CONSUMER PRODUCT SAFETY COMMISSION
DIV OF PROCUREMENT SERVICES
4330 EAST WEST HWY
ROOM 517
BETHESDA MD 20814

PACIFIC INSTITUTE FOR RESEARCH AND EVALUATION
1720 BELTSVILLE DRIVE
SUITE 900
BELTSVILLE MD 20705-3102

CONSUMER PRODUCT SAFETY COMMISSION
DIRECTORATE FOR ECONOMIC ANALYSIS
4330 EASTWEST HIGHWAY
ROOM 723-02
BETHESDA MD 20814

CPSC Accounts Payable Branch
AMZ 160
P. O. Box 25710
Oklahoma City OK 73125

DUNS Number: [redacted]
CONTRACTING OFFICER REPRESENTATIVE
COR: WILLIAM ZAMULA
TEL: 301-504-7709
EMAIL: WZAMULA@CPSC.GOV

THIS IS TASK ORDER 0003 AGAINST DELIVERY ORDER CONTRACT CPSC-D-09-0003, TO PROVIDE BENEFITS ASSESSMENT SUPPORT SERVICES FOR THE TASK STATED HEREIN FOR THE PERFORMANCE PERIOD OF 5 SEPTEMBER 2014 THROUGH 4 SEPTEMBER 2015 FOR THE SUBJECT (Use Reverse and/or Attach Additional Sheets as Necessary)

ACCOUNTING AND APPROPRIATION DATA
0100A14052-2014-14125000000-EXHR004100-25240
$59,852.00

29. AWARD OF CONTRACT: OFFER DATED YOUR OFFER ON SOLICITATION (BLOCK 6), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS.

29a. NAME AND TITLE OF SIGNER (Type or print)
Kim Miles

31a. DATE SIGNED
9/5/17

STANDARD FORM 1449 (REV. 2/03)
Prescribed by GSA - FAR 48 CFR 81.317
PREVIOUS EDITION IS NOT UsABLE

AUTHORIZED FOR LOCAL REPRODUCTION
Matter entitled "Updating Medical Costs, Survival Probabilities and Price Level Indices in the Injury Cost Model" services shall be in accordance with the attached performance work statement, contractor's proposal dated August 18, 2014, delivery contract and the GSA Schedule GS-10F-0128R.

The contractor shall provide services to conduct the following task as stated below:

<table>
<thead>
<tr>
<th>Subtask</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Subtask 1: Update Medical Costs for Injuries Treated in the Emergency Room and Released</td>
<td>1</td>
<td>LO</td>
<td>28,969.00</td>
<td>28,969.00</td>
</tr>
<tr>
<td>0002</td>
<td>Subtask 2: Update Medical Costs for Hospital-Admitted Injuries</td>
<td>1</td>
<td>LO</td>
<td>21,471.00</td>
<td>21,471.00</td>
</tr>
<tr>
<td>0003</td>
<td>Subtask 3: Update Survival Probabilities.</td>
<td>1</td>
<td>LO</td>
<td>4,459.00</td>
<td>4,459.00</td>
</tr>
<tr>
<td>0004</td>
<td>Subtask 4: Update Price Indices</td>
<td>1</td>
<td>LO</td>
<td>4,983.00</td>
<td>4,983.00</td>
</tr>
</tbody>
</table>

The total amount of award: $59,882.00. The obligation for this award is shown in box 26.

32a. Quantity in column 21 has been

☐ received ☐ inspected ☐ accepted, and conforms to the contract, except as noted.

☐ signature of authorized government representative ☐ date ☐ printed name and title of authorized government representative

☐ mailing address of authorized government representative ☐ telephone number of authorized government representative ☐ e-mail of authorized government representative

☐ ship number ☐ voucher number ☐ amount verified correct for ☐ payment

☐ partial ☐ final

☐ check number

41a. I certify this account is correct and proper for payment

☐ signature and title of certifying officer ☐ date

☐ received by (FPA) ☐ received at (location)

☐ date rec'd (YYYY-MM-DD) ☐ total containers
CPSC-D-09-0003/Task Order 0003

Updating Medical Costs, Survival Probabilities, and Price Level Indexes in the Injury Cost Model

1. DESCRIPTION OF SERVICES:

The contractor shall develop updated medical costs for all treated and released NEISS diagnosis-body part combinations using the data developed for the CDC from the 2010-2011 MarketScan® data.

2. BACKGROUND: Medical costs for the Injury Cost Model (ICM) were last updated in 2006, using data from 1996 to 2000 sources and methods derived from a Centers for Disease Control (CDC) study (Finkelstein et al, *The Incidence and Economic Burden of Injuries in the United States, 2000*, New York: Oxford University Press). Now the CDC is updating medical costs for treated and released and admitted injuries captured by the National Electronic Injury Surveillance – All Injury Project (NEISS-AIP). It is also updating survival probabilities, which influence the work loss estimates for certain severe injury diagnoses in the Injury Cost Model. This provides Commission staff with the opportunity to utilize the data and methodology developed from the CDC project to update the Injury Cost Model medical costs to 2010 levels.

In addition, changes in the annual indices contained in the *Economic Report of the President* necessitate a reexamination of the price indices used to update price levels in the Injury Cost Model. This presents an opportunity to reexamine the theoretical basis for these indices as well.

