



STATE OF TENNESSEE  
 DEPARTMENT OF FINANCE AND ADMINISTRATION  
 DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
 BUREAU OF TENNCARE

**REQUEST FOR PROPOSALS # 31865-00476  
 AMENDMENT # 1  
 FOR PROVISION OF ANALYTICS SERVICES**

**DATE: July 17, 2017**

**RFP # 31865-00476 IS AMENDED AS FOLLOWS:**

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE	CONFIRMED/ UPDATED
1. RFP Issued		June 21, 2017	<b>CONFIRMED</b>
2. Disability Accommodation Request Deadline	2:00 p.m.	June 26, 2017	<b>CONFIRMED</b>
3. Pre-response Conference	2:00 p.m.	June 29, 2017	<b>CONFIRMED</b>
4. Notice of Intent to Respond Deadline	2:00 p.m.	June 30, 2017	<b>CONFIRMED</b>
5. Written "Questions & Comments" Deadline	2:00 p.m.	July 6, 2017	<b>CONFIRMED</b>
6. State Response to Written "Questions & Comments"		July 17, 2017	<b>CONFIRMED</b>
7. Response Deadline	12:00 p.m.	July 27, 2018	<b>CONFIRMED</b>
8. State Completion of Technical Response Evaluations		August 11, 2017	<b>UPDATED</b>
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	August 14, 2017	<b>UPDATED</b>
10. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	August 15, 2017	<b>UPDATED</b>

11. End of Open File Period		August 22, 2017	<b>CONFIRMED</b>
12. State sends contract to Contractor for signature		August 23, 2017	<b>CONFIRMED</b>
13. Contractor Signature Deadline		August 30, 2017	<b>CONFIRMED</b>
14. Contract Start Date		October 1, 2017	<b>CONFIRMED</b>

**2. State responses to questions and comments in the table below amend and clarify this RFP.**

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT		STATE RESPONSE
1	Attachments are missing along with guidelines (Refer Bid proposal Page 1 – RFP Contents section)	The vendor now has the copy of the RFP that was released on June 21, 2017 and that is posted on CPO's website.
2	<p>RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.2.(a)</p> <ol style="list-style-type: none"> <li>1. Is there any dedicated Test Data team available? If so, is the team located in different geographic locations or at the same location?</li> <li>2. With what medium and frequency will we receive data? Is there a cut-off date?</li> <li>3. Do we need any credentials to access the data if it is hosted on the web?</li> <li>4. If the data is shared through files, what is the file format and size of the files?</li> </ol>	<p>There are a series of standard extracts already available that are created on either a weekly or monthly schedule that should be utilized when appropriate instead of custom extracts. The currently available standard extracts are created weekly (all encounter claims, registered providers) or monthly (all FFS claims, TPL resource, TPL carrier, eligibility).</p> <p>The Contractor will work with HCFA's Data Informatics team to secure the necessary eligibility, medical, and pharmacy claims data to complete the deliverables outlined in this Scope of Work. HCFA's Data Informatics team is located at 310 Great Circle Rd. Nashville, TN 37243</p> <p>The data will be transferred through a secure SFTP server. Data shall be uploaded by the Contractor on a quarterly basis. It is the Contractor's responsibility to work with HCFA's internal data teams to ensure this contract requirement is met.</p> <p>Contractors are required to complete a BAA and a TPA for their organization. In addition, individual users are required to complete TennCare's Acceptable Use Policy form and Remote Access Request before accessing TennCare's encounter data.</p> <p>All standard extract files have a published layout that can be provided, if desired.</p>
3	<p>RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.2.(b)</p> <ol style="list-style-type: none"> <li>1. Is there any data requisition form that is available to request the billing data?</li> </ol>	<p>Yes, we have a standard data requisition form for standard extracts.</p> <p>Turn around for data requests averages 4 weeks.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>2. What is the turnaround time for receiving the required data?</p> <p>3. Is there any cut-off date (freeze date) for the data within the quarter?</p>	<p>No, there is not a cut-off date for the data within the quarter.</p>
<p>4 RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.2.(c)</p> <p>Will you provide any guidelines to read the ASCII file (such as sequence of line, the number of characters represented, what attributes are from each character etc.)?</p>	<p>Yes, we will provide the needed record layout guidelines for any data file provided to a Contractor. Please note that all files are ASCII based.</p>
<p>5 RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.3.(a)</p> <p>1. When the contractor sends a request to review the DBR, what is the response time?</p> <p>2. Effort variation will also be there since it has direct impact on timelines and deliverables, correct?</p>	<p>As stated in RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.3.(a), "The Contractor shall only revise the DBRs at the request of the State." Therefore, the Contractor does not initiate the review of a DBR. We do not understand the first question.</p> <p>For the second question, this is a deliverable-based contract. We have specified two sizes of deliverable for DBR revisions, medium and large. The DBR revisions shall be completed within three months or by deadlines specified by the State, as stated in Section A.3.(f).</p>
<p>6 RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.3.(b) &amp; A.3.(f)</p> <p>If revision of DBR takes a maximum of 3 months, it will have a direct impact on deliverables, correct?</p>	<p>As stated in RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.3.(f), all DBR revisions shall be completed within a maximum of three (3) months of the State's request, or as specified by the State. A revised DBR is a deliverable, therefore we do not understand the question. We expect the Contractor to be able to return complete and high-quality work by the deadline specified by the State.</p>
<p>7 RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.4.(a)</p> <p>Can we get the documents pertaining to Waves 8,9,10 11? If they are not written yet, when will they be completed?</p>	<p>DBR documents for Waves 8,9,10, and 11 are not written yet. Episode DBRs are written after the completion of the Technical Advisory Groups (TAGs) process, due to be completed as follows:</p> <ul style="list-style-type: none"> <li>• Wave 8 TAG: Completed November 2017</li> <li>• Wave 9 TAG: Completed May 2018</li> <li>• Wave 10 TAG: Completed November 2018</li> <li>• Wave 11 TAG: Completed May 2019</li> </ul>
<p>8 Attachment B is missing (QA Process Template Excel Workbook). Can we get Attachments A, B, C.....etc.?</p>	<p>This information is provided on the link located in RFP Attachment 6.6, <i>pro forma</i> Attachment B in RFP Re-Release #2 attached to this RFP Amendment #1.</p>
<p>9 What does MMIS stands for and its significance?</p>	<p>A Medicaid Management Information System (MMIS) is a mechanized claims processing and information-retrieval system that state Medicaid</p>

QUESTION / COMMENT	STATE RESPONSE
	<p>programs must have to be eligible for federal funding.</p> <p>DXC Technologies is the State's MMIS vendor.</p> <p>DXC Technologies, is also programming episodes so that the State can perform analysis of Episodes of Care. Through the back and forth process of Quality Assurance, the State and the MCOs verify accurate coding of each Episode of Care DBR and identify discrepancies and their root causes (e.g., coding errors, data discrepancies).</p>
<p>10 Respondent is a Certified Small Business (we have ~50 employees). Can HCFA use our Dunn &amp; Bradstreet number or our Commercial and Government Entity (CAGE) number or System for Award Management (SAM) number to allow us to claim status as a Diversity Business Enterprise (as found in RFP Attachment 6.2, B.15)?</p> <p>If not, do you know how long it can take to become certified via the Governor's Office of Diversity Business Enterprise?</p>	<p>If the Small Business Certification is through the "Home" state for the business or through the Department of Transportation, we can most likely certify as a Small Business Enterprise. The other organizations – Dunn &amp; Bradstreet, etc. do not have any reciprocity for a Tennessee certification. Certification determinations are 30-45 days.</p>
<p>11 In regards to Customer References (as found in RFP Attachment 6.2, B.17), Respondent does not necessarily 'complete' projects, but rather we have customers under contract for up to three-years. In the last year we've had all but one customer renew their contract, thus making some of them customer for longer than 3-years. Can we fulfill the requirement around Customer References by providing five current customers? If not, how do we meet this requirement?</p>	<p>If the contractor has completed the initial term of the contract and has renewed for term extension, that initial period could be considered completed project.</p>
<p>12 Looking at the most recent Episodes of Care Sequencing from HCFA's website (dated June 20, 2017), I count 33 episodes in Waves 8, 9, 10, and 11. Additionally, I count 42 episodes in waves 7 - 11. Will the Cost Proposal &amp; Scoring Guide be updated to reflect these added episodes? If not, which episodes would not be included in the QA and Cost &amp; Quality Measure Threshold analysis?</p>	<p>The Contractor will be responsible for creating thresholds for 34 episodes and performing quality assurance validations for 25 episodes.</p> <p>The current sequence of the episodes is available at: <a href="http://www.tn.gov/assets/entities/hcfa/attachments/EpisodesOfCareSequence.pdf">www.tn.gov/assets/entities/hcfa/attachments/EpisodesOfCareSequence.pdf</a> but this roadmap is updated regularly. (The link does not fit in this grid so will need to be cut and pasted to avoid break in link) In addition, episode subjects can change based on input from our Technical Advisory Groups when they are designing the episodes. Therefore there is some uncertainty about exactly which episodes the Contactor will work on. However, the number of deliverables in this RFP was purposefully selected based on the resources available and our estimates of our needs.</p>
<p>13 Who performed the QA analysis on episode</p>	<p>QA on the MCO's programming of episodes for</p>

QUESTION / COMMENT	STATE RESPONSE
<p>waves 1 - 7? Will that vendor be precluded from bidding on this RFP?</p>	<p>Waves 1-6 has been performed by McKinsey and Company. QA on the MCO's programming of episodes for Wave 7 will be performed by DXC.</p> <p>Under this contract, the Contractor is performing quality assurance to verify that the analytics performed by the MCOs and the State's MMIS vendor use the correct coding for each applicable Episode of Care as set forth in the existing State-approved DBRs. The Contractor is not performing quality assurance on the DBRs themselves.</p> <p>In addition, although the Contractor will assist the State by suggesting potential revisions to the existing State-approved DBRs as clinical practice and coding guidelines change, there is no reason for the contractor who originally assisted the State in producing its Episodes of Care DBRs, McKinsey and Company, to be precluded from submitting a proposal in response to this RFP.</p>
<p>14 Does the clinician and/or clinical consultant (as per <i>Pro Forma</i> Section A.8) need to be named in the RFP response? Or will the attestation be sufficient?</p>	<p>The written Attestation that <i>"the respondent will have access, either on staff or via subcontractor, to clinicians who will service as subject matter experts to advice on clinical aspects of episode design"</i> is all that is required to meet the requirements of Section A.8, Mandatory Requirements.</p>
<p>15 Will there be only one vendor selected to provide these services?</p>	<p>Yes, only one vendor selected to provide these services.</p>
<p>16 p. 1, RFP Section 1.1: <i>"Quality Assurance verifications have been or will be complete for Waves 1-7."</i></p> <p>Who is currently performing Quality Assurance?</p>	<p>Please refer to State's response to question #13.</p>
<p>17 p. 36, RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.2.: <i>"The state will provide the Contractor at least four (4) years of claim data..."</i></p> <p>Will the State provide the Contractor with a current data dictionary?</p>	<p>Yes, the State will provide the Contractor with a current data dictionary.</p>
<p>18 p. 36, RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.3.: <i>"The Contractor shall design "large" and "medium" State-approved revisions to the Detailed Business Requirements..."</i></p> <p>Does this include Episodes from Waves 1-7 or only Waves 8-11?</p>	<p>The DBR revisions could be to any of the DBRs from Wave 1 to Wave 11.</p>
<p>19 p. 38, RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.3.(ii)(1): <i>"Creating a new risk adjustment factor based on data other than</i></p>	<p>RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.3.e.(ii)(1) is an <u>example</u> of a large revision to a DBR.</p>

QUESTION / COMMENT	STATE RESPONSE
<p><i>claims...</i>"</p> <p>Can the State provide examples of the provided data?</p>	<p>Based on a the State's past experience, an example of creating a new risk adjustment factor based on data other than claims is revising the breast cancer medical oncology episode to incorporate additional risk adjustment factors, such as the cancer stage of the patient. The analysis involved working with the source of the non-claims based data—the Department of Health Cancer Registry—to understand the format of the data, how it was collected, the timing of data collection, other peculiarities of this particular data, and the implications of all of this on the use of the data for risk adjustment of the breast cancer medical oncology episode. This change allowed for the opportunity to make better comparisons with the new risk adjustment factor in place.</p>
<p>20 p. 41, RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.6.: <i>"The contractor shall provide discrete analyses of approximately fifty (50) pages each for five (5) key evaluation questions..."</i></p> <p>Will this be a comprehensive evaluation to include all Waves? When is the analysis due to the State?</p>	<p>Yes, a comprehensive evaluation of the impact on utilization and quality of care of all episodes in all waves could be an evaluation deliverable.</p> <p>Any episodes in Waves 1-11 could be included in one of more of the discrete evaluations.</p> <p>Due dates for the discrete evaluations are not yet set. The State will set a deadline for the completion of an evaluation question once the request has been finalized by the State. It is possible that the Contractor could be required to work on multiple simultaneous analyses deliverables and so the Contractor should have the capacity for that level of work.</p> <p>The State has revised RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.6 from five (5) to eight (8) discrete evaluation questions to be identified by the State.</p> <p>Please Refer to RFP 31865-00476 Re-Release #2.</p>
<p>21 Page 24, Section B.17, requires respondents to provide three (3) different references about current and/or past engagements. If we choose to use an individual to satisfy both a past and current engagement, does the individual have to fill out the form twice, once for the past engagement and again for the current engagement or can the individual fill out the form once and reference both the past and current work? Please clarify.</p>	<p>B.17 requires five (5) references; two (2) current and three (3) completed, however if the same company can submit a reference to satisfy both a past completed project and current project, they do not need to submit two different forms.</p>
<p>22 p. 38, <i>Pro Forma</i> Contract Section A.4.b</p> <p>Which vendor completed the QA verifications for Waves 1-7?</p>	<p>Please refer to State's response to question #13.</p>
<p>23 p. 38, <i>Pro Forma</i> Contract Section A.4.b</p>	<p>Please refer to State's response to question #12.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>“The Contractor shall manage a Quality Assurance process, in consultation with the State, to ensure accurate coding of <b>22</b> Episodes of Care....” Perform quality assurance checks for EOCs included in Waves 8-11. Referring to Attachment A there are 30 EOCs in Waves 8-11. Please clarify the number of EOCs in which the QA process will be required to be completed.</p>	
<p>24 p.38 <i>Pro Forma</i> Contract, Section A.5, p.47 <i>Pro Forma</i> Contract, Section C.3</p> <p><i>“The Contractor shall advise the State on cost and quality metric thresholds for 34 EOCs for Waves 7-11 EOCs.”</i></p> <p>34 Total EOCs on the cost sheet. Referring to Attachment A there are 39 EOCs in Waves 7-11. Please clarify the number of EOCs in which the cost and quality measure thresholds should be calculated for.</p>	<p>Please refer to State’s response to question #12.</p>
<p>25 p. 43, <i>Pro Forma</i> Contract Section A.9.b</p> <p>Please confirm that the damages discussed in this section are the same damages as those listed in Attachment D with a not-to-exceed penalty value of \$1,000 per occurrence, and not an additional set of damages.</p>	<p>Confirmed.</p>
<p>26 p. 4, RFP Section 1.4.9</p> <p>Offerors rely on the information included within the RFP to develop firm pricing. In the event it is determined information included is inaccurate, will the State please confirm the awardee will have the ability to revisit its pricing through a defined change management process?</p>	<p>Not confirmed. The pricing submitted in the Cost Proposal will remain throughout the term of the contract.</p>
<p>27 The RFP does not provide any guidance related to submitting a redacted copy of its proposal. Due to proprietary elements being included in our proposal, Offerors desire to submit a redacted copy for any FOIA requests. Would the state please confirm the appropriate format for the redacted copy? For example, does the state only want a single, electronic copy or does it required a hard copy as well?</p>	<p>This RFP is not requesting any information that would be considered proprietary. Please refer to RFP Section 4.8.</p>
<p>28 p. 13, RFP Section 4.6; <i>Pro Forma</i> Contract Section D.32</p> <p>Will the State please confirm 1) what insurance is considered “acceptable to the State”? and 2) what insurance is b) authorized by the Tennessee Department of Commerce and Insurance (“TDCI”) (e.g. is there a list available?)</p>	<ol style="list-style-type: none"> <li>1. The State reserves the right to decline a proposed insurance producer who would otherwise be acceptable to prevent continued use of an insurance producer who is involved in a dispute with the State. While the State reserves this right, a producer who meets the other two requirements would generally be acceptable to the State.</li> <li>2. TDCI (in association with NAIC) maintains a searchable database of insurers at <a href="https://sbs-tn.naic.org/Lion-">https://sbs-tn.naic.org/Lion-</a></li> </ol>

QUESTION / COMMENT	STATE RESPONSE
	<a href="http://Web/jsp/sbsreports/CompanySearchLookup.jsp#">Web/jsp/sbsreports/CompanySearchLookup.jsp#</a> .
<p>29 p. 13, RFP Section 4.6; <i>Pro Forma</i> Contract Section D.32</p> <p>Would the State please remove the requirement to approve any insurance deductible over fifty thousand dollars (\$50,000)?</p> <p>If no, would the State please clarify what the approval process would be for this and when Offerors should seek approval?</p>	<p>So long as a contractor presents a COI indicating the appropriate levels of insurance which meet all other requirements, the State will remove this requirement.</p> <p>Please refer to <i>Pro Forma</i> Contract Section D.32 in RFP Re-Release #2.</p>
<p>30 p. 13, RFP Section 4.6; <i>Pro Forma</i> Contract Section D.32</p> <p>As stated, the insurance provision requires the awardee to provide a Certificate of Insurance, 30 days prior to being bound by a policy, which is not possible. Would the State please revise the RFP/Contract language that would allow the awardee to provide 30 days' notice of intent of cancellation or non-renewal of the policy, and provide a COI within 10 calendar days of policy renewal?</p>	<p>These provisions are to ensure active coverage as soon as the Contract goes into effect and that such coverage does not lapse during the course of the Contract. It is our experience that insurers release information for scheduled policies well in advance of their start date. There is no requirement that a Certificate Holder (which is what the State would be per the terms required on the COI) be contractually engaged to the insured to be so named and to receive information as to the insured's coverage. The required COI serves as an information concerning the coverage held by the insured and is not a contract. These reporting requirements are standard and cannot be changed.</p>
<p>31 p. 13, RFP Section 4.6; <i>Pro Forma</i> Contract Section D.32</p> <p>Would the State please consider removing the insurance waiver of subrogation contained in the RFP, as most insurance companies will not agree to and/or prohibit this type of requirement from the policy</p>	<p>Most insurers allow waiver of subrogation if they receive prior notice from the insured. Even if not a standard policy term, most policies may evince coverage via additional endorsements.</p>
<p>32 p. 13, RFP Section 4.6; <i>Pro Forma</i> Contract Section D.32</p> <p>Would the State please consider removing the statement that says "The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract". Additional insurance coverage could have a pricing impact that would need to be considered through a change management process.</p>	<p>The State is willing to change the statement as follows, "The State reserves the right to request additional insurance coverage, coverage amounts, and endorsements. Upon request, the Contractor shall produce any endorsements required under this Contract." Please refer to <i>Pro Forma</i> Contract Section D.32 in RFP Re-Release #2, attached to this amendment..</p>
<p>33 RFP Section 4.8</p> <p>Please confirm that only the successful proposal will be open to public inspection. Typically, unsuccessful proposal contents are not considered to be subject to such a requirement.</p>	<p>Not confirmed. Refer to RFP Section 4.8.1</p>
<p>34 There does not appear to be a change management process identified in the <i>Pro Forma</i> Contract. Would the State please consider revising to include a change</p>	<p>The State will work closely with the Contractor and a change request as specified in <i>pro forma</i> Section A.9 will be initiated by the State.</p>



QUESTION / COMMENT	STATE RESPONSE
<p>management process that would provide both Parties a mechanism to 1) notify the other of a change to the scope; 2) changes to schedule; and 3) to negotiate and definitize pricing and scope increases on the program?</p> <p>Accordingly, it is suggested that language similar to the following be added to the ensuing contract: The parties agree to immediately notify the other in writing in the event that they become aware of a change to the scope or a change to the schedule contained within the contract. If any such change causes an increase or decrease to the price or time for performance the parties agree to negotiate an adjustment to the contract in good faith within 30 days from the date of notice.</p>	
<p>35 There does not appear to be an acceptance/rejection process related to contract deliverables, identified in the Pro Forma Contract. Would the State please consider revising to include the following (or something similar)? : The State shall have 10 calendar days from the date of submission to review deliverables. The State shall provide Contractor with a written notice of acceptance/rejection. In the event of rejection, the State shall provide a reason for the rejection, and the Contractor shall have 10 calendar days to correct such deficiencies and resubmit. Deliverables shall be considered accepted after the lapse of 10 calendar days without the receipt of notification.</p>	<p>Given the State's review response time depends on multiple factors including the size of each deliverable that needs to be reviewed, this request is denied. All deliverables are reviewed by the State within a reasonable timeframe and review timing is discussed between the State and the Contractor before or upon delivery of the deliverable.</p>
<p>36 There does not appear to be an acceptance/rejection process, related to invoice and payment, identified in the Pro Forma Contract. Would the State please consider revising to include the following (or something similar?) : The State shall have 10 calendar days from the date of submission to review all invoices. The State shall provide Contractor with a written notice of acceptance/rejection. In the event of rejection, the State shall provide a reason for the rejection, and the Contractor shall have 10 calendar days to correct such deficiencies and resubmit. Invoices shall be considered accepted after the lapse of 10 calendar days without the receipt of notification.</p>	<p>Language request denied.</p>
<p>37 Would the state please confirm the payment terms (e.g. NET30 from receipt of an acceptable invoice) associated with this opportunity?</p>	<p>TennCare's normal business process is to pay an accurate invoice for work that has been delivered to the State within 30 days from receipt of invoice.</p>
<p>38 p. 66, <i>Pro Forma</i> Contract Section E.24 Would the State please confirm that access to "federal tax returns or return information" (as</p>	<p>This language is a standard clause in all HCFA contracts as a safeguard in the event this may occur during the course of the contract. Currently we do not anticipate access to federal tax returns</p>

