

Exhibit 7
Contract Variances

A variance is defined by this contract as a request from the Hospital Provider to purchase equipment and/or supplies that are not listed in the current Mass Casualty Incident (MCI) Equipment List (Exhibit 6).

The Department will not accept variance requests after April 30, 2013.

Process:

1. A request to purchase equipment and/or supplies that are not on the approved equipment list requires the following actions:
 - A. The request must be submitted in writing by the Provider contact(s) listed in the Standard Contract (pg. 6).

The request must contain:

- i. the item(s) the Provider wants to purchase;
- ii. description of the item(s);
- iii. unit cost;
- iv. quantity;
- v. justification of how the piece(s) of equipment and/or supplies will assist the Provider in meeting the "Services" portion of the contract for which a variance is being requested.

Note: The variance is only for the item(s) listed, not for comparable items unless specified by the Department.

- B. The Department's Contract Manager has 10 working days to review the request for accuracy according to the requirements in A. above and forward the request to the appropriate individuals for approval.
- C. A majority of approvals from these three individuals/entities are required for a variance to be approved:
 - i. the designated Contract Manager will confirm that the request is not unallowable based on the conditions of the cooperative agreement and make a recommendation to approve or disapprove and
 - ii. the designated Hospital Preparedness Liaison for the Department; will make a recommendation for approval or disapproval and
 - iii. the DOH Regional Health Co-Chair(s) and/or their designee from the Region in which the Provider is located will make a recommendation for approval or disapproval.
- D. If any of the reviewers require additional information in order to complete the review, the request for information will be sent through the Contract Manager to the Provider's point of contact. All communication regarding the variance request must flow through the Contract Manager.

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- E. Once the Contract Manager has received all of the necessary approvals from the reviewers, the approval will be conveyed to the Provider. In all variances, an Amendment to the contract is required. Any purchase of equipment / supplies, prior to the execution of an amendment, will not be reimbursed.
- F. If the request is denied, the Contract Manager will communicate the denial to the Provider in writing.
- G. If the Provider wishes to appeal the denial, the original request must be resubmitted to the Contract Manager, along with the denial, and clearly state "Variance Appeal" in the request. The appeal must include additional justification as to why the Provider disagrees with the denial of the variance request. The Contract Manager will forward the appeal to the Bureau Chief of Preparedness and Response for review and approval and/or denial. The final decision made by the Bureau Chief will be communicated to the Provider in writing. The processes stated in E, F and G above applies to this "Variance Appeal" process.
- H. The Department has the right to approve less than all the items in a variance request.

END OF TEXT