3. OBJECTIVE: The objective is to update Medical Costs, Survival Probabilities and Price Level Indexes in the Injury Cost Model

4. PERFORMANCE WORK STATEMENT: The contractor shall provide support services to include personnel to perform the following:

a. Subtask 1: Update Medical Costs for Injuries Treated in the Emergency Department and Released

The contractor shall develop updated medical costs for all treated and released NEISS diagnosis-body part combinations using the data developed for the CDC from the 2010-2011 MarketScan® data. The MarketScan® data captures costs, such as physician’s fees, more completely than other emergency department cost data, which capture only the ED charges. There has been a trend recently of emergency departments shifting charges to outside entities in recent years to avoid cost controls. However, the MarketScan® data does not distinguish consumer product related injuries from occupational, motor vehicle or intentional injuries. The Healthcare Cost and Utilization Project, State Emergency Department Databases (SEDD) provide cost data with cause codes (external cause of injury) and payer codes (worker’s compensation) that can be used to create average charges for each injury diagnosis to reflect the profile of consumer product-related injuries as well as average charges for the full range of injuries covered by the NEISS-
AIP, which includes transportation, occupational and intentional injuries. If the average ED charge for all fractured foot injuries is $750 and the average charge for all consumer product related fractured foot injuries is $600, then the adjustment ratio for the MarketScan® costs is $600/$750 = 0.8. These ratios can then be applied to the MarketScan® cost estimates to generate more accurate medical cost estimates for consumer product-related injuries. The contractor shall prepare a section in the draft and final reports discussing the methodology and comparing the new medical cost estimates for emergency department treated and released with those generated by the current version of the Injury Cost Model.

b. Subtask 2: Update Medical Costs for Hospital-Admitted Injuries

The contractor shall develop updated medical costs for all hospital admitted NEISS diagnosis-body part combinations using the data developed for the CDC from the 2010 National Inpatient Sample (NIS) and Agency for Healthcare Quality and Research) AHRQ cost-to-charge ratios. The contractor shall use cause codes and payer codes to exclude costs that are unlikely to be consumer product related. The contractor shall also update estimates of follow-on costs such as emergency transportation, nursing home, and hospice costs using the methodologies and data developed for the CDC project.

c. Subtask 3: Update Survival Probabilities

The contractor shall utilize more recent data which is available on survival probabilities for spinal cord injuries (SCI) and traumatic brain injuries (TBI). There are no specific NEISS codes for these injuries, but the probabilities of these injuries are implicit in the head injury work loss costs in the Injury Cost Model. The contractor shall update the work loss costs for the relevant diagnosis-body part combinations in the Injury Cost Model.

d. Subtask 4: Update Price Indices

The contractor shall revise the price indices used to make price level adjustments in the Injury Cost Model. The medical cost and productivity loss indices currently used are no longer readily available in the Economic Report of the President and may not reflect the latest theoretical thinking. The contractor shall provide a discussion of the theoretical issues regarding these indices and provide recommendations for medical and productivity indices that are readily available and theoretically sound. The contractor shall then provide Injury Cost Model estimates for the current model in 2012 dollars and compare and contrast them the proposed new indices to show their effects on Injury Cost Model estimates.

5. PERIOD OF PERFORMANCE:

The period of performance shall be twelve (12) months from the date of the award of the task order.
6. REPORT AND DELIVERY

The contractor shall prepare two status reports including all four subtasks in the contract, with the first status report due 3 months after task assignment and the second due six months after task assignment. The reports shall provide detailed information on progress in acquiring and processing data and developing methods to provide the required estimates. They shall identify any challenges and delays. The draft final report shall provide description and documentation of the datasets used and preliminary results for all four subtasks, and shall be due 9 months after task assignment. CPSC staff will provide comments on the draft of the final report shall which shall be due 12 months after task assignment. Data sets incorporating the estimates and instructions for implementing the estimates in the Commission’s Injury Cost Model computer programs will be due with the final report.

All supporting data used in the preparation of the reports shall be provided in either Excel spreadsheets, or SAS datasets. Reports shall be emailed to William Zamula (wzamula@cpsc.gov), preferably in some version of Microsoft Word. CPSC staff shall provide comments on the draft final report within three weeks.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>DELIVERY OR PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Conference call and price estimate.</td>
<td>1</td>
<td>Within one week after receipt of the proposed Task Order</td>
</tr>
<tr>
<td>(2) First Status Report</td>
<td>2 copies</td>
<td>Within three months after task assignment.</td>
</tr>
<tr>
<td>(3) Second Status Report</td>
<td>2 copies</td>
<td>Within six months after receipt after task assignment</td>
</tr>
<tr>
<td>(4) Draft final report and supporting data</td>
<td>2 copies</td>
<td>Within nine months after task assignment</td>
</tr>
<tr>
<td>(5) Final report and final data with documentation</td>
<td>2 copies</td>
<td>Within twelve months after task assignment</td>
</tr>
</tbody>
</table>
7. LC 5 Contracting Officer's Representative (COR) Designation

a. The following individual has been designated at the Government's COR for this contract:

Name: Mr. Bill Zamula  
Division: Directorate for Economic Analysis  
Telephone: 301-504-7709  
Email: wzamula@cpsc.gov

b. The CPSC COR is responsible for:

(1) monitoring the contractor's technical progress, including surveillance and assessment of performance, and notifying the Contracting Officer within one week when deliverables (including reports) are not received on schedule in accordance with the prescribed delivery schedule.

(2) performing technical evaluation as required, assisting the Contractor in the resolution of technical problems encountered during performance; and

(3) inspection and acceptance of all items required by the contract.

c. The COR is not authorized to and shall not:

(1) make changes in scope of work, contract schedules, and/or specifications to meet changes and requirements,

(2) direct or negotiate any change in the terms, conditions, or amounts cited in the contract; and

(3) take any action that commits the Government or could lead to a claim against the Government.

d. A clear distinction is made between Government and Contractor personnel. No employer-employee relationship will occur between government employees and contractor employees. Contractor employees must report directly to their company (employer) and shall not report to Government personnel.