QUESTION / COMMENT	STATE RESPONSE
<p>defined within IRS publication 1075) is not within the scope of this solicitation? If correct, would the State please consider removing the requirement?</p>	<p>or return information.</p>
<p>39 p. 13, RFP Section 4.9.1</p> <p><i>“After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.”</i></p> <p>Please confirm what is included in “appropriate documentation”.</p>	<p>The documents itemized in pro forma Section C.9.</p>
<p>40 p. 48, <i>Pro Forma</i> Contract Section C.7</p> <p>Please confirm what circumstances would result in a setoff against the Contractor’s invoice?</p>	<p>Reserves the right of the state to withhold due to any debt owed.</p> <p>Example 1: Multiple contracts but due to improper billing that may have occurred, the debt can be recouped from another contract.</p> <p>Example 2: If a Contractor damages state property, anything owed can be withheld from another contract based on debt incurred.</p>
<p>41 p. 62, <i>Pro Forma</i> Contract Section E.16</p> <p>Given the current federal/state health landscape, there is a potential for legislative changes to take affect during contract performance that could impact pricing. Would the State please confirm/revise the contract language to include a defined change management process that would be utilized in the event of such legislative changes?</p>	<p>The pricing in this contract is based on specific deliverables that are required to be completed prior to payment. The changes in legislation would not affect the pricing, however, any changes would need to be affected via an amendment to the contract.</p>
<p>42 p. 62, <i>Pro Forma</i> Contract Section E.20</p> <p>Please confirm the deliverable requirements associated with E.20 are all due after award?</p>	<p>Confirmed</p>
<p>43 p. 39, <i>Pro Forma</i> Contract Section A.4 and p. 41, <i>Pro Forma</i> Contract Section A.7</p> <p>The RFP States:  <i>Complete coding of each episode’s DBR within three (3) weeks of receipt. The Contractor, the MCOs, and the State’s MMIS vendor will receive the DBRs and configuration files from the State up to two (2) months following the conclusion of that wave’s Technical Advisory Groups (TAGs).</i></p> <p>The schedule outlined in the “Program and Analytics Contractor Timelines” in section A.7 states that the “DBRs and associated configuration files coded” within 2 months of the TAG conclusion. If the DBRs are not received until 2 months after the TAG conclusion will an additional 3 weeks for coding be provided?</p>	<p>The RFP Attachment 6.6 <i>Pro Forma</i> Contract Section A.4.(e) has been amended to state the following: “Run a kick-off conference call two (2) months following the conclusion of each Wave’s TAGs or timing otherwise directed by the State. The call shall include all MCOs and the State’s MMIS vendor to discuss any initial questions or comments about the DBR documentation as they program each episode.”</p> <p>Also, Section A.4 (k) has been added to the <i>Pro Forma</i> Contract to state the following: “The State will consider requests to extend the timeline for deliverables on a case by case basis. The Contractor shall make all requests for extensions in writing to the State for consideration.”</p> <p>Please refer to RFP 31865-00476 Re-Release #2, attached to this amendment.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>44 p. 40, <i>Pro Forma</i> Contract Section A.5 and p. 41, <i>Pro Forma</i> Contract Section A.7</p> <p>The contract states that the contractor shall, “advise the State on cost and quality metric thresholds for thirty-four (34) Episodes of Care for Waves 7-11 Episodes of Care.”</p> <p>However, the schedule outlined in the “Program and Analytics Contractor Timelines” in section A.7 only provides details for Waves 8-11. Will the contractor be responsible for providing cost and quality metric thresholds for Wave 7?</p>	<p>Yes, the Contractor shall be responsible for providing cost and quality metric thresholds for Wave 7. The schedule in <i>Pro Forma</i> Contract Section A.7 has been updated to reflect this.</p> <p>Please refer to RFP 31865-00476 Re-Release #2, attached to this amendment.</p>
<p>45 p. 48, <i>Pro Forma</i> Contract Section C.9.a</p> <p>The contract states “ The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State.”</p> <p>Please confirm when the State will provide the deposit form.</p>	<p>The State will provide deposit forms upon Contract award.</p>
<p>46 p. 59, <i>Pro Forma</i> Contract Section E.10</p> <p>Liquidated damages are cited in many areas of the RFP and contract. While it is understood that the State cannot apply a cap on damages related to data breach, it is suggested that a maximum liability amount on all other cited areas subject to liquidated damages be included not to exceed one time the amount of contract value. This will enable prospective respondents to offer more competitive pricing and still afford the State the ability to recoup monies if a contractor fails to perform.</p>	<p>Section E.10 remains unchanged.</p>
<p>47 p. 73, <i>Pro Forma</i> Contract Attachment D</p> <p>Would the State please confirm that the performance/compliance failures for which liquidated damages could be assessed are only tied to contract deliverables specified in the RFP?</p>	<p>Confirmed.</p>
<p>48 p. 73, <i>Pro Forma</i> Contract Attachment D</p> <p>The RFP confirms that Liquidated Damages are not to serve as a punishment for any breach by the contractor. However, given that Contractors are already subject to damages in the event of a breach through the incorporated HIPAA and HITECH acts, additional liquidated damages of \$1,000 per affected individual, per occurrence for a security breach is punitive. As such, would the State please consider removing Performance Issue 1 and the associated</p>	<p>Request denied.</p>

QUESTION / COMMENT	STATE RESPONSE
damages from the solicitation?	
<p>49 p. 73, <i>Pro Forma</i> Contract Attachment D</p> <p>Would the State please confirm that the LD's referenced for performance/compliance failures are not on top of any LD's incurred due the 4 performance issues specified in the table on page 74? For example, would the State please confirm that if the Contractor failed to meet a privacy standard (Program Issue 1), it could be assessed \$1,000 per affected member, per occurrence, but not also an additional \$1,000 as a general performance/compliance failure?</p>	Confirmed.
<p>50 p. 73, <i>Pro Forma</i> Contract Attachment D</p> <p>Program Issue # 2 from the table on page 74 specifies that the program issue is for failure for the Contractor to execute appropriate agreements. However, there is no time standard associated with these. Understandably, negotiating agreements between parties takes time. Would the state consider adding a 60 calendar day window to negotiate agreements before a penalty is incurred?</p>	No language change, however, the contractor will have a reasonable amount of time to put these in place.
<p>51 p. 74, <i>Pro Forma</i> Contract Attachment D</p> <p>Program Issue # 2 from the table on page 74 specifies that the program issue is for failure for the Contractor to execute appropriate agreements. As such, the Liquidated Damage "per affected member, per occurrence, does not seem to accurately reflect the intent of the penalty. Would the State please revise the damage to reflect \$1,000 per occurrence?</p>	Denied. Language should be per affected member, per occurrence.
<p>52 p. 36, <i>Pro Forma</i> Contract Section A.2</p> <p><i>The Contractor shall use Tennessee's TennCare and CoverKids encounter data to inform its analyses and shall have the capability to securely host Personally Identifiable Information (PII) and Health Insurance and Accountability Act of 1996 (HIPAA) protected information in order to provide the services and deliverables required in this scope of work.</i></p> <p>Question: Should the word "inform" be "perform" ?</p>	No, the data are used to inform analyses. The Contractor's analyses are not solely limited to encounter data. Clinical expertise can also be used to inform analyses.
<p>53 p. 36, <i>Pro Forma</i> Contract Section A.2.a</p> <p><i>The State will provide the Contractor at least four (4) years of claims data for 1.5 million members from TennCare and CoverKids. The Contractor shall upload at least four (4) years of eligibility and medical and pharmacy</i></p>	The Contractor would be expected to pull down 4 years of data initially and then pull down only the newest data each quarter.

QUESTION / COMMENT	STATE RESPONSE
<p><i>claims data from the State on a quarterly basis.</i></p> <p>Question: Is the expectation to keep 4 years of rolling data or would the contractor have to pull down 4 years of data each quarter ?</p>	
<p>54 p. 36, <i>Pro Forma</i> Contract Section A.2.c</p> <p><i>The State will make encounter data available in an ASCII file with requested delimiter or a SAS dataset. The Contractor shall access and upload the data through the State's SFTP site or through other methods specified by HCFA. A sample file layout for TennCare data is available in Attachment B.</i></p> <p>Question: Will the contractor receive all data necessary (claims, encounter, MCOs, reference etc..) for this contract from the State's SFTP site ?</p>	<p>There could be multiple methods of data sharing, depending on the size of the file(s).</p>
<p>55 p. 38, <i>Pro Forma</i> Contract Section A.4</p> <p><i>The Contractor shall manage a Quality Assurance process, in consultation with the State, to ensure accurate coding of twenty-two (22) Episodes of Care by the State's partners, including TennCare's three MCOs, and its CoverKids administrator, as well as the State's MMIS vendor. In total, each round of Quality Assurance validation for one Episode of Care shall include validating five (5) separate data sets. Through this Quality Assurance process, the Contractor, in conjunction with the MCOs and the State's MMIS vendor, shall identify discrepancies and root causes (e.g., coding errors or data discrepancies). In order to execute the Quality Assurance process as outlined in this Contract, the Contractor shall:</i></p> <p>Question: Will the 5 validation datasets be delivered to the contractor by the state using the state's SFTP site ?</p>	<p>Yes.</p>
<p>56 p. 74, <i>Pro Forma</i> Contract Attachment D</p> <p>Program Issue # 4 from the table on page 74 specifies that the program issue is for failure for the Contractor to appropriately notify in the event of a breach. Given that Contractors are subject to HIPAA/HITECH requirements related to data breaches and briefing requirements, including penalties for not complying. As such, would the State please consider removing this requirement in totality? Conversely, if the State is unwilling to remove the program issue and</p>	<p>Request Denied.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>associated penalty in entirety, would the State consider revising the Liquidated Damage from “per affected member, per occurrence,” to \$1,000 per occurrence?</p>	
<p>57 p. 19, RFP Mandatory Requirement A.3. This requires bank references and creditor references to be supplied with the response. This is not a standard request for large publically traded companies that will have a large number of banks and creditors. As these companies are required to supply audited financial information within our annual reports, would the State please confirm it would be willing to accept company annual reports as part of the proposal submission, in lieu of this requirement?</p>	<p>Request denied. This requirement is only one (1) letter from your bank that you have a business relationship in positive standing, written in letter format.</p>
<p>58 p. 19, RFP Mandatory Requirement A.4. This requires bank references and creditor references to be supplied with the response. This is not a standard request for large publically traded companies that will have a large number of banks and creditors. As these companies are required to supply audited financial information within our annual reports, would the State please confirm it would be willing to accept company annual reports as part of the proposal submission, in lieu of this requirement?</p>	<p>Request denied. This requirement is not a bank reference. This requirement is for two (2) current positive credit references from vendors that you have done business with, written in letter format on letterhead.</p>
<p>59 p. 20, RFP Mandatory Requirement A.5. This requires bank references and creditor references to be supplied with the response. This is not a standard request for large publically traded companies that will have a large number of banks and creditors.  As these companies are required to supply audited financial information within our annual reports, would the State please confirm it would be willing to accept company annual reports as part of the proposal submission, in lieu of this requirement?</p>	<p>Request Denied. This is neither a bank reference nor credit reference. It is a copy of an accredited credit bureau report.</p>
<p>60 p. 46, <i>Pro Forma</i> Contract Section C.3 Would the State be amenable the acceptance of Contractor proposed incremental milestones associated with of the cost items to ensure Contractors are able to maintain a reasonable cashflow to support this work?</p>	<p>Request Denied. Payment will be made upon delivery of deliverables.</p>
<p>61 p. 3, RFP Section 1.2 Section 1.2 indicates that Section B should define the Contract Period. However, Section B</p>	<p>Please refer to RFP Attachment 6.6, Section B.1.  <i>B.1. This Contract shall be effective for the period beginning October 1, 2017</i></p>

QUESTION / COMMENT	STATE RESPONSE
<p>does not confirm the Period of Performance. Would the State please confirm the anticipated Period of Performance, and revise the solicitation to reflect that Contract Period in Section B?</p>	<p><i>("Effective Date") and ending on September 30, 2020 ("Term"). The State shall have no obligation for goods delivered or services provided by the Contractor prior to the Effective Date.</i></p>
<p>62 RFP Attachment 6.2 – Technical Response &amp; Evaluation Guide – Section C.2</p> <p>Section C.2 of the Technical Response and Evaluation Guide asks for "the amount of time the Respondent will take start-to-finish to program existing episodes." However, the schedule outlined in the "Program and Analytics Contractor Timelines" in section A.7 includes no deliverables for EOCs in Waves 1-6. Would the contractor be responsible for coding EOCs in Waves 1-6?</p>	<p>Large and medium revisions of DBRs could be requested for any episode in Waves 1-11, including the episodes in Waves 1-6</p>
<p>63 p. 41, <i>Pro Forma</i> Contract Section A.7</p> <p>The schedule outlined in the "Program and Analytics Contractor Timelines" in section A.7 states that the "DBRs and associated configuration files coded" within 2 months of the TAG conclusion. Will the contractor receive draft DBRs before the end of the TAG conclusion?</p>	<p>The DBRs will be shared with the Contractor when they are complete. If there are draft documents that are available earlier, the State may choose to share these as well.</p>
<p>64 p. 38, <i>Pro Forma</i> Contract Section A.4.c</p> <p>During the TAG, will the contractor have the ability to submit recommendations on the EOC development to increase consistency in that EOC's archetype?</p>	<p>The Contractor will have the ability to make recommendations to the State regarding the development of an Episode of Care. These recommendations should be made outside of the TAG process.</p>
<p>65 p. 37, <i>Pro Forma</i> Contract Section A.3.e</p> <p>What has been the number of revisions and the level of revisions on average for the EOCs currently in production (i.e. round 1-6)?</p>	<p>There has been approximately 1 medium DBR revision per wave of episodes and 1 large DBR revision overall across waves 1 through 6.</p>
<p>66 p. 38, <i>Pro Forma</i> Contract Section A.3.f</p> <p>During the 3 month timeframe of DBR revision, will the contractor have the ability to complete coding and make suggestions to Tennessee for inaccuracies in the algorithm?</p> <p>If a substantial number of inaccuracies are found in the DBR, will the State grant the contractor more time to complete the DBR revision?</p>	<p>During the 3 month timeframe of DBR revision, the Contractor will have the ability to complete coding and make suggestions to Tennessee for inaccuracies in the algorithm. The State will consider extending the 3 month timeframe for DBR revisions on a case by case basis.</p>
<p>67 Given the amount of questions being submitted and only 10 days from when the state expects to deliver answers to the due date, in support of this solicitation, it is respectfully requested that the due date be extended to August 10, 2017.</p>	<p>The State does not anticipate changing the RFP schedule.</p>
<p>68 p. 51, <i>Pro Forma</i> Contract Section D.18</p>	<p>Request denied.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Liquidated Damages are the most prevalent way a Contractor would be required to pay under the contract. As such, a Maximum Liability provision excluding the Liquidated Damages is not meaningful. Would the State consider revising the Limitation of Contractor's Liability section to include Liquidated Damages?</p>	
<p>69 Please confirm that electronic signatures are considered acceptable for purposes of the hard copy and electronic submission copies.</p>	<p>Confirmed.</p>
<p>70 p. 2, RFP Section 1.1 Due to the fact that the current Episode of Care Consulting Services Contractor, McKinsey and Company's work product is being utilized and quality assurances being performed on their work product, please confirm they are not eligible for award of this opportunity, given the other conflicts of interest outlined in the RFP.</p>	<p>Please refer to State's response to question #13.</p>
<p>71 p. 2, RFP Section 1.1 Who are the current entities that develop episode analytics or code episodes on behalf of the TennCare MCOs that are not eligible to submit proposals?</p>	<p>The TennCare Managed Care Organizations (MCOs) or the parent company, subsidiary, or affiliate of an MCO are not allowed to bid. Also, companies that develop episodes analytics or code episodes on behalf of the TennCare MCOs to implement the DBRs are not allowed to bid.</p> <p>Currently Optum codes episodes on behalf of two TennCare MCOs.</p>
<p>72 p. 36, <i>Pro Forma</i> Contract Section A.3.b Will TennCare provide the names and contact information for the provider or small group of providers referenced in this section or will the contractor identify after award?</p>	<p>The providers with whom the Contractor may need to have discussions with will not be known until the episode DBR change has been selected. TennCare will provide the names and contact information of the relevant providers recommended to be contacted to the Contractor at the time. Note that representatives of the State will likely participate in these conversations as well.</p>
<p>73 p. 42, <i>Pro Forma</i> Contract Section A.9 The Control Memorandum process discusses the mechanism for assessing liquidated (and other) damages. Would the State please confirm the damages are the same as those defined in Attachment D to the RFP and are not separate/additional damages?</p>	<p>Confirmed.</p>
<p>74 p. 38, <i>Pro Forma</i> Contract Section A.4.c Will the contractor be able to attend the TAG meetings to better understand any issues or concerns during the EOC development?</p>	<p>Yes participation in the TAG meetings is welcome either in person or by phone. If in person, the State will likely limit the number of attendees to 1 or 2 individuals due to size constraints of the room.</p>
<p>75 p. 46, <i>Pro Forma</i> Contract Section C.3</p>	<p>Request Denied.</p>



QUESTION / COMMENT	STATE RESPONSE
<p>Would the State be amenable to adding deliverable for downloading, staging, and indexing all of the State files since this will be essential to be done before any of the other deliverables can be accomplished?</p>	
<p>76 p.23, RFP Attachment 6.2, Section B, Item B.15.b</p> <p>Large Offerors likely have many small business relationship, but many not relevant to the type of work being contemplated under this RFP. As such, would the State please revise the requirement to be applicable to relationships with small Tennessee businesses only? Alternatively, if that is not acceptable, would the State revise the requirement to be applicable to relationships with small businesses under contracts of similar size and scope?</p>	<p>Request Denied.</p>
<p>77 p.23, RFP Attachment 6.2, Section B, Item B.15.b</p> <p>While we understand the intent of the request to provide a workforce break down by gender and ethnicity, this information is not likely available (or alternatively, very accurate) as this information is not required to be provided by individuals to be employed. In place of this requirement, would it be acceptable for an Offeror to provide its Equal Opportunity Policies to demonstrate that it offers employment to all individuals, regardless of particular characteristics?</p>	<p>The respondent can use its EOP to respond to RFP Attachment 6.2, item B.15.b.</p>
<p>78 Section B.13 requires Respondents to provide the estimated number of hours that each individual will devote to the performance. Since this is a firm-fixed price effort, and not all Respondents may work on an hourly basis, would the State allow Respondents to provide the estimated level of effort in accordance with their standard pricing and operating models, as reflected in weeks, days, % FTE, etc.,?</p>	<p>Yes.</p>
<p>79 Reference: Section 4.8.1, Disclosure of Response Contents. May Respondents identify the confidential sections and pages of their proposals in their responses? This would allow Respondents to more openly discuss proprietary approaches, methodologies and tools intended to be utilized in their delivery to benefit the State. Both a review copy with no redactions AND a redacted copy for public release would be included in submissions to the State. We understand that the State does not want Respondents to provide proprietary information, so any guidance on any process that can be</p>	<p>This procurement does not request proprietary information and it should not be submitted by the respondent. All information submitted relative to this procurement will be considered public information.</p>

QUESTION / COMMENT	STATE RESPONSE
followed to protect even limited portions of responses would be appreciated.	
80 Will the State allow limited negotiation of the contract terms and conditions included in Attachment 6.6 after the successful offeror is chosen?	No. Please refer to RFP Attachment 6.1.
81 Can the State provide guidance to Respondents on how to include in their proposals any questions or concerns on any of the provisions in the pro forma contract?	Questions/concerns should have been submitted for consideration by the State in these questions, due to the State on July 6, 2017.
82 If Respondents have limited exceptions or additions to the contract terms and conditions, may those be included in proposals as an Appendix, solely for consideration by the State?	Request Denied. No exceptions or additions to the contract terms will be considered as part of the response.
83 Attachment D of the RFP, along with Sections A.9 and E.10 of Attachment 6.6, provide for liquidated damages. Is the State willing to narrow the scope or applicability of liquidated damages?	Request Denied.
84 Sections A.9(d) and D.11 of Attachment 6.6 concern access to records. Because this is a firm fixed price engagement, will the State consider narrowing the scope of the access to records to only directly related documents?	Request Denied.
85 Section A.11 of Attachment 6.6 concerns non-disclosure of information while working with other contractors. Will the State consider extending some confidentiality protections to the Contractor?	The language remains as written.
86 Section D.17 of Attachment 6.6 concerns the State's limitation of liability. Is the State willing to make this Section reciprocal and delete Section D.18?	Request Denied.
87 Section D.19 of Attachment 6.6 concerns indemnification. Is the State willing to limit Contractor's indemnification to acts involving the Contractor's negligence or willful misconduct, as is standard in commercial arrangements?	D.19 remains as written.
88 Section D.32 of Attachment 6.6 concerns insurance. Would the State considering allowing limited revisions to this clause to comply with the Contractor's insurer's requirements? There are some provisions in the Agreement that commercial insurers do not typically agree to and not all of the items specified are applicable to every policy.	The State will consider limited revisions to Section D.32 to comply with Contractor's insurer's requirements, provided that such requirements do not interfere with the best interests of the State, or with recommended industry best practices. Please refer to <i>Pro Forma</i> Contract Section D.32 in RFP Re-Release #2, attached to this amendment.
89 Section E.2 of Attachment 6.6 concerns	Request Denied.

