are applicable to this section unless otherwise noted.

[70 FR 31390, June 1, 2005]

#### Subpart 1631.2—Contracts With Commercial Organizations

##### 1631.200 Scope of subpart.

The cost principles under this subpart apply only to contracts in which premiums and subscription income are determined on the basis of experience rating, in which cost analysis is performed, or in which price is determined on the basis of actual costs incurred.

##### 1631.201-70 Credits.

The provisions of FAR 31.201-5 shall apply to income, rebates, allowances, and other credits resulting from benefit payments. Examples of such credits include:

- (a) Coordination of benefit refunds, including subrogation settlements;
- (b) Hospital year-end settlements and other applicable provider discounts;
- (c) Uncashed and returned checks;
- (d) Utilization review refunds;
- (e) Contract prescription drug rebates;
- (f) Volume discounts;
- (g) Refunds and other payments or recoveries attributable to litigation with subscribers or providers of health services; and,
- (h) Erroneous benefit payment, overpayment, and duplicate payment recoveries.

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##### 1631.203 Indirect costs.

For the purposes of applying FAR 31.203(g)(2) to FEHB Program contracts, OPM considers the monthly rates used by some carriers to be a general practice in the insurance industry.

[70 FR 31391, June 1, 2005]