QUESTION / COMMENT	STATE RESPONSE
confidentiality of records. Will the State allow this clause to apply reciprocally to both Parties?	
90 Sections E.3 and E.4 give the State broad ownership rights in the deliverables and work product provided under this Agreement. Attachment 6.6 does not appear to provide for Contractor to protect any pre-existing Intellectual Property they might leverage or provide, which is not the commercial standard. Will the State consider incorporating a clause to protect Contractor's pre-existing IP rights?	Contract Section E.4 addresses the Contractor's pre-existing rights. The State retains rights and ownership of work product that are created, designed, developed, or documented by the Contractor exclusively for the state during the course of the project using State money or resources.
91 Would the State consider granting limited reciprocity to the Contractor concerning the public references?	Request Denied.
92 Will the State clarify the number of episodes for which threshold recommendations are expected, accounting for the potential need to update threshold calculations for past episodes or following DBR revisions?	The threshold recommendations are expected for episodes in Waves 7-11. Updated threshold calculations for past episodes or following DBR revisions are not included in this Scope of Work.
93 To execute DBR revisions involving data other than claims, we would need to ingest and leverage that data set. Should we assume that we would need to validate the quality of the data set during that process, or perform any transformations to the data set?	If another data source is needed, it is the responsibility of the Contractor to validate the quality of the data set.
94 Attachment A of the appendix lists 39 episodes in Waves 7-11 and 30 episodes in Waves 8-11. Will the State provide clarification around the requested number of deliverables for QA validation (Waves 8-11, 22 episodes) and thresholding (Waves 7-11, 35 episodes)?	Please refer to State's response to question #12.
95 Will the State provide additional detail and clarification around how the awarded Contractor is intended to work with the QA vendor (DCX), particularly following any DBR revisions?	DXC is the State's MMIS vendor. The Contractor will be responsible for both Quality Assurance verifications for Waves 8-11 and DBR revisions at the request of the State. DBR revisions may be requested for any episode the State has developed. There will likely be situations where a DBR revision is requested for an episode from Waves 1-7. In such a scenario, the Contactor would be responsible for programming the episode using the DBR information available on the State's website.
96 Will the State provide additional detail and clarification around the expectation for what data sets are to be used for program evaluation analyses?	State medical and pharmacy claims data as well as eligibility data, and in some cases other clinical data may be used for the discrete analyses. Once the evaluation questions are defined, the Contractor will be expected to determine if additional data sets are needed.

QUESTION / COMMENT	STATE RESPONSE
<p>97 Will the vendor be responsible for requesting/receiving data (claims, eligibility, etc.) directly from the MCOs in addition to the data claims and encounter data from the state?</p>	<p>The Contractor shall receive the claims data needed to complete the deliverables outlined in this RFP directly from the State. The MCOs and the State's MMIS vendor will send data on the results of their programming of the episodes either through the State or directly to the Contractor.</p>
<p>98 As part of the Quality Assurance process, will the selected vendor be expected to review the code developed by the MCOs and/or DXC Technologies to produce episodes?</p> <p>If so, can you provide information on what types of technology are being used for this (database platforms, programming languages, etc.)?</p>	<p>The Contractor is not expected to review all of the code developed by the MCOs and DXC. The Contractor shall review and compare outputs and develop and test explanations for discrepancies. In these limited cases, the Contractor may decide that the best way to find an explanation for a discrepancy may be by reviewing actual programming code created by the MCOs and/or their subcontractors, but this is not expected to be common.</p>
<p>99 When is the Quality Assurance process for the first wave of episodes (wave 8) expected to begin?</p>	<p>The QA verifications process for wave 8 episodes will begin in quarter 3 of 2018.</p>
<p>100 Could the state please clarify the intent of the requirement described in Section A.2.a:</p> <p><i>"... The Contractor shall upload at least four (4) years of eligibility and medical and pharmacy claims data from the State on a quarterly basis."</i></p>	<p>The Contractor will need TennCare medical and pharmacy claims data as well as TennCare eligibility data to complete the deliverables outlined in this RFP.</p>
<p>101 How should offerors resolve the binding nature of the "statement of certifications and assurances" as described in Section 5.3.5 with a request for revisions to the state's pro forma contract?</p> <p>In particular, the statement of certifications and assurances requires offerors to certify they "agree[s] to all terms and conditions set out in the RFP Attachment 6.6., Pro Forma Contract."</p> <p>How should offerors who must request revisions to the pro forma contract ensure compliance (and proposal responsiveness) with these requirements?</p>	<p>Signature of RFP Attachment 6.1 is a requirement to meet Mandatory Requirements. The only negotiation that "may" occur would be the Cost Proposal, which would include all respondents.</p> <p>Any suggested revisions to the pro forma contract should have been submitted with written questions for state response.</p>
<p>102 How should offerors submit requested revisions to the pro forma contract with their proposals? Is a redline of the State's pro forma contract, submitted with the offeror's proposal acceptable?</p>	<p>Please refer to State's response to question # 101. A redline of the pro forma contract will result in disqualification of the respondent. Please refer to RFP Attachment 6.1.</p>
<p>103 Could the State clarify which of the following</p>	<p>The Contractor will need to process and conduct</p>

QUESTION / COMMENT	STATE RESPONSE
<p>activities the contractor will be responsible for as described in Section 1.1 item #4?</p> <p><i>“Analyses of key evaluation questions identified by the State and related to the performance of both the Episodes of Care program and the State’s Primary Care Transformation work.”</i></p> <ul style="list-style-type: none"> <li>• Processing and conducting quality assurance of raw claims, eligibility, and billing data</li> <li>• Calculating episode of care performance</li> <li>• Conducting analytics related to the Episodes of Care quality measures</li> </ul>	<p>quality assurance of raw claims, eligibility, and billing data in order to complete multiple deliverables associated with this scope of work.</p> <p>As stated in section A.6 of the Pro Forma, the evaluation questions may include calculating episode of care impact on utilization and conducting analytics related to Episode of Care quality measures.</p>
<p>104 Could the State please clarify the expected due date for each of contractor’s 50-page written analyses as described in Section A.6?</p>	<p>Please refer to State’s response to question #20.</p>

3. **Delete RFP # 31865-00476, in its entirety, and replace it with RFP # 31865-00476, Release # 2, attached to this amendment.** Revisions of the original RFP document are emphasized within the new release. **Any sentence or paragraph containing revised or new text is highlighted.**
  
4. **RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE

REQUEST FOR PROPOSALS  
FOR  
PROVISION OF ANALYTICS SERVICES  
RFP 31865-00476  
**RE-RELEASE #2**

RFP CONTENTS

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ATTACHMENTS:

- 6.1. Response Statement of Certifications & Assurances
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## 1. INTRODUCTION

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The State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), Bureau of TennCare, hereinafter referred to as the "State" or "HCFA" or "TennCare," issues this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and, outline the State's process for evaluating responses and selecting a contractor to provide the needed goods or services.

Through this RFP, the State seeks to procure necessary goods or services at the most favorable, competitive prices and to give ALL qualified respondents, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, an opportunity to do business with the state as contractors, subcontractors or suppliers.

### 1.1. Statement of Procurement Purpose

The State is procuring an analytics vendor to assist with:

- 1) The revision of Detailed Business Requirements (DBRs) related to the Tennessee Health Care Innovation Initiative's Episodes of Care program;
- 2) Quality Assurance verifications (also referred to in other documents as Acceptance Criteria) for DBRs related to the Episodes of Care program;
- 3) Cost and quality threshold determinations related to the Episodes of Care program; and
- 4) Analyses of **discrete evaluation** questions identified by the State and related to the performance of both the Episodes of Care program and the State's Primary Care Transformation work.

#### ***Episodes of Care***

This RFP makes frequent reference to Episodes of Care. Episodes of Care are acute or specialist-driven health care events with predictable start and end points. Episode-based payment seeks to align provider incentives with desired patient outcomes. This approach rewards high-quality care, promotes the use of clinical pathways and evidence-based guidelines, encourages coordination, and reduces ineffective and/or inappropriate care.

Detailed Business Requirements (DBR) serve as technical guides for the State, TennCare managed care organizations (MCOs), and providers to understand the definition of individual Episodes of Care. Each Episode of Care has a single DBR, which includes not just the text document (also called the DBR) but also the spreadsheet-based configuration file. The configuration file contains the complete list of procedure, pharmacy, billing, and diagnosis codes used to implement the episode. This information can be found on HCFA's website here: <http://www.tn.gov/hcfa/article/episodes-by-wave>. Section 1.2 of each DBR summarizes the scope of a DBR document by defining what questions are addressed and defining the topics that are considered out of scope.

As part of this Contract, the Contractor will conduct Quality Assurance verifications to ensure accurate coding of DBRs for Episodes of Care. The State has already created a process to conduct Quality Assurance verifications for each of the three TennCare MCOs. One of the MCOs is also the administrator for CoverKids and that line of business would be included in that MCO's Quality Assurance verifications. The State's MMIS vendor, DXC Technologies, is also programming episodes so that the State can perform analysis of Episodes of Care. Through the back and forth process of Quality Assurance, the State and the MCOs verify accurate coding of each Episode of Care DBR and identify discrepancies and their root causes (e.g., coding errors, data discrepancies). Quality Assurance verifications have been or will already be complete for Waves 1-7 Episodes of Care prior to the start of this Contract. This Contractor will be responsible for Quality Assurance verifications for Waves 8-11 Episodes of Care.

The State plans to use the Contractor associated with this RFP to conduct Quality Assurance verifications on DXC Technologies' (TennCare's MMIS vendor) Episode of Care coding, in addition to the Quality

Assurance verifications conducted for each TennCare MCO. Because of concerns among the MCOs regarding disclosure of technical business practices to competitors, insurers are not eligible to submit proposals. Also, entities that develop episode analytics or code episodes on behalf of the TennCare MCOs to implement the DBRs are not eligible to submit proposals. These entities would not be able to independently validate the MCO's code in the quality assurance process because of prior involvement in developing the code. DXC Technologies is also excluded from responding to this RFP because TennCare's MMIS is also going to be benefiting from Quality Assurance under this process.

Certain measures are tracked for each Episode of Care to ensure that providers are meeting specified quality and cost performance levels determined by the State. A provider must meet or exceed a given threshold in order to be eligible for a bonus payment. Quality measure thresholds for Episodes of Care are statewide, so that all providers are held to the same quality standard. Thresholds are set prior to an Episode of Care launching. Thresholds are determined based on several factors including, providers' current performance on the measure in Tennessee as well as how providers are performing nationally.

By May 2017, HCFA will have already implemented 34 Episodes of Care. Episode-based payment is now applicable for most procedures, hospitalizations, acute outpatient care (e.g., broken bones), as well as some forms of treatment for cancer and behavioral health conditions (e.g., ADHD).

### ***Primary Care Transformation***

To complete analyses of **discrete evaluation** questions, respondents will also need to be familiar with the Tennessee Health Care Innovation Initiative's Primary Care Transformation strategy. Primary Care Transformation includes: 1) a Patient-Centered Medical Home (PCMH) program to promote a comprehensive care delivery model for all TennCare members; and 2) a Health Link program to coordinate health care services for TennCare members with the highest behavioral health needs. Both programs are supported by a web-based, shared care coordination tool for providers. HCFA intends to expand population-based models of care across the State, ultimately improving patient outcomes and increasing accountability of providers for the quality and cost of care delivered.

There are currently twenty-nine (29) PCMH practices in the State's PCMH program; by January 2018, the State anticipates that there will be approximately sixty-five (65) PCMH practices participating from across the state. The program is anticipated to continue expanding each January to add additional PCMH practices. By 2020, the State's goal is to have approximately sixty-five percent (65%) of TennCare members in the PCMH program. The State's PCMH model, including how practices become a PCMH, how they are paid, what members are included, and how quality and efficiency are measured, is described in the TennCare Patient Centered Medical Home: Provider Operating Manual found here: <http://www.tn.gov/assets/entities/hcfa/attachments/PCMHProviderOperatingManual.pdf>

HCFA is also focusing on furthering the delivery of coordinated behavioral and primary care services to TennCare's members with the highest behavioral health needs through the Health Link program. There are currently twenty-one (21) Health Link providers serving approximately ninety thousand (90,000) TennCare members statewide. The State's Health Link model, including how practices enroll members, how they are paid, and how quality and efficiency are measured, is described in the TennCare Health Link: Provider Operating Manual found here: <http://www.tn.gov/assets/entities/hcfa/attachments/HealthLinkProviderOperatingManual.pdf>

In an effort to assist respondents, additional background information on the Tennessee Health Care Innovation Initiative may be found at: <http://www.tn.gov/hcfa/section/strategic-planning-and-innovation-group>

HCFA seeks expertise from one (1) contractor to provide the work described in this document. For the purposes of this RFP, contractors may include, but are not limited to, any of the following types of organizations: contractors whose core business is data analytics, actuarial, and consulting organizations (including for-profit, academic, and nonprofit institutions) that have extensive, substantive experience with



Medicaid health care claims, encounter, and utilization data. The list is not exhaustive and serves as an example to provide clarity regarding the type of entities that can serve as the Contractor.

Upon contract signature, the winning respondent will be required to sign RFP Attachment 6.7, HIPAA Business Associate Agreement.

1.1.2. The maximum liability in RFP Attachment 6.6, Section C.1, will be populated based on the Cost Proposal rates and associated volumes as projected to complete the scope of work in the *pro forma* contract. This is a new procurement so no historical data is available regarding previous payments for analytic services for the Health Care Innovation Initiative.

## 1.2. **Scope of Service, Contract Period, & Required Terms and Conditions**

The RFP Attachment 6.6., *Pro Forma* Contract details the State's requirements:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Respondent must sign.

## 1.3. **Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

## 1.4. **RFP Communications**

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

**RFP # 31865-00476**

1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

1.4.2.1. Prospective Respondents must direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Alma Chilton, Director of Contracts  
Department of Finance and Administration  
Division of Health Care Finance and Administration  
310 Great Circle Road  
Nashville, TN 37243  
(615) 507-6384 (phone)  
(615) 253-5414 (fax)  
[Alma.chilton@tn.gov](mailto:Alma.chilton@tn.gov)

1.4.2.2. Notwithstanding the foregoing, Prospective Respondents may alternatively contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses as well as general, public information relating to this RFP (visit <http://www.tn.gov/generalservices/article/godbe-general-contacts> for contact information); and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Talley A. Olson  
Director, Office of Civil Rights Compliance  
Division of Health Care Finance and Administration  
310 Great Circle Road, 3 West  
Nashville, TN 37243  
Phone: 615- 507-6841  
Email: [Talley.A.Olson@tn.gov](mailto:Talley.A.Olson@tn.gov)  
Fax 615- 532-7322

- 1.4.3. Only the State's official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.
- 1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Respondents must assume the risk of the method of dispatching any communication or response to the State. The State assumes no responsibility for delays or delivery failures resulting from the Respondent's method of dispatch. Actual or digital "postmarking" of a communication or response to the State by a specified deadline is not a substitute for the State's actual receipt of a communication or response.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, internet posting, or any other means deemed reasonable by the State. For internet posting, please refer to the following website: <http://tn.gov/generalservices/article/request-for-proposals-rfp-opportunities>.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is the Respondent's obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

1.5. **Assistance to Respondents With a Handicap or Disability**

Prospective Respondents with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Prospective Respondents may contact the Solicitation Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. **Respondent Required Review & Waiver of Objections**

1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called “questions and comments”).

1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

1.7. **Pre-Response Conference**

A Pre-response Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-response Conference attendance is not mandatory, and prospective Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

Division of Health Care Finance and Administration  
TennCare Building  
310 Great Circle Road  
Nashville, TN 37243

The purpose of the conference is to discuss the RFP scope of goods or services. The State will entertain questions, however prospective Respondents must understand that the State’s oral response to any question at the Pre-response Conference shall be unofficial and non-binding. Prospective Respondents must submit all questions, comments, or other concerns regarding the RFP in writing prior to the Written Questions & Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to these questions and comments to prospective Respondents from whom the State has received a Notice of Intent to respond as indicated in RFP Section 1.8 and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. **Notice of Intent to Respond**

Before the Notice of Intent to Respond Deadline detailed in the RFP Section 2, Schedule of Events, prospective Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual’s name (as appropriate);
- a contact person’s name and title; and
- the contact person’s mailing address, telephone number, facsimile number, and e-mail address.

**A Notice of Intent to Respond creates no obligation and is not a prerequisite for submitting a response, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.**

**1.9. Response Deadline**

A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events. The State will not accept late responses, and a Respondent's failure to submit a response before the deadline will result in disqualification of the response. It is the responsibility of the Respondent to ascertain any additional security requirements with respect to packaging and delivery to the State of Tennessee. Respondents should be mindful of any potential delays due to security screening procedures, weather, or other filing delays whether foreseeable or unforeseeable.

## 2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE
1. RFP Issued		June 21, 2017
2. Disability Accommodation Request Deadline	2:00 p.m.	June 26, 2017
3. Pre-response Conference	2:00 p.m.	June 29, 2017
4. Notice of Intent to Respond Deadline	2:00 p.m.	June 30, 2017
5. Written "Questions & Comments" Deadline	2:00 p.m.	July 6, 2017
6. State Response to Written "Questions & Comments"		July 17, 2017
7. Response Deadline	12:00 p.m.	July 27, 2017
8. State Completion of Technical Response Evaluations		August 11, 2017
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	August 14, 2017
10. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	August 15, 2017
11. End of Open File Period		August 22, 2017
12. State sends contract to Contractor for signature		August 23, 2017
13. Contractor Signature Deadline		August 30, 2017
14. Contract Start Date		October 1, 2017

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to section 1.8).

### 3. RESPONSE REQUIREMENTS

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#### 3.1. Response Form

A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.

- 3.1.1. **Technical Response.** RFP Attachment 6.2., Technical Response & Evaluation Guide provides the specific requirements for submitting a response. This guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

**NOTICE: A technical response must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical response, the state may deem the response to be non-responsive and reject it.**

- 3.1.1.1. A Respondent must use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.
- 3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Response should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a response to be non-responsive and reject it if:
- a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or
  - b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.

- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

**NOTICE: If a Respondent fails to submit a cost proposal exactly as required, the State may deem the response to be non-responsive and reject it.**

- 3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.
- 3.1.2.3. A Respondent must sign and date the Cost Proposal.
- 3.1.2.4. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*).

## 3.2. Response Delivery

- 3.2.1. A Respondent must ensure that both the original Technical Response and Cost Proposal documents meet all form and content requirements, including all required signatures, as detailed within this RFP, as may be amended.
- 3.2.2. A Respondent must submit original Technical Response and Cost Proposal documents and copies as specified below.

- 3.2.2.1. One (1) original Technical Response paper document labeled:

**“RFP # 31865-00476 TECHNICAL RESPONSE ORIGINAL”**

and five (5) digital copies of the Technical Response each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

**“RFP # 31865-00476 TECHNICAL RESPONSE COPY”**

The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Response document and any digital copies may result in the State rejecting the proposal as non-responsive.

- 3.2.2.2. One (1) original Cost Proposal paper document labeled:

**“RFP # 31865-00476 COST PROPOSAL ORIGINAL”**

and one (1) copy in the form of a digital document in “PDF/XLS” format properly recorded on separate, blank, standard CD-R recordable disc or USB flash drive labeled:

**“RFP # 31865-00476 COST PROPOSAL COPY”**

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

- 3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

- 3.2.3.1. The Technical Response original document and digital copies must be placed in a sealed package that is clearly labeled:

**“DO NOT OPEN... RFP # 31865-00476 TECHNICAL RESPONSE FROM  
[RESPONDENT LEGAL ENTITY NAME]”**

- 3.2.3.2. The Cost Proposal original document and digital copy must be placed in a separate, sealed package that is clearly labeled:

**“DO NOT OPEN... RFP # 31865-00476 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”**

- 3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**“RFP # 31865-00476 SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”**

- 3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

Alma Chilton, Director of Contracts  
Department of Finance and Administration  
Division of Health Care Finance and Administration  
310 Great Circle Road  
Nashville, TN 37243

**3.3. Response & Respondent Prohibitions**

- 3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.
- 3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.
- 3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.
- 3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part



of their responses (provided that the subcontractor does not also submit a response as a prime contractor).

3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:

3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;

3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and

3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

#### 3.4. **Response Errors & Revisions**

A Respondent is responsible for any and all response errors or omissions. A Respondent will not be allowed to alter or revise response documents after the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

#### 3.5. **Response Withdrawal**

A Respondent may withdraw a submitted response at any time before the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Respondent representative. After withdrawing a response, a Respondent may submit another response at any time before the Response Deadline. After the Response Deadline, a Respondent may only withdraw all or a portion of a response where the enforcement of the response would impose an unconscionable hardship on the Respondent.

#### 3.6. **Additional Services**

If a response offers goods or services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Respondent must not propose any additional cost amounts or rates for additional goods or services. Regardless of any additional services offered in a response, the Respondent's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

**NOTICE: If a Respondent fails to submit a Cost Proposal exactly as required, the State may deem the response non-responsive and reject it.**

#### 3.7. **Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response.

## **4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS**

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### **4.1. RFP Amendment**

The State at its sole discretion may amend this RFP, in writing, at any time prior to contract award. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential Respondents to meet the response deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential Respondents who submitted a Notice of Intent to Respond (refer to RFP Section 1.8). A response must address the final RFP (including its attachments) as amended.

### **4.2. RFP Cancellation**

The State reserves the right, at its sole discretion, to cancel the RFP or to cancel and reissue this RFP in accordance with applicable laws and regulations.

### **4.3. State Right of Rejection**

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all responses.

4.3.2. The State may deem as non-responsive and reject any response that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, minor variances from full compliance with this RFP. If the State waives variances in a response, such waiver shall not modify the RFP requirements or excuse the Respondent from full compliance, and the State may hold any resulting Contractor to strict compliance with this RFP.

### **4.4. Assignment & Subcontracting**

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.

### **4.5. Right to Refuse Personnel or Subcontractors**

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

#### 4.6. **Insurance**

The State will require the awarded Contractor to provide a Certificate of Insurance issued by an insurance company licensed or authorized to provide insurance in the State of Tennessee. Each Certificate of Insurance shall indicate current insurance coverages meeting minimum requirements as may be specified by this RFP. A failure to provide a current, Certificate of Insurance will be considered a material breach and grounds for contract termination.

#### 4.7. **Professional Licensure and Department of Revenue Registration**

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.
- 4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. For purposes of this registration requirement, the Department of Revenue may be contacted at: TN.Revenue@tn.gov.

#### 4.8. **Disclosure of Response Contents**

- 4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process.
- 4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with *Tenn. Code Ann.* § 10-7-504(a)(7).

#### 4.9. **Contract Approval and Contract Payments**

- 4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.
- 4.9.2. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Respondent with the apparent best-evaluated response or any other Respondent. State obligations pursuant to a contract award shall commence only after the Contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.
- 4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

- 4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract Effective Date or after the Contract Term.
- 4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma Contract*, Section C).
- 4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

#### 4.10. **Contractor Performance**

The Contractor who is awarded a contract will be responsible for the delivery of all acceptable goods or the satisfactory completion of all services set out in this RFP (including attachments) as may be amended. All goods or services are subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that goods delivered or services rendered are in compliance with the Contract, and the Contractor must cooperate with such efforts.

#### 4.11. **Contract Amendment**

After Contract award, the State may request the Contractor to deliver additional goods or perform additional services within the general scope of the Contract and this RFP, but beyond the specified Scope, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional goods or services. The Contractor must respond to the State with a time schedule for delivering the additional goods or accomplishing the additional services based on the compensable units included in the Contractor's response to this RFP. If the State and the Contractor reach an agreement regarding the goods or services and associated compensation, such agreement must be effected by means of a contract amendment. Further, any such amendment requiring additional goods or services must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes, rules, policies and procedures of the State of Tennessee. The Contractor must not provide additional goods or render additional services until the State has issued a written contract amendment with all required approvals.

#### 4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Respondents will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

#### 4.13. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked Respondent should the State cease doing business with any Respondent selected via this RFP process.

## 5. EVALUATION & CONTRACT AWARD

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### 5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of responses and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each response deemed by the State to be responsive.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
<b>General Qualifications &amp; Experience</b> (refer to RFP Attachment 6.2., Section B)	<b>30</b>
<b>Technical Qualifications, Experience &amp; Approach</b> (refer to RFP Attachment 6.2., Section C)	<b>40</b>
<b>Cost Proposal</b> (refer to RFP Attachment 6.3.)	<b>30</b>

### 5.2. Evaluation Process

The evaluation process is designed to award the contract resulting from this RFP not necessarily to the Respondent offering the lowest cost, but rather to the Respondent deemed by the State to be responsive and responsible who offers the best combination of attributes based upon the evaluation criteria. ("Responsive Respondent" is defined as a Respondent that has submitted a response that conforms in all material respects to the RFP. "Responsible Respondent" is defined as a Respondent that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Response Evaluation.** The Solicitation Coordinator and the Proposal Evaluation Team (consisting of three (3) or more State employees) will use the RFP Attachment 6.2., Technical Response & Evaluation Guide to manage the Technical Response Evaluation and maintain evaluation records.

5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A— Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the team's determination of whether:

- a. the response adequately meets RFP requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
- c. the State will determine the response to be non-responsive to the RFP and reject it.

- 5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP, and will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.
  - 5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.
  - 5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.
- 5.2.3. **Clarifications and Negotiations:** The State reserves the right to award a contract on the basis of initial responses received, therefore, each response shall contain the Respondent's best terms and conditions from a technical and cost standpoint. The State reserves the right to conduct clarifications or negotiations with one or more Respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.
- 5.2.3.1. **Clarifications:** The State may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications or requirements. The State may seek to clarify those issues identified during one or multiple clarification rounds. Each clarification sought by the State may be unique to an individual Respondent, provided that the process is conducted in a manner that supports fairness in response improvement.
  - 5.2.3.2. **Negotiations:** The State may elect to negotiate with one or more Respondents by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds or no negotiations at all.
  - 5.2.3.3. **Cost Negotiations:** All Respondents, selected for negotiation by the State, will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other goods or services level negotiations. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual Respondent pricing. During target price negotiations, Respondents are not obligated to reduce their pricing to target prices, but no Respondent is allowed to increase prices.
  - 5.2.3.4. If the State determines that it is unable to successfully negotiate a contract with the apparent best evaluated Respondent, the State reserves the right to bypass the apparent best evaluated Respondent and enter into contract negotiations with the next apparent best evaluated Respondent.

- 5.2.4. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

### 5.3. Contract Award Process

- 5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. The procuring agency head will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.
- 5.3.3. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

**NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the apparent best-evaluated Respondent or any other Respondent.**

- 5.3.4. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The Contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed Contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.
- 5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to Contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall **NOT** materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and contractor selection process.
- 5.3.6. If the State determines that a response is non-responsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.



**RFP # 31865-00476 STATEMENT OF CERTIFICATIONS AND ASSURANCES**

The Respondent must sign and complete the Statement of Certifications and Assurances below as required, and it must be included in the Technical Response (as required by RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A, Item A.1.).

**The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:**

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of the RFP Attachment 6.6., *Pro Forma* Contract for the total Contract Term.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma* Contract.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the Contract.
5. The Respondent will comply with:
  - (a) the laws of the State of Tennessee;
  - (b) Title VI of the federal Civil Rights Act of 1964;
  - (c) Title IX of the federal Education Amendments Act of 1972;
  - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
  - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint response each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each Respondent is not on the list created pursuant to §12-12-106." For reference purposes, the list is currently available online at: <http://www.tn.gov/generalservices/article/Public-Information-library>.

**By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Respondent (if an individual) or the Respondent's company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the Respondent.**

**DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT**

**SIGNATURE:**

\_\_\_\_\_

**PRINTED NAME & TITLE:**

\_\_\_\_\_

**DATE:**

\_\_\_\_\_

**RESPONDENT LEGAL ENTITY  
NAME:**

\_\_\_\_\_

**TECHNICAL RESPONSE & EVALUATION GUIDE**

**SECTION A: MANDATORY REQUIREMENTS.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review the response to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the response and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFP requirements.

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Response must be delivered to the State no later than the Response Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Response and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et seq.</i> ).	
		The Technical Response must NOT contain cost or pricing information of any type.	
		The Technical Response must NOT contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must NOT submit alternate responses (refer to RFP Section 3.3.).	
		A Respondent must NOT submit multiple responses in different forms (as a prime and a sub-contractor) (refer to RFP Section 3.3.).	
	A.1.	Provide the Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall cause to deliver goods or perform services under the contract has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict.  NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Respondent's business relationship with the financial institution is in positive	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	A.4.	Provide two current positive credit references from vendors with which the Respondent has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	
	A.5.	Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a satisfactory credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)	
	A.6.	Provide written attestation that the Respondent does attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare and/or Medicaid programs pursuant to Sections 1128 of the Social Security Act.	
	A.7.	Provide written attestation that the Respondent (a) is not a TennCare managed care organization (MCO) or the parent company, subsidiary, or affiliate of an MCO; (b) does not develop episodes analytics or code episodes on behalf of the TennCare MCOs to implement the DBRs and (c) is not the State's MMIS vendor, or the parent company, subsidiary, or any of its affiliates.	
	A.8.	Provide written attestation that the Respondent will have access, either on staff or via subcontractor, to clinicians who will serve as subject matter experts to advise on clinical aspects of episode design.	
<p><i>State Use – Solicitation Coordinator Signature, Printed Name &amp; Date:</i></p>			

**TECHNICAL RESPONSE & EVALUATION GUIDE**

**SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

<b>RESPONDENT LEGAL ENTITY NAME:</b>		
<b>Response Page #</b> (Respondent completes)	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
	<b>B.1.</b>	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.
	<b>B.2.</b>	Describe the Respondent's form of business ( <i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	<b>B.3.</b>	Detail the number of years the Respondent has been in business.
	<b>B.4.</b>	Briefly describe how long the Respondent has been providing the goods or services required by this RFP.
	<b>B.5.</b>	Describe the Respondent's number of employees, client base, and location of offices.
	<b>B.6.</b>	Provide a statement of whether there have been any mergers, acquisitions, or change of control of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.
	<b>B.7.</b>	Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	<b>B.8.</b>	Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	<b>B.9.</b>	Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFP.  NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	<b>B.10.</b>	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>impair the Respondent’s performance in a contract pursuant to this RFP.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.</p>
	<b>B.11.</b>	<p>Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).</p>
	<b>B.12.</b>	<p>Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP.</p>
	<b>B.13.</b>	<p>Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent’s requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.</p>
	<b>B.14.</b>	<p>Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent’s requirements of any contract awarded pursuant to this RFP, and if so, detail:</p> <ul style="list-style-type: none"> <li>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</li> <li>(b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u></li> <li>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent’s response to this RFP.</li> </ul>
	<b>B.15.</b>	<p>Provide documentation of the Respondent's commitment to diversity as represented by the following:</p> <ul style="list-style-type: none"> <li>(a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondent’s certifications as a diversity business, if applicable.</li> <li>(b) <u>Business Relationships</u>. Provide a listing of the Respondent’s current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information: <ul style="list-style-type: none"> <li>(i) contract description;</li> <li>(ii) contractor name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled);</li> <li>(iii) contractor contact name and telephone number.</li> </ul> </li> <li>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information: <ul style="list-style-type: none"> <li>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and <b>DO NOT INCLUDE DOLLAR AMOUNTS</b>);</li> </ul> </li> </ul>

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>(ii) anticipated goods or services contract descriptions;</p> <p>(iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors.</p> <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor’s Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at <a href="https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810">https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810</a> for more information.</p> <p>(d) <u>Workforce</u>. Provide the percentage of the Respondent’s total current employees by ethnicity and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce.</p>
	<b>B.16.</b>	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:</p> <p>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</p> <p>(b) the procuring State agency name;</p> <p>(c) a brief description of the contract’s scope of services;</p> <p>(d) the contract period; and</p> <p>(e) the contract number.</p> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points.</li> <li>▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.</li> </ul>
	<b>B.17.</b>	<p>Provide customer references from individuals who are <u>not</u> current or former State employees for projects similar to the goods or services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> <li>▪ two (2) accounts Respondent currently services that are similar in size to the State; <u>and</u></li> <li>▪ three (3) completed projects.</li> </ul> <p>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which <u>must</u> be used and completed, is provided at RFP Attachment 6.4. References that are not completed as required may be deemed non-responsive and may not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining fully completed reference questionnaires and including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires follow the process below.</p> <p>(a) Add the Respondent’s name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.</p> <p>(b) Send a reference questionnaire and new, standard #10 envelope to each reference.</p> <p>(c) Instruct the reference to:</p> <ul style="list-style-type: none"> <li>(i) complete the reference questionnaire;</li> </ul>

<b>RESPONDENT LEGAL ENTITY NAME:</b>		
<b>Response Page #</b> (Respondent completes)	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
		<ul style="list-style-type: none"> <li>(ii) sign and date the completed reference questionnaire;</li> <li>(iii) seal the completed, signed, and dated reference questionnaire within the envelope provided;</li> <li>(iv) sign his or her name in ink across the sealed portion of the envelope; and</li> <li>(v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).</li> </ul> <p>(d) <u>Do NOT open the sealed references upon receipt.</u></p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.</li> <li>▪ The State will not review more than the number of required references indicated above.</li> <li>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.</li> <li>▪ The State is under <u>no</u> obligation to clarify any reference information.</li> </ul>
	<b>B.18.</b>	<p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <ul style="list-style-type: none"> <li>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;</li> <li>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;</li> <li>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and</li> <li>(d) has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.</li> </ul>
	<b>B.19.</b>	<p>Describe in detail the Respondent’s experience analyzing large Medicaid health care claims, encounter, and utilization datasets within the past five (5) years. Limit the response to the Respondent’s Medicaid-specific experience. Briefly describe the data systems, software, and programming language(s) used to produce these analyses.</p>
		<p><b>SCORE (for <u>all</u> Section B—Qualifications &amp; Experience Items above):</b> (maximum possible score = 30)</p>
<p><i>State Use – Evaluator Identification:</i></p>		

**TECHNICAL RESPONSE & EVALUATION GUIDE**

**SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH.** The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

**0 = little value      1 = poor      2 = fair      3 = satisfactory      4 = good      5 = excellent**

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item’s Raw Weighted Score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	<b>C.1.</b>	<p>Provide a narrative that illustrates the Respondent's capacity and readiness to execute the scope of services within the timelines specified. The narrative should include:</p> <ul style="list-style-type: none"> <li>a) A description of how the Respondent will carry out the activities included in this RFP (Revision of Detailed Business Requirements, Quality Assurance verifications, Cost and quality threshold determinations, and Analyses of <b>discrete evaluation</b> questions);</li> <li>b) The Respondent's plan for assigning, hiring, and training required staff;</li> <li>c) The Respondent's plan for accessing the necessary state data sources, normalizing, and validating the data; and</li> <li>d) The Respondent's plan for completing the necessary coding and analysis.</li> </ul>		<b>8</b>	
	<b>C.2.</b>	<p>Describe the Respondent's plans to program Tennessee's existing episodes when required in order to perform an analysis, including:</p> <ul style="list-style-type: none"> <li>a) How the Respondent will program the existing episodes;</li> <li>b) The amount of time the Respondent will take start-to-finish to program existing episodes;</li> <li>c) How many episodes the Respondent expects it could program simultaneously; and</li> <li>d) Any evidence of the Respondent's abilities to program Tennessee's episodes according to the DBRs.</li> </ul>		<b>25</b>	
	<b>C.3.</b>	<p>Describe the Respondent's experience to date with the retrospective Episodes of Care model, including:</p> <ul style="list-style-type: none"> <li>a) Designing an episode</li> <li>b) Coding of an episode</li> <li>c) Validating an episode</li> </ul>		<b>45</b>	



RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		d) Evaluation of impact of implementing an episode e) The analytics engine used to program episodes			
	<b>C.4.</b>	Describe the Respondent's experience to date with the development and implementation of UP TO THREE examples of Quality Assurance processes in health care, preferably involving claims data. For each example, include:  a) What was the program being validated b) Type of validation the Respondent completed, c) Techniques used in order to successfully identify issues and their root causes, and d) Outcome of the validation		<b>15</b>	
	<b>C.5.</b>	Describe the Respondent's experience to date with the development and implementation of UP TO THREE examples of program evaluations. For each example, include:  a) Nature of the program being evaluated b) Type of research questions the Respondent completed c) How did the Respondent tackle the research question?		<b>10</b>	
<i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i>					<b>Total Raw Weighted Score:</b> <i>(sum of Raw Weighted Scores above)</i>
<b>Total Raw Weighted Score</b>			<b>X 40</b> <i>(maximum possible score)</i>	<b>=</b>	
<b>Maximum Possible Raw Weighted Score</b> <i>(i.e., 5 x the sum of item weights above)</i>				<b>SCORE:</b>	
<i>State Use – Evaluator Identification:</i>					
<i>State Use – Solicitation Coordinator Signature, Printed Name &amp; Date:</i>					

**COST PROPOSAL & SCORING GUIDE**

*NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED*

**COST PROPOSAL SCHEDULE**— The Cost Proposal, detailed below, shall indicate the proposed price for goods or services defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least one hundred twenty (120) days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

**NOTICE:** The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the cost items herein, pursuant to the second paragraph of the *Pro Forma* Contract section C.1. (refer to RFP Attachment 6.6.), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the Respondent to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the Respondent.

<b>RESPONDENT SIGNATURE:</b>			
<b>PRINTED NAME &amp; TITLE:</b>			
<b>DATE:</b>			
<b>RESPONDENT LEGAL ENTITY NAME:</b>			
Cost Item Description	Proposed Cost	State Use Only	
		Evaluation Factor	Evaluation Cost (cost x factor)
Delivery of a State-approved Large Revision of Detailed Business Requirements for Episodes of Care as specified in <i>Pro Forma</i> Section A.3.	\$ _____ per Large Revision of a DBR (4 Large Revisions Total)	4	
Delivery of a State-approved Medium Revision of Detailed Business Requirements for Episodes of Care as specified in <i>Pro Forma</i> Section A.3.	\$ _____ per Medium Revision of a DBR (2 Medium Revisions Total)	2	

RESPONDENT LEGAL ENTITY NAME:			
Cost Item Description	Proposed Cost	State Use Only	
		Evaluation Factor	Evaluation Cost (cost x factor)
Completion of Quality Assurance validations for Episode of Care DBRs as specified in <i>Pro Forma</i> Section A.4.	\$ _____ per episode of QA Validation (25 episodes of QA Validations Total)	25	
Delivery of a State-approved set of recommendations for Cost and Quality Measure Thresholds (including the acceptable threshold, the commendable threshold, the gain-sharing limit, and the passing threshold for each quality measure) for one Episode of Care as specified in <i>Pro Forma</i> Section A.5.	\$ _____ per Episode (34 Episodes Total)	34	
Delivery of a State-approved document responding to discrete evaluation question on a key issues identified by the State and related to Episodes of Care or primary care transformation as described in <i>Pro Forma</i> Section A.6.	\$ _____ per Document (8 Documents Total)	8	
<p align="center"><b>EVALUATION COST AMOUNT</b> (sum of evaluation costs above):</p> <p>The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.</p>			
<p><b>lowest evaluation cost amount from all proposals</b></p> <hr/> <p><b>evaluation cost amount being evaluated</b></p>		<p align="center"><b>x 30</b> (maximum section score)</p>	<p align="center"><b>= SCORE:</b></p>
<p><i>State Use – Solicitation Coordinator Signature, Printed Name &amp; Date:</i></p>			

**REFERENCE QUESTIONNAIRE**

**The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.**

The Respondent will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Response & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Response.

**RFP # 31865-00476 REFERENCE QUESTIONNAIRE**

**REFERENCE SUBJECT:** RESPONDENT NAME (completed by Respondent before reference is requested)

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The "reference subject" specified above, intends to submit a response to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such response, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
  - sign and date the completed questionnaire;
  - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
  - sign in ink across the sealed portion of the envelope; and
  - return the sealed envelope containing the completed questionnaire directly to the reference subject.
- 

**(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**

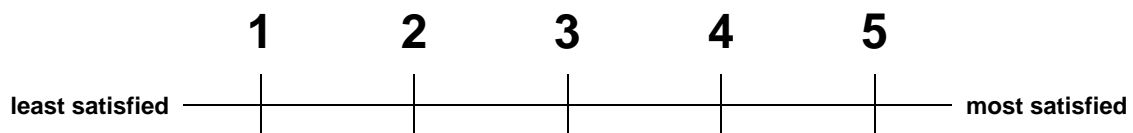
**(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

<b>NAME:</b>	
<b>TITLE:</b>	
<b>TELEPHONE #</b>	
<b>E-MAIL ADDRESS:</b>	

**(3) What goods or services does/did the reference subject provide to your company or organization?**

**(4) What is the level of your overall satisfaction with the reference subject as a vendor of the goods or services described above?**

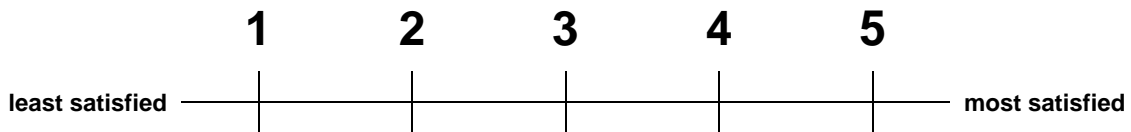
*Please respond by circling the appropriate number on the scale below.*



If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
  
- (6) If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
  
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
  
- (8) In what areas of goods or service delivery does/did the reference subject excel?
  
- (9) In what areas of goods or service delivery does/did the reference subject fall short?
  
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

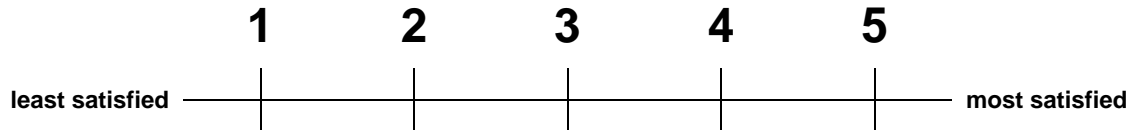
*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

- (11) Considering the staff assigned by the reference subject to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

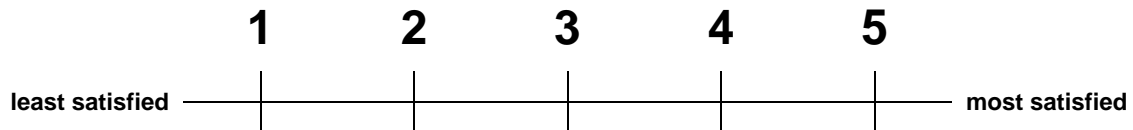
*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

- (12) Would you contract again with the reference subject for the same or similar goods or services?

*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

**REFERENCE SIGNATURE:**

(by the individual completing this request for reference information)

\_\_\_\_\_ (must be the same as the signature across the envelope seal)

**DATE:**

\_\_\_\_\_

**SCORE SUMMARY MATRIX**

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
<b>GENERAL QUALIFICATIONS &amp; EXPERIENCE</b> (maximum: 30)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>TECHNICAL QUALIFICATIONS, EXPERIENCE &amp; APPROACH</b> (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>COST PROPOSAL</b> (maximum: 30)	<b>SCORE:</b>		<b>SCORE:</b>		<b>SCORE:</b>	
<b>TOTAL RESPONSE EVALUATION SCORE:</b> (maximum: 100)						

Solicitation Coordinator Signature, Printed Name & Date:



**RFP # 31865-00476 *PRO FORMA* CONTRACT**

**DRAFTED IN COMPLIANCE WITH CURRENT APPLICABLE MODEL**

The *Pro Forma* Contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION**  
**BUREAU OF TENNCARE**  
**AND**  
**CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), Bureau of TennCare, ("State," "HCFA" or "TennCare") and **Contractor Legal Entity Name** ("Contractor"), is for the provision of analytics services, as further defined in the "SCOPE." The State and the Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Place of Incorporation or Organization: **Location**

Contractor Edison Registration ID # **Number**

**A. SCOPE:**

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor shall use Tennessee's TennCare and CoverKids encounter data to inform its analyses and shall have the capability to securely host Personally Identifiable Information (PII) and Health Insurance and Accountability Act of 1996 (HIPAA) protected information in order to provide the services and deliverables required in this scope of work.
- a. The State will provide the Contractor at least four (4) years of claims data for 1.5 million members from TennCare and CoverKids. The Contractor shall upload at least four (4) years of eligibility and medical and pharmacy claims data from the State on a quarterly basis.
  - b. The Contractor shall request the specific fields of billing data necessary to complete the analysis. The State will provide to the Contractor all of the available requested fields.
  - c. The State will make encounter data available in an ASCII file with requested delimiter or a SAS dataset. The Contractor shall access and upload the data through the State's SFTP site or through other methods specified by HCFA. A sample file layout for TennCare data is available **on the link located** in Attachment B, **Item #1.**
- A.3 The Contractor shall design "large" and "medium" State-approved revisions to existing Detailed Business Requirements (DBRs) for the State's Episodes of Care program. These revisions shall be done in consultation with the State and TennCare Managed Care Organizations (MCOs), which includes the three statewide managed care organizations and the additional statewide administrative services organization managing the enrollees in the CoverKids network. The following requirements shall apply to the Contractor's revisions of the existing DBRs for the States' Episodes of Care program:
- a. The Contractor shall only revise the DBRs at the request of the State.
  - b. At the discretion of the State, each revision shall include a few phone discussions with a Tennessee provider or a small group of Tennessee providers in order to explain the

problem or the change. The Contractor shall not be responsible for running a series of stakeholder meetings.

- c. For all revisions, the Contractor shall program the episode or episodes in question as they are described in the DBR prior to the revision so that the Contractor can perform analytics on the revision before and after the change.
- d. For all revisions, the Contractor shall create as many versions as are necessary until the Contractor creates a version that the State accepts. The Contractor shall work closely with the State throughout the process of creating a revision to the DBR.
- e. DBR revisions will be considered either large or medium depending on the scope of the necessary changes to the document. The State will determine if a DBR revision is considered a Medium or Large revision to a DBR in accordance with the following:
  - (i) Medium revisions to a DBR include revisions where (1) the State has a preconceived idea of the result of the revision so that the Contractor does not need to suggest or evaluate alternatives; or (2) revisions where the Contractor does need to suggest alternatives, but the revision is limited to a single clinical area of the episode. For reference, the clinical areas of the episode are identifying episode triggers, attributing episodes to quarterbacks, identifying services to be included in episodes spend, risk adjusting and excluding episodes, and determining quality metrics performance. Examples of Medium revisions to DBR include, but are not limited to:
    - (1) Performing a review, with input from the Contractors' clinical experts, of the diagnosis codes for readmissions that were included in an episode, suggesting codes that should be removed because they are likely to be unrelated to the services in the episode trigger definition, suggesting additional diagnosis codes that should be included in the readmission list, and performing analyses to show how the episode looks before and after the change;
    - (2) Designing a new quality measure that is based on non-claims data, such as a registry, a Continuity of Care Document from a providers' electronic health record, or direct entry by providers, with input from the Contractor's clinical experts. The Contractor would not need to operationalize this revision; or
    - (3) Recommending new episode exclusions that reduce the patient variation affecting an episode; advising on the proportion of episode variation that the principle accountable provider can influence versus the proportion of the episode variation that is attributable to patient variation; and performing analytics using State data to show the projected results of the proposed revision in terms of the total included episode cost, costs by spending category, and quality measure results.
  - (ii) Large revisions to DBRs include (1) revisions where the Contractor is required to perform significant research because the State has identified a problem but asks the Contractor to suggest multiple potential revisions to address the problem; or (2) revisions where the State has a preconceived notion of the primary change but the Contractor is required to comprehensively review the episode design areas to identify other

areas that need to change as a result of the primary change. Examples of Large revisions to DBRs include, but are not limited to:

- (1) Creating a new risk adjustment factor based on data other than claims, which the State will make available to the Contractor, and then reviewing the quality measures, included and excluded services, duration of the episode, and episode exclusions so that the episode includes situations that are now possible to include since the new risk adjustment factor better accounts for patient variation;
  - (2) Reviewing the inconsistencies in the way that the same clinical area of eight different episodes is designed and suggesting ways that the design should be changed to increase consistency, along with the implications for each of the episodes; or
  - (3) Reviewing the interaction between the Tennessee's neonatal and perinatal episodes, suggesting alternatives for how the episodes could be combined or at least could influence one another, and perform analytics to show the results of the episodes before and after the change for providers statewide.
- f. All DBR revisions shall be completed by the Contractor within a maximum of three (3) months of the State's request, or as specified by the State.
- g. All DBR revisions by the Contractor shall follow the State's existing document structure. All DBRs available on our website follow this structure:  
<http://www.tn.gov/hcfa/topic/episodes-of-care>
- h. The Contractor shall bill the State an all-inclusive rate for Large revisions to a DBR and a separate all-inclusive rate for Medium revisions to a DBR in accordance with Section C.3.b.
- A.4. The Contractor shall manage a Quality Assurance process, in consultation with the State, to ensure accurate coding of **twenty-five (25)** Episodes of Care by the State's partners, including TennCare's three MCOs, and its CoverKids administrator, as well as the State's MMIS vendor. In total, each round of Quality Assurance validation for one Episode of Care shall include validating five (5) separate data sets. Through this Quality Assurance process, the Contractor, in conjunction with the MCOs and the State's MMIS vendor, shall identify discrepancies and root causes (e.g., coding errors or data discrepancies). In order to execute the Quality Assurance process as outlined in this Contract, the Contractor shall:
- a. Program Episodes of Care exactly according to the specifications of the DBR. The DBRs for Episodes of Care associated with Waves 8, 9, 10, and 11 are not yet written.
  - b. Perform Quality Assurance checks for Episodes of Care included in Waves 8, 9, 10, and 11. Quality Assurance verifications have been or will already be completed for Waves 1-7 by the start of this Contract. A full Episode of Care sequencing timeline can be found in Attachment A. The Contractor shall follow the State's existing timeline for completion of Quality Assurance process.
  - c. Begin the Quality Assurance process two (2) months following the conclusion of each Episode of Care wave's Technical Advisory Groups (TAGs). TAGs are groups of clinicians and providers from across the State tasked with developing episode design recommendations. Once the design of an Episode of Care is finalized by the State, the Episode's DBR, configuration file, and summary can be created. These files are then used by the State's MCOs to begin coding each Episode of Care.

- d. Complete coding of each episode's DBR within three (3) weeks of receipt. The Contractor, the MCOs, and the State's MMIS vendor will receive the DBRs and configuration files from the State up to two (2) months following the conclusion of that wave's Technical Advisory Groups (TAGs).
- e. Run a kick-off conference call two (2) months following the conclusion of each Wave's TAGs **or timing otherwise directed by the State**. The call shall include all MCOs and the State's MMIS vendor to discuss any initial questions or comments about the DBR documentation as they program each episode.
- f. Run three (3) additional all-MCO and State MMIS vendor calls, following the kick-off conference call, on a weekly basis to broadly answer questions about each episode's algorithm and codes.
- g. Distribute a template for each Episode of Care prior to the final call. An example template for the Quality Assurance process can be found **in the link on Attachment B, Item #2**, QA Process Template Excel Workbook. The Contractor shall follow a template approved by the State including the following tables, unless otherwise directed by the State:
  - (1) Implementation status questionnaire: Questions about implementation status to be answered and included with each submission.
  - (2) Summary of aggregate level matching: Aggregate level data comparisons between State and MCO, e.g., average episode spend (not risk-adjusted) for valid episodes for a one-year time period.
  - (3) Principle Accountable Provider (Quarterback) table: Quarterback level data detailing average spend metrics, e.g., by care category, as well as quality metric data and counts of total and valid episodes for the relevant time period.
  - (4) Episode table: Episode level data detailing average (not risk adjusted) spend metrics, e.g., by care category, as well as quality metric data and exclusion reasons for the relevant time period.
  - (5) Data breakouts on episode duration, episode exclusions, and quality metrics: Episode level data comparisons between State and MCO, e.g., count of episodes by exclusion type for the relevant time period.
  - (6) Potential trigger Internal Control Numbers: Episode level data on potential triggers, including triggering Internal Control Number for the relevant time period.
  - (7) Select claims bundles: Claim level data for select claims bundles provided by the State--e.g., episode start and end dates for the relevant time period.
- f. Generate and compare iterative analyses of the respective tables with each TennCare MCO and the State's MMIS vendor. The State anticipates the Contractor will typically conduct three (3) to five (5) rounds of iterative generation and comparison of tables and related reports with each MCO and the State's MMIS vendor, though five (5) rounds is not an upper limit. Each round takes approximately one (1) month. All meetings can be conducted via conference call.
- g. Lead separate conference calls, after each iterative round, with each of the TennCare MCOs, the CoverKids administrator, and the MMIS vendor to discuss the results and implications. The Contractor shall resolve all discrepancies to the State's satisfaction within six (6) months of a TAG's conclusion.

- h. Provide the State with criteria to check TennCare MCOs, the CoverKids administrator, and the MMIS vendor's results in implementing the episode design against HCFA encounter data and shall advise the State on how to respond to any reported discrepancies.
  - i. Maintain a change log of questions from all TennCare MCOs, the CoverKids administrator, and the MMIS vendor. The Contractor shall track the resolution of questions and discrepancies- aggregating all changes to an Episode's DBR logic, configuration file, or summary file in a change log. The Contractor shall deliver a final change log to the State within six (6) months of a TAG's conclusion.
  - j. Bill the State an all-inclusive rate described in Section C.3.b for completing the Quality Assurance process for one (1) Episode of Care (i.e., one (1) rate for completely validating the coding of the TennCare MCOs, the CoverKids administrator, and the MMIS vendor for one (1) Episode of Care). While the State anticipates this work to take place primarily with the launch of new episodes, the Contractor at the State's written direction, shall complete a subsequent Quality Assurance process for an updated DBR (e.g., following a substantial revision to a DBR). The Contractor shall bill the State the same all-inclusive rate described in Section C.3.b for completing a Quality Assurance process for an updated Episode of Care DBR.
  - k. The State will consider requests to extend the timeline for deliverables on a case by case basis. The Contractor shall make all requests for extensions in writing to the State for consideration.
- A.5. The Contractor shall advise the State on cost and quality metric thresholds for thirty-four (34) Episodes of Care for Waves 7-11 Episodes of Care. Each Episode of Care will have anywhere between three (3) to eight (8) quality measures as described in the DBR for which the Contractor shall recommend thresholds. Each Episode of Care will have the following three (3) cost thresholds: (1) the acceptable threshold that drives penalties, (2) the commendable threshold that drives rewards, and (3) the gain sharing limit that caps rewards.
- a. Each Episode of Care has quality measures which are tracked to ensure that providers are meeting specified quality performance determined by the State. A provider must meet or exceed a given threshold on each quality measure linked to gain-sharing in order to be eligible for a bonus payment. The Contractor shall advise the State on where quality thresholds should be set according to the State's instructions.
  - b. Each Episode of Care has cost measures which are tracked to ensure that providers are meeting specified cost performance determined by the State. The Contractor shall advise the State on where cost thresholds should be set according to the State's instructions. For example, the State's approach to date has been to use a combination of claims level data and provider-level episode data shared by the MCOs to set cost thresholds. The State sets a single acceptable threshold for all the MCOs so that ten percent (10%) of providers are projected to have a penalty. Then a separate commendable threshold is set for each of the MCOs so that for each MCO the projected aggregate reward and penalty dollar amounts are relatively equal. The gain sharing limits are set separately for each MCO based on the episodes which include certain services with the lowest total cost of care.
  - c. The Contractor shall:
    - (1) Use Tennessee's TennCare and CoverKids encounter data, as well as peer reviewed literature, and other State and National benchmarks of provider' performance in order to deliver appropriate recommendations for an Episode of Care's quality measure thresholds to the State.

- (2) Deliver cost and quality threshold recommendations to the State four (4) months prior to the beginning of an Episode of Care's performance period.
- (3) Complete analyses to determine the impact on providers' performance in each Episode of Care for the thresholds recommended by the Contractor. This includes, but is not limited to, estimates of percent of providers anticipated to pass all quality measures, the expected rewards and penalties that would be paid to providers as well as a breakdown of anticipated provider performance by region.
- (4) Complete any re-analyses of an Episode of Care's cost and quality measure thresholds at the request of the State, until thresholds are approved by the State.

A.6. The Contractor shall provide discrete analyses of approximately fifty (50) pages each for eight (8) discrete evaluation questions identified by the State related to the performance of both the Episodes of Care program and the State's Primary Care Transformation work. The State must approve each deliverable under this Contract Section A.6 prior to acceptance. Each analysis shall include a detailed discussion of the question being proposed, the methodology used to evaluate the question, and an assessment of the outcome of the evaluation. Questions may include, but are not limited to the following:

- a. Did the State's strategies lead to changes in service utilization patterns and reduced per member per month (1) total, (2) medical, and (3) behavioral health care costs? If so, to what extent?
- b. Did the strategies reduce, change, or increase utilization of services as measured by (not an exhaustive list):
  - (1) Reductions in avoidable acute health care services;
  - (2) Readmission rates;
  - (3) Admission rates;
  - (4) Outpatient hospital services use and rates of use;
  - (5) Ancillary services use and rates of use;
  - (6) Emergency room visits and rates of use;
  - (7) Care coordination;
  - (8) Preventive care; and
  - (9) Appropriate Follow-up.
- c. Did the strategies lead to improvements in the quality of care measures in the reporting and payment of the strategy? What are the characteristics of practices which showed improvement?

A.7. Unless otherwise directed by the State, the Contractor shall adhere to the following timeline for the Contract Term of October 1, 2017 through September 30, 2020, as applicable. All dates below are predicated on the completion of Wave 8, Wave 9, Wave 10, and Wave 11 Technical Advisory Groups (TAGs), due to be completed as follows:  
 Wave 8 TAG: Completed November 2017  
 Wave 9 TAG: Completed May 2018  
 Wave 10 TAG: Completed November 2018  
 Wave 11 TAG: Completed May 2019

	Program and Analytics Contractor Timelines	Due Date
	Wave 7: Contractor works on and delivers cost	Within four (4)

	and quality thresholds to the State	months of episode performance period
1	Wave 8: DBRs and associated configuration files coded	Within two (2) months of Wave 8 TAG conclusion
2	Wave 8: Kick-off conference call for the Quality Assurance process (all TennCare MCOs, the CoverKids administrator, and the MMIS vendor)	Within two (2) months of Wave 8 TAG conclusion
3	Wave 8: Three additional all-MCO and State MMIS vendor calls to broadly answer questions about each episode's algorithm and codes	Weekly following kick-off conference call
4	Wave 8: Contractor distributes a template for each Episode of Care to each MCO (per each line of business, 4 lines of business included) and the State's MMIS vendor	Prior to final conference call
5	Wave 8: Contractor resolves all discrepancies identified through the Quality Assurance process (iterative analyses of the respective tables with each TennCare MCO and the State's MMIS vendor) and final approval is given by the State	Within six (6) months of Wave 8 TAG conclusion
6	Wave 8: Contractor delivers final change log to the State	Within six (6) months of Wave 8 TAG conclusion
7	Wave 8: Contractor works on and delivers cost and quality thresholds to the State	Within 4 months of Episode performance period
8	Wave 9 Deliverables same as above following completion of Wave 9 TAG	Begin May 2018
9	Wave 10 Deliverables same as above following completion of Wave 10 TAG	Begin November 2018
10	Wave 11 Deliverables same as above following completion of Wave 11 TAG	Begin May 2019

A.8. The Contractor shall provide sufficient staffing to perform all activities associated with the analytics services required by this Contract. The Contractor shall have access, either on staff or via subcontractor, to clinicians who will serve as subject matter experts to advise on clinical aspects of episode design.



- A.9. Control Memorandum Process. The Control Memorandum (“CM”) process shall be utilized by the State to clarify Contract requirements, issue instruction to the Contractor, document action required of the Contractor, or request information from the Contractor. In addition, the CM process shall be used by the State to impose assessments of damages, either actual or liquidated. This process will be used to address issues or matters that do not require a contract amendment. Each CM must be in writing and indicate the date on which it was issued. CMs may provide relevant history, background, and other pertinent information regarding the issue(s) being addressed in the CM. Each CM will establish a deadline or timeframe for the Contractor’s reply or other action. All CMs submitted to the Contractor must be signed and approved by the State’s Project Director (or his/her designee). When the CM pertains to damages, either actual or liquidated, the State may issue consecutive CMs, as may be necessary or appropriate.
- a. A CM may include one (1) or more of the following five (5) components of the CM process described below:
    1. On Request Report – a request directing the Contractor to provide information by the time and date set out in the CM.
    2. Control Directive (CD) – instructions that require the Contractor to complete, within a designated timeframe, one (1) or more deliverables or to perform any other request from the State that is within the scope of the Contract. A CD may also provide clarification of certain Contract terms. Once a CM/CD has been issued, it shall be considered to be incorporated into this Contract.
    3. Notice of Potential Damages (Actual or Liquidated) (NPD) – notification to the Contractor that the State has determined that a potential Contract performance or compliance failure exists and that the State is contemplating assessing damages, actual and/or liquidated. The NPD shall identify the Contract provision(s) on which the State determination rests.
    4. Notice of Calculation of Potential Damages (Actual or Liquidated) (NCPD) – notification to the Contractor that provides a calculation of the amount of potential damages, actual and/or liquidated, that the State is contemplating assessing against the Contractor. NPDs and NPCDs may be issued consecutively or simultaneously.
    5. Notice of Intent to Assess Damages (Actual or Liquidated) (NIAD) – notification to the Contractor that the State is assessing damages and specifying whether the damages are actual damages, Liquidated Damages, or both, and setting out the performance or compliance failure underlying each intended damage assessment. The NIAD shall identify the NPD and NCPD upon which it is based. The NIAD shall specify the total amount and type of damages, whether actual or liquidated, the State intends to assess. Following the issuance of an NIAD, the State may elect to withhold damages from payments due to Contractor. The State may not issue a NIAD without first issuing a NPD and a NPCD. The State may not obtain both Liquidated Damages and Actual Damages for the same occurrence of a Contract performance or compliance failure.
  - b. Damages for failure to comply with CM. The Contractor shall fully comply with all CMs. Failure to do so may result in the State pursuing recovery of damages, as defined in Section E.10, including Liquidated Damages as listed in Contract Attachment D, a corrective action plan, and/or termination of the Contract.
  - c. Appeal of Damages by Contractor. Contractor may appeal either the basis for NPD or calculation of NCPD potential damages, either actual or liquidated. To do so, the Contractor shall submit to the State’s Project Director (or his/her designee) a written

response to the NPD and/or NCPD within ten (10) business days of receipt of a CM which includes a NPD or a NCPD. The State's Project Director (or his/her designee) shall review the appeal and provide notice of his/her determination to the Contractor through a CM. If the Contractor disagrees with the State's Project Director's (or his/her designee) initial appeal determination or the State's Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may submit a written request to the State's Project Director (or his/her designee) that the matter be escalated to senior management of the Agency. Contractor shall submit such a request for escalation within ten (10) business days of its receipt of the initial appeal determination from the State's Project Director (or his/her designee) or of notification by the State's Project Director that he/she is unable to resolve the appeal. The State's senior management shall provide written notice of its final determination to the Contractor within (10) days of the receipt of the appeal from the Contractor. Upon appeal or escalation, the State shall not increase the amount of the potential damages.

A.10. Nondiscrimination Compliance Requirements. The Contractor shall comply with all applicable federal and state civil rights laws, regulations, rules, and policies and Contract Section D.9 of this Contract.

a) In order to demonstrate compliance with the applicable federal and State civil rights laws and regulations, which may include, but are not limited to, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and 42 U.S.C. § 18116 (codified at 45 C.F.R. pt. 92) the Contractor shall designate a staff person to be responsible for nondiscrimination compliance.

The Contractor's Nondiscrimination Compliance Coordinator ("NCC") shall be responsible for compliance with the nondiscrimination requirements set forth in this Contract. Contractor agrees that its civil rights compliance staff member will work directly with TennCare's Civil Rights Compliance Director in order to implement and coordinate nondiscrimination compliance activities. The Contractor does not have to require that civil rights compliance be the sole function of the designated NCC staff member. However, the Contractor shall identify the designated NCC staff member to HCFA by name.

The Contractor shall report to HCFA, in writing, to the attention of the HCFA Director of Civil Rights Compliance, within ten (10) calendar days of the commencement of any period of time that the Contractor does not have a designated staff person for nondiscrimination compliance. At such time that this function is redirected, the name of the staff member who assumed the duties shall be reported in writing to HCFA within ten (10) calendar days of assuming the duties of the NCC.

(b) On an annual basis, The Contractor's staff and subcontractors assigned to perform duties under the terms of this Contract shall receive nondiscrimination training. The Contractor shall be able to show documented proof that the training was made available to the Contractor's staff and to its subcontractors that are considered to be performing duties under this Contract.

(c) The Contractor shall keep such records as may be necessary in order to submit timely, complete and accurate compliance reports that may be requested by the U.S. Department of Health and Human Services ("HHS"), the U.S. Department of Justice ("DOJ"), HCFA, and the Tennessee Human Rights Commission ("THRC") or their designees. If requested, the information shall be provided in a format and timeframe specified by HHS, DOJ, HCFA, or THRC. The requested information may be necessary to enable HHS, DOJ, HCFA, or THRC to ascertain whether the Contractor is complying with the applicable civil rights laws.

(d) The Contractor shall permit access as set forth in the applicable civil rights laws, such as, 45 C.F.R. § 92.302 or 45 C.F.R. § 80.6 to HHS, DOJ, HCFA, and THRC or their designees during

Normal Business Hours to such of its books, records, accounts, and other sources of information, and its facilities as may be pertinent to ascertain whether the Contractor is complying with the applicable civil rights laws.

- (e) Discrimination Complaint Investigations. Should a discrimination complaint be filed by a HCFA staff member or contractor alleging an incident claimed to be caused by either the Contractor's staff or one of its subcontractors who are considered to be performing duties under this contract, the Contractor shall work with HCFA to investigate and resolve the allegation. HCFA reserves the right to determine the complaint resolution and corrective action.
  
- (f) Electronic and Information Technology Accessibility Requirements. To the extent that the Contractor is using electronic and information technology to fulfill its obligations under this Contract, the Contractor agrees to comply with the electronic and information technology accessibility requirements under the federal civil rights laws including Section 504 and Section 508 of the Rehabilitation Act of 1973 ("Section 508"); 45 C.F.R. § 92.204; and the Americans with Disabilities Act. To comply with the accessibility requirements for Web content and non-Web electronic documents and software, the Contractor shall use W3C's Web Content Accessibility Guidelines ("WCAG") 2.0 AA (For the W3C's guidelines see: <http://www.w3.org/TR/WCAG20/>) (Two core linked resources are Understanding WCAG 2.0 <http://www.w3.org/TR/UNDERSTANDING-WCAG20/> and Techniques for WCAG 2.0 <http://www.w3.org/TR/WCAG20-TECHS/>).

Additionally, the Contractor agrees to comply with Title VI of the Civil Rights Act of 1964. In order to achieve Title VI compliance the Contractor should add a system function that allows users to translate the content into a language other than English. This requirement may be satisfied by the provision of a link to Google translate or other machine translate tool.

Should the system or a component of the system fail to comply with the accessibility standards, the Contractor shall develop and submit to HCFA for approval a noncompliance report that identifies the areas of noncompliance, a plan to bring the system or component into compliance, an alternative/work around that provides users with the equivalent access to the content, and a timeframe for achieving that compliance. HCFA shall review the noncompliance report to determine whether or not it is acceptable and should be implemented. Once the noncompliance report is approved by HCFA the Contractor may implement the compliance plan. HCFA, in its sole discretion, shall determine when a satisfactory compliance plan resolution has been reached and shall notify the Contractor of the approved resolution. If Contractor is unable to obtain content that conforms to WCAG 2.0 AA, it shall demonstrate through its reporting to HCFA that obtaining or providing accessible content would fundamentally alter the nature of its goods and services or would result in an undue burden.

#### A.11. Non-Disclosure and Contractors

The Contractor shall, as directed by the State and at no additional cost to the State, coordinate with, facilitate the prompt exchange of information between, and work collaboratively with any and all other State contractors and State agencies. If required in order for the Contractor to proceed with any part of the Scope of Services which involves sharing or obtaining information of a confidential, proprietary, or otherwise valuable nature with or from another State contractor or State agency, the Contractor may be requested to sign mutually agreeable documents, including but not limited to Non-Disclosure Agreements (Non-Disclosure Documents), which are reasonably necessary to maintain cooperation and collaboration among and with any and all other State contractors and State agencies in the performance of the Contract.

All information the Contractor may receive, have disclosed to it, or otherwise becomes known to Contractor during the performance of this Contract from any other State contractor or State agency, that the State contractor or State agency considers to be propriety or confidential in nature pursuant to a Non-Disclosure Document entered into between the Contractor and another State contractor or State agency, shall be governed by such Non-Disclosure Document.

Nothing in this Section, including failure to negotiate and enter into a Non-Disclosure Document acceptable to Contractor with another State contractor or State agency, shall be construed to relieve the Contractor of its duty to perform any requirements or deliverables under this Contract. Other than as permitted in Section C. of this Contract, Payment Terms and Conditions, the Contractor shall not invoice the State for any such coordination services, and the State shall not be liable to the Contractor for payment of any such coordination services, without the prior written consent of the State.

**B. TERM OF CONTRACT:**

- B.1. This Contract shall be effective for the period beginning October 1, 2017 (“Effective Date”) and ending on September 30, 2020 (“Term”). The State shall have no obligation for goods delivered or services provided by the Contractor prior to the Effective Date.
- B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to two (2) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)** (“Maximum Liability”). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
  - a. The Contractor’s compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
  - b. The Contractor shall be compensated based upon the following payment methodology:

Cost Item Description	Amount (per compensable increment)
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Delivery of Large Revisions of Detailed Business Requirements for Episodes of Care as specified in <i>pro forma</i> Section A.3.	\$ _____ per Large Revision of DBR (4 Large Revisions Total)
Delivery of State-Approved Medium Revision of Detailed Business Requirements for Episodes of Care as specified in <i>pro forma</i> Section A.3.	\$ _____ per Medium Revision of DBR (2 Medium Revisions Total)
Completion of Quality Assurance validations for Episode of Care DBRs as specified in <i>pro forma</i> Section A.4.	\$ _____ per <b>episode</b> of QA Validation <b>(25 episodes</b> of QA Validations Total)
Delivery of a state-approved set of recommendations for Cost and Quality Measure Thresholds (including the acceptable threshold, the commendable threshold, the gain-sharing limit, and the passing threshold for each quality measure) for one (1) Episode of Care as specified in <i>pro forma</i> Section A.5.	\$ _____ per Episode (34 Episodes Total)
Delivery of a state-approved document responding to <b>a discrete evaluation</b> question on a key issue identified by the State and related to Episodes of Care or primary care transformation as described in <i>pro forma</i> Section A.6.	\$ _____ per Document <b>(8</b> Documents Total)

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Division of Health Care Finance and Administration  
310 Great Circle Road  
Nashville, TN 37243

a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):

- (1) Invoice number (assigned by the Contractor);
- (2) Invoice date;
- (3) Contract number (assigned by the State);
- (4) Customer account name: Department of Finance and Administration, Division of Health Care Finance and Administration
- (5) Customer account number (assigned by the Contractor to the above-referenced Customer);

- (6) Contractor name;
- (7) Contractor Tennessee Edison registration ID number;
- (8) Contractor contact for invoice questions (name, phone, or email);
- (9) Contractor remittance address;
- (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
- (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
- (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
- (13) Amount due for each compensable unit of good or service; and
- (14) Total amount due for the invoice period.

b. Contractor's invoices shall:

- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
- (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
- (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
- (4) Include shipping or delivery charges only as authorized in this Contract.

c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.

- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
- b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

**D. MANDATORY TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract, other than information or data that is necessary for one or more Contract deliverables shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Deputy Commissioner  
Department of Finance and Administration  
Division of Health Care Finance and Administration  
Bureau of TennCare  
310 Great Circle Road  
Nashville TN 37243  
Telephone # (615) 507-6444  
FAX # (615) 253-5607

The Contractor:

**Contractor Contact Name & Title**  
**Contractor Name**  
**Address**  
**Email Address**  
**Telephone # Number**  
**FAX # Number**

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.
- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination. In addition, the Contractor shall comply with the provisions of Contract Section A.10 (Nondiscrimination Compliance Requirements) and this Section D.9 shall not be deemed to limit or abridge any requirement set forth in Section A.10.
- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment C,



semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself

and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.

- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This

provision shall not apply if information received or delivered by the parties under this Contract is NOT “protected health information” as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.

- d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System (“TCRS”), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member’s retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of “employee/employer” and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
  - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.
- The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.
- D.24. Force Majeure. “Force Majeure Event” means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing

Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract. In addition, the Contractor shall comply with the provisions of Contract Section E.16, (Applicable Laws, Rules, Policies and Court Orders), and this Section D.25 shall not be deemed to limit or abridge any requirement set forth in Section E.16, Applicable Laws, Rules, Policies and Court Orders.
- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
  - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes Attachment A, Episodes of Care Sequence,

Attachment B, Data Files, Attachment C, Attestation RE: Personnel Used in Contract Performance and Attachment D, Liquidated Damages;

- c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
  - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
  - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
  - f. the Contractor's response seeking this Contract.
- D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et.seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. **[ Sentence Deleted ]** Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. **[ Sentence Deleted ]** The deductible and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area.

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3<sup>rd</sup> floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

**The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.**

a. Commercial General Liability Insurance

- 1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).  
The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars (\$2,000,000).

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
  - i. Workers' compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
  - i. The Contractor employs fewer than five (5) employees;
  - ii. The Contractor is a sole proprietor;
  - iii. The Contractor is in the construction business or trades with no employees;
  - iv. The Contractor is in the coal mining industry with no employees;
  - v. The Contractor is a state or local government; or
  - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

**E. SPECIAL TERMS AND CONDITIONS:**

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.

E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. The Contractor shall only use Confidential information for activities pursuant to and related to the performance of the Contract. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E.3. State Ownership of Goods. The State shall have ownership, right, title, and interest in all goods provided by Contractor under this Contract including full rights to use the goods and transfer title in the goods to any third parties.

E.4. Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
- (4) "Third-Party Software," shall mean software not owned by the State or the Contractor.
- (5) "Work Product," shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party Software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted under this Contract.
  - (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.
  - (3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted under this Contract.
- c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.
- E.5 State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.
- E.6 Work Papers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis work papers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.7 Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.8. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
  - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any contract, grant, loan, or cooperative agreement, the



Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- E.9. Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
- E.10. Liquidated Damages In the event of a Contract performance or compliance failure by the Contractor, the State may, but is not obligated to address such Contract performance or compliance failure and/or assess damages ("Liquidated Damages") in accordance with Attachment D of the Contract. The State shall notify the Contractor of any amounts to be assessed as Liquidated Damages via the Control Memorandum process specified in Contract Section A.9. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Contractor performance or compliance failure, as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Contract Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Contract performance or compliance failure, are a reasonable estimate of the damages that would occur from a Contract performance or compliance failure, and are not punitive. The Parties agree that although the Liquidated Damages represent the reasonable estimate of the damages and injuries sustained by the State due to the Contract performance or compliance failure, they do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages as a result of a Contract performance or compliance failure before availing itself of any other remedy. In the event of multiple Contract performance or compliance failures, the Parties recognize that the cumulative effect of these Contract performance failures may exceed the compensation provided by Liquidated Damages. In that event, the State may choose to avail itself of any other remedy available under this Contract or at law or equity. The Parties further recognize that the State may not obtain both Liquidated Damages and Actual Damages for the same occurrence of a Contract performance or compliance failure.

Without regard to whether the State has imposed Liquidated Damages or pursued any other remedy due to any action or inaction by the Contractor, the State may impose a corrective action plan or similar measure through a Control Memorandum. Such measure is neither punitive nor related to any damages the State might suffer.

- E.11 Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.
- E.12 Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State.
- E.13. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual

letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

- E.14. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

a. Reporting of Total Compensation of the Contractor's Executives.

- (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
  - i. 80 percent or more of the Contractor's annual gross revenues from federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
  - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and
  - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)):
  - i. Salary and bonus.
  - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
  - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
  - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
  - v. Above-market earnings on deferred compensation which is not tax qualified.
  - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the

executive exceeds \$10,000.

- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
- c. If this Contract is amended to extend the Term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the term extension becomes effective.
- d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

The Contractor's failure to comply with the above requirements is a material breach of this Contract for which the State may terminate this Contract for cause. The State will not be obligated to pay any outstanding invoice received from the Contractor unless and until the Contractor is in full compliance with the above requirements.

- E.15 Survival. The terms, provisions, representations, and warranties contained in Sections D.11 (Records), D.19 (Hold Harmless), D.20 (HIPAA Compliance), E.2 (Confidentiality of Records), E.7 (Prohibited Advertising), E.9 (Intellectual Property) E.13 (Personally Identifiable Information), E.18 (Notification of Breach), E.20 (SSA Data), and E.24 (IRS Data) of this Contract shall survive the completion of performance, termination or expiration of this Contract.
- E.16. Applicable Laws, Rules, Policies and Court Orders. The Contractor agrees to comply with all applicable federal and State laws, rules, regulations, sub-regulatory guidance, executive orders, HCFA waivers, and all current, modified or future Court decrees, orders or judgments applicable to the State's TennCare program. Such compliance shall be performed at no additional cost to the State.
- E.17. Business Associate. As the Contractor will provide services to HCFA pursuant to which the Contractor will have access to, receive from, create, or receive on behalf of HCFA Protected Health Information, or Contractor will have access to, create, receive, maintain or transmit on behalf of HCFA Electronic Protected Health Information (as those terms are defined under HIPAA and HITECH), Contractor hereby acknowledges its designation as a business associate under HIPAA and agrees to comply with all applicable HIPAA regulations and the terms in the associated Business Associate Agreement.
- E.18. Notification of Breach and Notification of Suspected Breach. The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of and in no case later than forty-eight (48) hours after discovery of any incident, either confirmed or suspected, that represents or may represent unauthorized access, use or disclosure of encrypted or unencrypted computerized data that materially compromises the security, confidentiality, or integrity of enrollee PHI maintained or held by the Contractor, including any unauthorized acquisition of enrollee PHI by an employee or otherwise authorized user of the Contractor's system. This includes, but is not limited to, loss or suspected loss of remote computing or telework devices such as laptops, PDAs, Blackberrys or other Smartphones, USB drives, thumb drives, flash drives, CDs, and/or disks.
- E.19. Transmission of Contract Deliverables. All information or data that is necessary for one or more deliverable set forth in this Contract shall be transmitted between HCFA and Contractor via the data transfer method specified in advance by HCFA. This may include, but shall not be limited to, transfer through HCFA's SFTP system. Failure by the Contractor to transmit information or data that is necessary for a deliverable in the manner specified by HCFA, may, at the option of HCFA, result in liquidated damages as set forth on Contract Attachment B, hereto.

E.20. Social Security Administration (SSA) Required Provisions for Data Security. The Contractor shall comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. §3541, *et seq.*), and related National Institute of Standards and Technology guidelines. In addition, the Contractor shall have in place administrative, physical, and technical safeguards for data.

- a. The Contractor shall specify in its agreements with any agent or subcontractor that will have access to data that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section;
- b. The Contractor shall not duplicate in a separate file or disseminate, without prior written permission from HCFA, the data governed by the Contract for any purpose other than that set forth in this Contract for the administration of the HCFA program. Should the Contractor propose a redisclosure of said data, the Contractor must specify in writing to HCFA the data the Contractor proposes to redisclose, to whom, and the reasons that justify the redisclosure. HCFA will not give permission for such redisclosure unless the redisclosure is required by law or essential to the administration of the HCFA program.
- c. The Contractor agrees to abide by all relevant federal laws, restrictions on access, use, and disclosure, and security requirements in this Contract.
- d. The Contractor shall provide a current list of the employees of such contractor with access to SSA data and provide such lists to HCFA.
- e. The Contractor shall restrict access to the data obtained from HCFA to only those authorized employees who need such data to perform their official duties in connection with purposes identified in this Contract. The Contractor shall not further duplicate, disseminate, or disclose such data without obtaining HCFA's prior written approval.
- f. The Contractor shall ensure that its employees:
  - (1) are appropriately trained and properly safeguard PHI/PII furnished by HCFA under this Contract from loss, theft or inadvertent disclosure;
  - (2) understand that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee is at his or her regular duty station;
  - (3) ensure that laptops and other electronic devices/ media containing PHI/PII are encrypted and/or password protected;
  - (4) send emails containing PHI/PII only if encrypted or if to and from addresses that are secure; and,
  - (5) limit disclosure of the information and details relating to a PHI/PII loss only to those with a need to know.

Contractor employees who access, use, or disclose HCFA or HCFA SSA-supplied data in a manner or purpose not authorized by this Contract may be subject to civil and criminal sanctions pursuant to applicable federal statutes.

- g. Loss or Suspected Loss of Data—If an employee of the Contractor becomes aware of suspected or actual loss of PHI/PII, he or she must contact HC The Contractor must provide HCFA with timely updates as any additional information about the loss of PHI/PII becomes available.

If the Contractor experiences a loss or breach of said data, HCFA will determine whether or not notice to individuals whose data has been lost or breached shall be provided and the Contractor shall bear any costs associated with the notice or any mitigation.

- h. HCFA may immediately and unilaterally suspend the data flow under this Contract, or terminate this Contract, if HCFA, in its sole discretion, determines that the Contractor has: (1) made an unauthorized use or disclosure of HCFA SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this Contract Section E.20.
- i. This Section further carries out Section 1106(a) of the Act (42 U.S.C. 1306), the regulations promulgated pursuant to that section (20 C.F.R. Part 401), the Privacy of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget ("OMB") guidelines, the Federal Information Security Management Act of 2002 ("FISMA") (44 U.S.C. 3541 et seq.), and related National Institute of Standards and Technology ("NIST") guidelines, which provide the requirements that the SSA stipulates that the Contractor must follow with regard to use, treatment, and safeguarding data in the event data is exchanged with a federal information system.
- j. Definitions
  - (1) "SSA-supplied data" or "data" as used in this section – information, such as an individual's social security number, supplied by the Social Security Administration to HCFA to determine entitlement or eligibility for federally-funded programs (covered by a CMPPA between SSA and F&A; and IEA between SSA and HCFA).
  - (2) "Protected Health Information/Personally Identifiable Information" (PHI/PII)(45 C.F.R. 160.103; OMB Circular M-06-19) – Protected health information means individually identifiable health information that is: (i) Transmitted by electronic media; (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium.
  - (3) "Individually Identifiable Health Information"– information that is a subset of health information, including demographic information collected from an individual, and: (1) Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
  - (4) "Personally Identifiable Information" – any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, Social Security Number, date and place of birth, mother's maiden name, biometric records, including any other personal information which can be linked to an individual.

E.21. Medicaid and CHIP - The Contractor must provide safeguards that restrict the use or disclosure of information concerning applicants and beneficiaries to purposes directly connected with the administration of the plan:

- a) Purposes directly related to the administration of Medicaid and CHIP include:

- 1) establishing eligibility;
  - 2) determining the amount of medical assistance;
  - 3) providing services for beneficiaries; and,
  - 4) conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to Medicaid or CHIP administration.
- b) The Contractor must have adequate safeguards to assure that:
- 1) Information is made available only to the extent necessary to assist in the valid administrative purposes of those receiving the information; and
  - 2) information received under 26 USC is exchanged only with parties authorized to receive that information under that section of the Code; and, the information is adequately stored and processed so that it is protected against unauthorized disclosure for other purposes.
- c) The Contractor must have criteria that govern the types of information about applicants and beneficiaries that are safeguarded. This information must include at least--
- 1) Names and addresses;
  - 2) Medical services provided;
  - 3) Social and economic conditions or circumstances;
  - 4) Contractor evaluation of personal information;
  - 5) Medical data, including diagnosis and past history of disease or disability
  - 6) Any information received for verifying income eligibility and amount of medical assistance payments, including income information received from SSA or the Internal Revenue Service;
  - 7) Income information received from SSA or the Internal Revenue Service must be safeguarded according to Medicaid and CHIP requirements;
  - 8) Any information received in connection with the identification of legally liable third party resources; and.
  - 9) Social Security Numbers.
- d) The Contractor must have criteria approved by HCFA specifying:
- 1) the conditions for release and use of information about applicants and beneficiaries:
  - 2) Access to information concerning applicants or beneficiaries must be restricted to persons or Contractor representatives who are subject to standards of confidentiality that are comparable to those of HCFA;
  - 3) The Contractor shall not publish names of applicants or beneficiaries;

- 4) The Contractor shall obtain permission from a family or individual, whenever possible, before responding to a request for information from an outside source, unless the information is to be used to verify income, eligibility and the amount of medical assistance payment to an authorized individual or entity;
- 5) If, because of an emergency situation, time does not permit obtaining consent before release, the Contractor shall notify HCFA, the family or individual immediately after supplying the information.
- 6) The Contractor's policies must apply to all requests for information from outside sources, including governmental bodies, the courts, or law enforcement officials.
  - i) The Contractor shall notify HCFA of any requests for information on applicants or beneficiaries by other governmental bodies, the courts or law enforcement officials ten (10) days prior to releasing the requested information.
- 7) If a court issues a subpoena for a case record or for any Contractor representative to testify concerning an applicant or beneficiary, the Contractor must notify HCFA at least ten (10) days prior to the required production date so HCFA may inform the court of the applicable statutory provisions, policies, and regulations restricting disclosure of information.
- 8) The Contractor shall not request or release information to other parties to verify income, eligibility and the amount of assistance under Medicaid or CHIP, prior to express approval from HCFA.

E.22. Employees Excluded from Medicare, Medicaid or CHIP. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare, Medicaid, and/or CHIP programs pursuant to Sections 1128 of the Social Security Act.

E.23. Offer of Gratuities. By signing this contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the Center for Medicare and Medicaid Services, or any other state or federal agency has or will benefit financially or materially from this Contract. This Contract may be terminated by HCFA as provided in Section D.6, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

E.24. Internal Revenue Service (IRS) Safeguarding Of Return Information:

- a) Performance - In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
  - (1) This provision shall not apply if information received or delivered by the Parties under this Contract is NOT "federal tax returns or return information" as defined by IRS Publication 1075 and IRC 6103.
  - (2) All work will be done under the supervision of the contractor or the contractor's employees. The contractor and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.



- (3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
- (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (5) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (7) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (8) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (9) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (10) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

b) Criminal/Civil Sanctions

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.
- (3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A. The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

Inspection - The IRS and the Agency with 24 hour notice, shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work with FTI under this contract. The IRS and Agency's right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

- E.25. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's Response to RFP 31865-00476 (Attachment 6.2, Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a monthly report of participation in the performance of

this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the TN Diversity Software available online at: <https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810>.

**IN WITNESS WHEREOF,**

**CONTRACTOR LEGAL ENTITY NAME:**

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**CONTRACTOR SIGNATURE**

**DATE**

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**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

**DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION:**

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**LARRY B. MARTIN, COMMISSIONER**

**DATE**

## ATTACHMENT A Episodes of Care Sequence

Over 70 episodes of care will be designed and implemented over 5 years

Design year & wave	Episode	Design year & wave	Episode	Design year & wave	Episode
2013 1	Perinatal	2016 6	Skin and soft tissue infections	2018 9	Depression – acute exacerbation
	Asthma acute exacerbation		Neonatal (Age 31 weeks or less)		Lung cancer (multiple)
	Total joint replacement		Neonatal (Age 32 to 36 weeks)		Female reproductive cancer
2014 2	COPD acute exacerbation		Neonatal (Age 37 weeks or greater)		Other major bowel (multiple)
	Colonoscopy		HIV		PTSD
	Cholecystectomy		Pancreatitis	2018 10	Fluid electrolyte imbalance
	PCI - acute	Diabetes acute exacerbation	Renal failure		
PCI – non acute	2017 7	Spinal fusion	Liver & pancreatic cancer		
2015 3		Spinal decompression (without spinal fusion)	Hepatitis C		
		GI hemorrhage	Femur/pelvic fracture		GERD acute exacerbation
	EGD	Knee arthroscopy	Drug dependence		
	Respiratory Infection	Ankle sprains, strains, and fractures	GI obstruction		
	Pneumonia	Wrist sprains, strains, and fractures	Rheumatoid arthritis		
2015 4	UTI - outpatient	Shoulder sprains, strains, and fractures	2019 11	Bipolar - chronic	
	UTI – inpatient	Knee sprains, strains, and fractures		Bipolar – acute exacerbation	
	2016 5	Low back pain		Conduct disorder	
		ADHD		Hemophilia & other coag. dis.	Epileptic seizure
CHF acute exacerbation		Anal procedures		Hypotension/Syncope	
ODD	Colon cancer	Kidney & urinary tract stones			
CABG	CAD & angina	Other respiratory infection			
Valve repair and replacement	Hernia procedures	Dermatitis/Urticaria			
Bariatric surgery	Cardiac arrhythmia				
2016 5	Breast biopsy	Sickle cell			
	Breast cancer, medical oncology	Pacemaker / Defibrillator			
	Breast cancer, Mastectomy	Schizophrenia (multiple)			
	Otitis media				
	Tonsillectomy				
	Non-emergent depression				
	Anxiety				

Updated January 12, 2017

**(1) Sample File Layout for TennCare Data:**

<http://tn.gov/assets/entities/tenncare/attachments/RFP31865-00476.pdf>

**(2) QA Process Template Excel Workbook:**

<http://tn.gov/assets/entities/tenncare/attachments/RFP31865-00476.xlsx>

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	
<b>EDISON VENDOR IDENTIFICATION NUMBER:</b>	

**The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.**

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**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

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**PRINTED NAME AND TITLE OF SIGNATORY**

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**DATE OF ATTESTATION**

**LIQUIDATED DAMAGES**

In the event of a Contract performance or compliance failure by Contractor and such Contract performance failure is not included in the following table with an associated Liquidated Damage amount, the parties hereby agree that the State may choose one of the following courses of action in order to obtain redressability for such Contract performance failure: (1) the State may assess actual damages resulting from the Contract performance or compliance failure against the Contractor in the event that such actual damages are known or are reasonably ascertainable at the time of discovery of such Contract performance or compliance failure or (2) if such actual damages are unknown or are not reasonably ascertainable at the time of discovery of the Contract performance or compliance failure, the State may (a) require the Contractor to submit a corrective action plan to address any such Contract performance or compliance failure and (b) assess a liquidated damage against Contractor for an amount that is reasonable in relation to the Contract performance failure as measured at the time of discovery of the Contract performance or compliance failure. In the event that the State chooses to assess a Liquidated Damage for a Contract performance or compliance failure according to the immediately preceding sentence, in no event shall such Liquidated Damage be in excess of \$1,000 for any single Contract performance or compliance failure.

HCFA may elect to apply the following liquidated damages remedies in the event the Contractor fails to perform its obligations under this Contract in a proper and/or timely manner. Upon determination by HCFA that the Contractor has failed to meet any of the requirements of this Contract in a proper and/or timely manner, HCFA will notify the Contractor in writing of the performance or compliance failure and of the potential liquidated damages to be assessed. Should the performance or compliance failure remain uncorrected for more than thirty (30) calendar days from the date of the original notification of the performance or compliance failure by HCFA, HCFA may impose an additional liquidated damage of Five Hundred Dollars (\$500) per day from the date of the original notification to Contractor until said performance or compliance failure is resolved.

All liquidated damages remedies set forth in the following table may, at HCFA's election, be retroactive to the date of the initial occurrence of the failure to comply with the terms of the Contract as set forth in the notice of deficiency from HCFA and may continue until such time as the HCFA Deputy Commissioner, or the Deputy Commissioner's representative, determines the performance or compliance failure has been cured.

If liquidated damages are assessed, HCFA shall reduce the amount of any payment due to the Contractor in the next invoice by the amount of damages. In the event that damages due exceed the amount HCFA is to pay to Contractor in a given payment, HCFA shall invoice Contractor for the amount exceeding the amount payable to Contractor, and such excess amount shall be paid by Contractor within thirty (30) calendar days of the invoice date. In situations where the Contractor wishes to dispute any liquidated damages assessed by HCFA, the Contractor must submit a written notice of dispute, including the reasons for disputing the liquidated damages, to the HCFA Deputy Commissioner or the Deputy Commissioner's representative within thirty (30) calendar days of receipt of the notice from HCFA containing the total amount of damages assessed against the Contractor. If the Contractor fails to timely dispute a liquidated damages assessment as set forth herein, such failure shall constitute a bar to the Contractor seeking to have the assessment amount overturned in a forum or court of competent jurisdiction.

Liquidated damages will apply in the below Contract performance or compliance failures. Contractor acknowledges that the actual damages likely to result from breach of the below contract performance or compliance failures are difficult to estimate and may be difficult for the State to prove. The parties intend that the Contractor's payment of assessed liquidated damages will compensate the State for breach by

the Contractor obligations under this Contract. Liquidated damages do not serve as punishment for any breach by the Contractor.

	<b><u>PROGRAM ISSUES</u></b>	<b><u>DAMAGE</u></b>
1.	Failure by the Contractor to meet the standards for privacy, security, and confidentiality of individual data as evidenced by a breach of the security per Section E. 2. and E.18	The damage that may be assessed shall be one thousand dollars (\$1,000.00) per affected member per occurrence.
2.	Failure by the Contractor to execute the appropriate agreements to effectuate transfer and exchange of enrollee PHI or HCFA confidential information including, but not limited to, a data use agreement, trading partner agreement, business associate agreement or qualified protective order prior to the use or disclosure of PHI to a third party. (See E.17. and Business Associate Agreement between the parties)	The damage that may be assessed shall be one thousand dollars (\$1,000.00) per member, per occurrence.
3.	Failure by the Contractor to seek express written approval from HCFA prior to the use or disclosure of enrollee data or HCFA confidential information in any form via any medium with any third party beyond the boundaries and jurisdiction of the United States. (See E.13 and Business Associate Agreement between the parties)	The damage that may be assessed shall be one thousand dollars (\$1,000.00) per affected member per occurrence.
4.	Failure by the Contractor to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of suspected breach per Sections (See E.18 and Business Associate Agreement between the parties)	The damage that may be assessed shall be one thousand dollars (\$1,000.00) per affected member per occurrence.



**HIPAA Business Associate Agreement**

THIS HIPAA BUSINESS ASSOCIATE AGREEMENT ("Agreement") is between **The State of Tennessee, Department of Finance and Administration, Health Care Finance and Administration** ("HCFA" or "Covered Entity"), 310 Great Circle Road, Nashville, TN 37243 and \_\_\_\_\_ ("Business Associate"), located at \_\_\_\_\_, including all office locations and other business locations at which Business Associate data may be used or maintained. Covered Entity and Business Associate may be referred to herein individually as "Party" or collectively as "Parties."

**BACKGROUND**

The Parties acknowledge that they are subject to the Privacy and Security Rules (45 C.F.R. Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, and as amended by the final rule modifying the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules under the Health Information Technology for Economic and Clinical Health Act (HITECH). If Business Associate provides services to Covered Entity pursuant to one or more contractual relationships, said Agreements are detailed below and hereinafter referred to as "Service Agreements."

**LIST OF AGREEMENTS AFFECTED BY THIS HIPAA BUSINESS ASSOCIATE AGREEMENT:**

\_\_\_\_\_  
\_\_\_\_\_

In the course of performing services under a Service Agreement, Business Associate may come into contact with, use, or disclose Protected Health Information ("PHI"). Said Service Agreements are hereby incorporated by reference and shall be taken and considered as a part of this document the same as if fully set out herein.

In accordance with the federal privacy and security rules and regulations set forth at 45 C.F.R. Part 160 and Part 164, Subparts A, C, D and E, which require Covered Entity to have a written memorandum with each of its Business Associates, the Parties wish to establish satisfactory assurances that Business Associate will appropriately safeguard PHI that Business Associate may receive (if any) from or on behalf of Covered Entity, and, therefore, execute this Agreement.

**1. DEFINITIONS**

All capitalized terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms defined in 45 C.F.R. Parts 160 through 164 or other applicable law or regulation. A reference in this Agreement to a section in the Privacy or Security Rule means the section as in effect or as amended.

1.1 "Breach of the Security of the [Business Associate's Information] System" shall mean the unauthorized acquisition, including, but not limited to, access to, use, disclosure, modification or destruction, of unencrypted computerized data that materially compromises the security, confidentiality, or integrity of personal information maintained by or on behalf of the Covered Entity under the terms of Tenn. Code Ann. § 47-18-2107 and this Agreement. Good faith acquisition of personal information by an employee or agent of the Information Holder for the purposes of the Information Holder is not a Breach of the Security of the System; provided, that the personal information is not used or subject to further unauthorized disclosure.

1.2 "Commercial Use" means obtaining PHI with the intent to sell, transfer or use it for commercial, or personal gain, or malicious harm; sale to third party for consumption, resale, or processing for resale; application or conversion of data to make a profit or obtain a benefit contrary to the spirit of this Agreement, including but not

limited to presentation of data or examples of data in a conference or meeting setting where the ultimate goal is to obtain or gain new business.

1.3 "Confidential Information" shall mean any non-public, confidential or proprietary information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression, which is supplied by HCFA to the Business Associate under this Agreement. Any information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression, relating to individuals enrolled in the HCFA program ("HCFA enrollees"), or relating to individuals who may be potentially enrolled in the HCFA program, which is provided to or obtained through the Business Associate's performance under this Agreement, shall also be treated as "Confidential Information" to the extent that confidential status is afforded such information under state and federal laws or regulations. All confidential information shall not be subject to disclosure under the Tennessee Public Records Act.

1.4 "Electronic Signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

1.5 "Information Holder" means any person or business that conducts business in this state, or any agency of the state of Tennessee or any of its political subdivisions, that owns or licenses computerized data that includes personal information

1.6 "Marketing" shall have the meaning under 45 C.F.R. § 164.501 and the act or process of promoting, selling, leasing or licensing any HCFA information or data for profit without the express written permission of HCFA.

## **2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE (Privacy Rule)**

2.1 Compliance with the Privacy Rule. Business Associate shall fully comply with the requirements under the Privacy Rule applicable to "business associates," as that term is defined in the Privacy Rule and not use or further disclose PHI other than as permitted or required by this Agreement, the Service Agreements, or as required by law. In case of any conflict between this Agreement and the Service Agreements, this Agreement shall govern.

2.2 HITECH Act Compliance. The Health Information Technology for Economic and Clinical Health Act (HITECH) was adopted as part of the American Recovery and Reinvestment Act of 2009. HITECH and its implementing regulations impose new requirements on Business Associates with respect to privacy, security, and Breach notification. Business Associate hereby acknowledges and agrees that to the extent it is functioning as a Business Associate of Covered Entity, Business Associate shall comply with any applicable provisions of HITECH. Business Associate and the Covered Entity further agree that the provisions of HIPAA and HITECH that apply to business associates and that are required to be incorporated by reference in a business associate agreement have been incorporated into this Agreement between Business Associate and Covered Entity. Should any provision not be set forth specifically, it is as if set forth in this Agreement in its entirety and is effective as of the Applicable Effective Date, and as amended.

2.3 Business Management. Business Associate may use and disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate. Business Associate may provide data aggregation services relating to the Health Care Operations of HCFA, or as required by law. Business Associate is expressly prohibited from using or disclosing PHI other than as permitted by this Agreement, any associated Service Agreements, or as otherwise permitted or required by law, and is prohibited from uses or disclosures of PHI that would not be permitted if done by the Covered Entity.

2.4 Privacy Safeguards and Policies. Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by the Service Agreement(s), this Agreement or as required by law. This includes the implementation of Administrative, Physical, and Technical Safeguards to reasonably and appropriately protect the Covered Entity's PHI against any reasonably anticipated threats or hazards, utilizing the technology commercially available to the Business Associate (See also Section 3.2). The Business Associate shall maintain appropriate documentation of its compliance with the Privacy Rule, including, but not limited to, its policies, procedures, records of training and sanctions of members of its Workforce.

2.5 Business Associate Contracts. Business Associate shall require any agent, including a Subcontractor, to whom it provides PHI received from, maintained, created or received by Business Associate on behalf of Covered Entity, or that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of,

or access to PHI or other confidential HCFA information, to agree, by written agreement with Business Associate, to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information except for the provision at section 4.6, which shall only apply to the Business Associate notwithstanding the requirements in this section 2.5.

2.6 Mitigation of Harmful Effect of Violations. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.7 Reporting of Violations in Use and Disclosure of PHI. Business Associate shall require its employees, agents, and Subcontractors to promptly report to Business Associate immediately upon becoming aware of any use or disclosure of PHI in violation of this Agreement and to report to Covered Entity any use or disclosure of the PHI not provided for by this Agreement. The Business Associate shall report such violation to Covered Entity immediately upon becoming aware of, and in no case later than 48 hours after discovery.

2.8 Breach of Unsecured Protected Health Information. As required by the Breach Notification Rule, Business Associate shall, and shall require its Subcontractor(s) to, maintain systems to monitor and detect a Breach of Unsecured PHI, whether in paper or electronic form.

2.8.1 Business Associate shall provide to Covered Entity notice of a Breach of Unsecured PHI immediately upon becoming aware of the Breach, and in no case later than 48 hours after discovery.

2.8.2 Business Associate shall cooperate with Covered Entity in timely providing the appropriate and necessary information to Covered Entity.

2.8.3 Covered Entity shall make the final determination whether the Breach requires notification to affected individuals and whether the notification shall be made by Covered Entity or Business Associate.

2.9 Access of Individual to PHI and other Requests to Business Associate. If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate agrees to provide access to PHI in a Designated Record Set to Covered Entity in order to meet its requirements under 45 C.F.R. § 164.524. If Business Associate receives a request from an Individual for a copy of the Individual's PHI, and the PHI is in the sole possession of the Business Associate, Business Associate will provide the requested copies to the Individual in a timely manner. If Business Associate receives a request for PHI not in its possession and in the possession of the Covered Entity, or receives a request to exercise other Individual rights as set forth in the Privacy Rule, Business Associate shall promptly forward the request to Covered Entity. Business Associate shall then assist Covered Entity as necessary in responding to the request in a timely manner. If a Business Associate provides copies of PHI to the Individual, it may charge a reasonable fee for the copies as the regulations shall permit.

2.10 Requests to Covered Entity for Access to PHI. The Covered Entity shall forward to the Business Associate in a timely manner any Individual's request for access to or a copy (in any form they choose, provided the PHI is readily producible in that format) of their PHI that shall require Business Associate's participation, after which the Business Associate shall provide access to or deliver such information as follows:

- (a) The Parties understand that if either Party receives a request for access to or copies of PHI from an Individual which the Party may complete with only its own onsite information, the time for such response shall be thirty (30) days, with notification to the Covered Entity upon completion.
- (b) If Covered Entity does not have the requested PHI onsite and directs Business Associate to provide access to or a copy of his/her PHI directly to the Individual, or Individual's designee, the Business Associate shall have sixty (60) days from the date of the Individual's request to provide access to PHI or deliver a copy of such information to the Individual. The Business Associate shall notify the Covered Entity when it completes the response.
- (c) If the Covered Entity receives a request and requires information from the Business Associate in addition to the Covered Entity's onsite information to fulfill the request, the Business Associate shall have thirty (30) days from date of Covered Entity's notice to provide access or deliver such information to the Covered Entity so that the Covered Entity may timely respond to the Individual within the sixty (60) day requirement of 45 C.F.R. § 164.524.

- (d) If the Party designated above as responding to the Individual's request is unable to complete the response to the request in the time provided, that Party shall provide the Individual, or Individual's designee, with a written statement of the reasons for the delay and the date by which the Party will complete its action on the request. The Party may extend the response time once for no more than thirty (30) additional days.
- (e) Business Associate is permitted to send an Individual or Individual's designee unencrypted emails including Electronic PHI if the Individual requests it, provided the Business Associate has advised the Individual of the risk and the Individual still prefers to receive the message by unencrypted email.
- (f) Business Associate shall develop forms that are designed to collect the necessary written, signed designation that is required in order to permit Individuals to designate recipients of PHI.

2.11 Individuals' Request to Amend PHI. If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate agrees to make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526, regarding an Individual's request to amend PHI. The Business Associate shall make the amendment promptly in the time and manner designated by Covered Entity, but shall have thirty (30) days' notice from Covered Entity to complete the amendment to the Individual's PHI and to notify the Covered Entity upon completion.

2.12 Recording of Designated Disclosures of PHI. Business Associate shall document any and all disclosures of PHI by Business Associate or its agents, including information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

2.13 Accounting for Disclosures of PHI. The Business Associate agrees to provide to Covered Entity or to an Individual, or Individual's designee, in time and manner designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528. The Covered Entity shall forward the Individual's request requiring the participation of the Business Associate to the Business Associate in a timely manner, after which the Business Associate shall provide such information as follows:

- (a) If Covered Entity directs Business Associate to provide an accounting of disclosures of the Individual's PHI directly to the Individual, the Business Associate shall have sixty (60) days from the date of the Individual's request to provide access to or deliver such information to the Individual or Individual's designee. The Covered Entity shall provide notice to the Business Associate in time to allow the Business Associate a minimum of thirty (30) days to timely complete the Individual's request.
- (b) If the Covered Entity elects to provide the accounting to the Individual, the Business Associate shall have thirty (30) days from date of Covered Entity's notice of request to provide information for the Accounting to the Covered Entity so that the Covered Entity may timely respond to the Individual within the sixty (60) day period.
- (c) If either of the Parties is unable to complete the response to the request in the times provided above, that Party shall notify the Individual with a written statement of the reasons for the delay and the date by which the Party will complete its action on the request. The Parties may extend the response time once for no more than thirty (30) additional days.
- (d) The accounting of disclosures shall include at least the following information:
  - (1) date of the disclosure;
  - (2) name of the third party to whom the PHI was disclosed,
  - (3) if known, the address of the third party;
  - (4) brief description of the disclosed information; and
  - (5) brief explanation of the purpose and basis for such disclosure.
- (e) The Parties shall provide one (1) accounting in any twelve (12) months to the Individual without charge. The Parties may charge a reasonable, cost-based fee, for each subsequent request for an accounting by the same Individual if he/she is provided notice and the opportunity to modify his/her request. Such charges shall not exceed any applicable State statutes or rules.

2.14 Minimum Necessary. Business Associate shall use reasonable efforts to limit any use, disclosure, or request for use or disclosure of PHI to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request in accordance with the requirements of the Privacy Rule.

2.14.1 Business Associate represents to Covered Entity that all its uses and disclosures of, or requests for, PHI shall be the minimum necessary in accordance with the Privacy Rule requirements.

2.14.2 Covered Entity may, pursuant to the Privacy Rule, reasonably rely on any requested disclosure as the minimum necessary for the stated purpose when the information is requested by Business Associate.

2.14.3 Business Associate shall adequately and properly maintain all PHI received from, or created or received on behalf of, Covered Entity.

2.15 Privacy Compliance Review upon Request. Business Associate agrees to make its internal practices, books and records, including policies, procedures, and PHI, relating to the use and disclosure of PHI received from, created by or received by Business Associate on behalf of Covered Entity available to the Covered Entity or to the Secretary of the United States Department of Health in Human Services or the Secretary's designee, in a time and manner designated by the requester, for purposes of determining Covered Entity's or Business Associate's compliance with the Privacy Rule.

2.16 Cooperation in Privacy Compliance. Business Associate agrees to fully cooperate in good faith and to assist Covered Entity in complying with the requirements of the Privacy Rule.

### **3. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE (Security Rule)**

3.1 Compliance with Security Rule. Business Associate shall fully comply with the requirements under the Security Rule applicable to "Business Associates," as that term is defined in the Security Rule. In case of any conflict between this Agreement and Service Agreements, this Agreement shall govern.

3.2 Security Safeguards and Policies. Business Associate shall implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity as required by the Security Rule. This includes specifically, but is not limited to, the utilization of technology commercially available at the time to the Business Associate to protect the Covered Entity's PHI against any reasonably anticipated threats or hazards. The Business Associate understands that it has an affirmative duty to perform a regular review or assessment of security risks, conduct active risk management and supply best efforts to assure that only authorized persons and devices access its computing systems and information storage, and that only authorized transactions are allowed. The Business Associate will maintain appropriate documentation of its compliance with the Security Rule.

3.3 Security Provisions in Business Associate Contracts. Business Associate shall ensure that any agent to whom it provides Electronic PHI received from, maintained, or created for Covered Entity or that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of, or access to PHI supplied by Covered Entity, shall execute a bilateral contract (or the appropriate equivalent if the agent is a government entity) with Business Associate, incorporating the same restrictions and conditions in this Agreement with Business Associate regarding PHI except for the provision in Section 4.6.

3.4 Tennessee Consumer Notice of System Breach. Business Associate understands that the Covered Entity is an "Information Holder" (as may be Business Associate) under the terms of Tenn. Code Ann. § 47-18-2107, and that in the event of a breach of the Business Associate's security system as defined by that statute and Definition 1.1 of this agreement, the Business Associate shall indemnify and hold the Covered Entity harmless for expenses and/or damages related to the breach. Such obligation shall include, but is not limited to, the mailed notification to any Tennessee resident whose personal information is reasonably believed to have been acquired by an unauthorized individual. In the event that the Business Associate discovers circumstances requiring notification of more than one thousand (1,000) persons at one time, the person shall also notify, without unreasonable delay, all consumer reporting agencies and credit bureaus that compile and maintain files on consumers on a nationwide basis, as defined by 15 U.S.C. § 1681a, of the timing, distribution and content of the notices. Substitute notice, as defined by Tenn. Code Ann. § 47-18-2107(e)(2) and (3), shall not be permitted except as approved in writing in advance by the Covered Entity. The parties agree that PHI includes data elements in addition to those included by "personal information" under Tenn. Code Ann. § 47-18-2107, and agree that Business Associate's responsibilities under this paragraph shall include all PHI.

3.5 Reporting of Security Incidents. The Business Associate shall track all Security Incidents as defined by HIPAA and shall periodically report such Security Incidents in summary fashion as may be requested by the Covered Entity, but not less than annually within sixty (60) days of the anniversary of this Agreement. The Covered Entity shall not consider as Security Incidents, for the purpose of reporting, external activities (port enumeration, etc.) typically associated with the "footprinting" of a computing environment as long as such activities have only identified but not compromised the logical network perimeter, including but not limited to externally facing firewalls and web servers. The Business Associate shall reasonably use its own vulnerability assessment of damage potential and monitoring to define levels of Security Incidents and responses for Business Associate's operations. However, the Business Associate shall expediently notify the Covered Entity's Privacy Officer of any Security Incident, including any "breach of the security of the system" under Tenn Code Ann. § 47-18-2107, immediately upon becoming aware of any unauthorized acquisition including but not limited to use, disclosure, modification, or destruction of PHI by an employee or otherwise authorized user of its system of which it becomes aware.

3.5.1 Business Associate identifies the following key contact persons for all matters relating to this Agreement:

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Business Associate shall notify Covered Entity of any change in these key contacts during the term of this Agreement in writing within ten (10) business days.

3.6 Contact for Security Incident Notice. Notification for the purposes of Sections 2.9, 3.4 and 3.5 shall be in writing made by email/fax, certified mail or overnight parcel immediately upon becoming aware of the event, with supplemental notification by facsimile and/or telephone as soon as practicable, to:

HCFA Privacy Officer  
310 Great Circle Rd.  
Nashville Tennessee 37243  
Phone: (615) 507-6855  
Facsimile: (615) 734-5289  
Email: Privacy.TennCare@tn.gov

3.7 Security Compliance Review upon Request. Business Associate shall make its internal practices, books, and records, including policies and procedures relating to the security of Electronic PHI received from, created by or received by Business Associate on behalf of Covered Entity, available to the Covered Entity or to the Secretary of the United States Department of Health in Human Services or the Secretary's designee, in a time and manner designated by the requester, for purposes of determining Covered Entity's, Business Associate's compliance with the Security Rule.

3.8 Cooperation in Security Compliance. Business Associate shall fully cooperate in good faith to assist Covered Entity in complying with the requirements of the Security Rule.

3.9 Refraining from intimidation or retaliation. A Covered Entity or Business Associate may not threaten, intimidate, coerce, harass, discriminate against, or take any other retaliatory action against any Individual or other person for-- (a) Filing of a complaint under 45 C.F.R. § 160.306; (b) testifying, assisting, or participating in an investigation, compliance review, proceeding, or hearing; or (c) opposing any act or practice made unlawful, provided the Individual or person has a good faith belief that the practice opposed is unlawful, and the manner of opposition is reasonable and does not involve a disclosure of PHI in violation of HIPAA.

#### **4. USES AND DISCLOSURES BY BUSINESS ASSOCIATE**

4.1 Use and Disclosure of PHI for Operations on Behalf of Covered Entity. Except as otherwise limited in this

Agreement, Business Associate may use or disclose PHI to perform Treatment, Payment or Health Care Operations for, or on behalf of, Covered Entity as specified in Service Agreements, provided that such use or disclosure would not violate the Privacy and Security Rule, if done by Covered Entity.

4.2 Other Uses of PHI. Except as otherwise limited in this Agreement, Business Associate may use PHI within its Workforce as required for Business Associate's proper management and administration, not to include Marketing or Commercial Use, or to carry out the legal responsibilities of the Business Associate.

4.3 Third Party Disclosure Confidentiality. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that disclosures are required by law, or, if permitted by law, this Agreement, and the Service Agreement, provided that, if Business Associate discloses any PHI to a third party for such a purpose, Business Associate shall enter into a written agreement with such third party requiring the third party to: (a) maintain the confidentiality, integrity, and availability of PHI and not to use or further disclose such information except as required by law or for the purpose for which it was disclosed, and (b) notify Business Associate of any instances in which it becomes aware in which the confidentiality, integrity, and/or availability of the PHI is Breached immediately upon becoming aware.

4.4 Other Uses Strictly Limited. Nothing in this Agreement shall permit the Business Associate to share PHI with Business Associate's affiliates or contractors except for the purposes of the Service Agreement(s) between the Covered Entity and Business Associate(s) identified in the "LIST OF AGREEMENTS AFFECTED BY THIS HIPAA BUSINESS ASSOCIATE AGREEMENT" on page one (1) of this Agreement.

4.5 Covered Entity Authorization for Additional Uses. Any use of PHI or other confidential HCFA information by Business Associate, its Subcontractors, its affiliate or Contractor, other than those purposes of this Agreement, shall require express written authorization by the Covered Entity, and a Business Associate agreement or amendment as necessary.

Activities which are prohibited include, but not are not limited to, Marketing or the sharing for Commercial Use or any purpose construed by Covered Entity as Marketing or Commercial use of HCFA enrollee personal or financial information with affiliates, even if such sharing would be permitted by federal or state laws.

4.6 Prohibition of Offshore Disclosure. Nothing in this Agreement shall permit the Business Associate to share, use or disclose PHI in any form via any medium with any third party beyond the boundaries and jurisdiction of the United States without express written authorization from the Covered Entity.

4.7 Prohibition of Other Uses and Disclosures. Business Associate shall not use or disclose PHI that is Genetic Information for underwriting purposes. Moreover, the sale, marketing or the sharing for commercial use or any purpose construed by Covered Entity as the sale, marketing or commercial use of HCFA enrollee personal or financial information with affiliates, even if such sharing would be permitted by federal or state laws, is prohibited.

4.8 Data Use Agreement - Use and Disclosure of Limited Data Set. Business Associate may use and disclose a Limited Data Set that Business Associate creates for Research, public health activity, or Health Care Operations, provided that Business Associate complies with the obligations below. Business Associate may not make such use and disclosure of the Limited Data Set after any cancellation, termination, expiration, or other conclusion of this Agreement.

4.9 Limitation on Permitted Uses and Disclosures. Business Associate will limit the uses and disclosures it makes of the Limited Data Set to the following: Research, public health activity, or Health Care Operations, to the extent such activities are related to covered functions, including business planning and development such as conducting cost-management and planning-related analysis related to managing and operating Business Associates functions, formulary development and administration, development and improvement of methods of payment or coverage policies, customer service, including the provision of data analysis for policy holders, plan sponsors, or other customers, to the extent such activities are related to covered functions, provided that PHI is not disclosed and disclosure is not prohibited pursuant to any other provisions in this Agreement related to Marketing or Commercial use.

4.10 Business Associate shall enter into written agreements that are substantially similar to this Business Associate Agreements with any Subcontractor or agent which Business Associate provides access to Protected

Health Information.

4.11 Business Associates shall implement and maintain information security policies that comply with the HIPAA Security Rule.

## 5. OBLIGATIONS OF COVERED ENTITY

5.1 Notice of Privacy Practices. Covered Entity shall provide Business Associate with the notice of Privacy Practices produced by Covered Entity in accordance with 45 C.F.R. § 164.520, as well as any changes to such notice.

5.2 Notice of Changes in Individual's Access or PHI. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses.

5.3 Notice of Restriction in Individual's Access or PHI. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use of PHI.

5.4 Reciprocity for Requests Received by Business Associate. The Parties agree that this Section (Section 5) is reciprocal to the extent Business Associate is notified or receives an inquiry from any Individual within Covered Entity's covered population.

## 6. TERM AND TERMINATION

6.1 Term. This Agreement shall be effective as of the date on which it has been signed by both parties and shall terminate when all PHI which has been provided, regardless of form, by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if the Parties agree that it is unfeasible to return or destroy PHI, subsection 6.3.5 below shall apply.

6.2 Termination for Cause. This Agreement authorizes and Business Associate acknowledges and agrees Covered Entity shall have the right to terminate this Agreement and Service Agreement in the event Business Associate fails to comply with, or violates a material provision of this Agreement and any provision of the Privacy and Security Rules.

6.2.1 Upon Covered Entity's knowledge of a Breach by Business Associate, Covered Entity shall either:

- (a) Provide notice of breach and an opportunity for Business Associate to reasonably and promptly cure the breach or end the violation, and terminate this BAA if Business Associate does not cure the breach or end the violation within the reasonable time specified by Covered Entity; or
- (b) Immediately terminate this BAA if Business Associate has breached a material term of this BAA and cure is not possible.

6.3 Effect of Termination. Upon termination of this Agreement for any reason, except as provided in subsections 6.3.2 and 6.3.5 below, Business Associate shall at its own expense either return and/or destroy all PHI and other confidential information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity. This provision applies to all confidential information regardless of form, including but not limited to electronic or paper format. This provision shall also apply to PHI and other confidential information in the possession of sub-contractors or agents of Business Associate.

6.3.1 The Business Associate shall consult with the Covered Entity as necessary to assure an appropriate means of return and/or destruction and shall notify the Covered Entity in writing when such destruction is complete. If information is to be returned, the Parties shall document when all information has been received by the Covered Entity.

6.3.2 This provision (Section 6.3 and its subsections) shall not prohibit the retention of a single separate, archived file of the PHI and other confidential HCFA information by the Business Associate if the method



of such archiving reasonably protects the continued privacy and security of such information and the Business Associate obtains written approval at such time from the Covered Entity. Otherwise, neither the Business Associate nor its Subcontractors and agents shall retain copies of HCFA confidential information, including enrollee PHI, except as provided herein in subsection 6.3.5.

- 6.3.3 The Parties agree to anticipate the return and/or the destruction of PHI and other HCFA confidential information, and understand that removal of the confidential information from Business Associate's information system(s) and premises will be expected in almost all circumstances. The Business Associate shall notify the Covered Entity whether it intends to return and/or destroy the confidential with such additional detail as requested. In the event Business Associate determines that returning or destroying the PHI and other confidential information received by or created for the Covered Entity at the end or other termination of the Service Agreement is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction unfeasible.
- 6.3.4 Except for Business Associate Agreements in effect prior to April 21, 2005 when the Security Rule became effective, for the renewal or amendment of those same Agreements, or for other unavoidable circumstances, the Parties contemplate that PHI and other confidential information of the Covered Entity shall not be merged or aggregated with data from sources unrelated to that Agreement, or Business Associate's other business data, including for purposes of data backup and disaster recovery, until the parties identify the means of return or destruction of the HCFA data or other confidential information of the Covered Entity at the conclusion of the Service Agreement, or otherwise make an express alternate agreement consistent with the provisions of Section 6.3 and its subsections.
- 6.3.5 Upon written mutual agreement of the Parties that return or destruction of PHI is unfeasible and upon express agreement as to the means of continued protection of the data, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction unfeasible, for so long as Business Associate maintains such PHI.

## **7. MISCELLANEOUS**

7.1 Regulatory Reference. A reference in this Agreement to a section in the Privacy and/or Security Rule means the section as in effect or as amended.

7.2 Amendment. The Parties agree to take such action to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act, Public Law 104-191. Business Associate and Covered Entity shall comply with any amendment to the Privacy and Security Rules, the Health Insurance Portability and Accountability Act, Public Law 104-191, and related regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended, including, but not limited to, changes required by the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

7.3 Survival. The respective rights and obligations of Business Associate under Confidentiality and Section 6.3 of this Agreement shall survive the termination or expiration of this Agreement.

7.4 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and the Business Associate to comply with the Privacy and Security Rules.

7.5 Headings. Paragraph Headings used in this Agreement are for the convenience of the Parties and shall have no legal meaning in the interpretation of the Agreement.

7.6 Notices and Communications. All instructions, notices, consents, demands, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by electronic mail, hand, by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below, or to such other party, facsimile number, or address as may be hereafter specified by written notice. (For purposes of this section, effective notice to "Respective Party" is not dependent on whether the person named below remains employed by such Party.) The Parties agree to use their best efforts to immediately notify the other Party of changes in

address, telephone number, and fax numbers and to promptly supplement this Agreement as necessary with corrected information.

**Notifications relative to Sections 2.7, 3.4 and 3.5 of this Agreement must be reported to the Privacy Officer pursuant to Section 3.6.**

**COVERED ENTITY:**

Wendy Long, MD, Director  
Department of Finance and Adm.  
Health Care Finance & Admin.  
310 Great Circle Rd.  
Nashville, TN 37243  
Fax: (615) 253-5607

**BUSINESS ASSOCIATE:**

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All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the date of hand delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the facsimile machine at the receiving location and receipt is verbally confirmed by the sender.

7.7 Transmission of PHI or Other Confidential Information. Regardless of the transmittal methods permitted above, Covered Entity and Business Associate agree that all deliverables set forth in this Agreement that are required to be in the form of data transfers shall be transmitted between Covered Entity and Business Associate via the data transfer method specified in advance by Covered Entity. This may include, but shall not be limited to, transfer through Covered Entity's SFTP system. Failure by the Business Associate to transmit such deliverables in the manner specified by Covered Entity, may, at the option of the Covered Entity, result in liquidated damages as set forth in one (1) or more of the Service Agreements between Covered Entity and Business Associate listed above. All such deliverables shall be considered effectively submitted upon receipt or recipient confirmation as may be required.

7.8 Strict Compliance. No failure by any Party to insist upon strict compliance with any term or provision of this Agreement, to exercise any option, to enforce any right, or to seek any remedy upon any default of any other Party shall affect, or constitute a waiver of, any Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default. No custom or practice of the Parties at variance with any provision of this Agreement shall affect, or constitute a waiver of, any Party's right to demand strict compliance with all provisions of this Agreement.

7.9 Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

7.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee except to the extent that Tennessee law has been pre-empted by HIPAA and HITECH and without giving effect to principles of conflicts of law. Jurisdiction shall be Davidson County, Nashville, Tennessee, for purposes of any litigation resulting from disagreements of the parties for purpose of this Agreement and the Service Agreement (s).

7.11 Compensation. There shall be no remuneration for performance under this Agreement except as specifically provided by, in, and through, existing administrative requirements of Tennessee State government and Services Agreement(s) referenced herein.

7.12 Validity of Execution. Unless otherwise agreed, the parties may conduct the execution of this Business Associate Agreement transaction by electronic means. The parties may agree that an electronic record of the Agreement containing an Electronic Signature is valid as an executed Agreement.

**IN WITNESS WHEREOF, the Parties execute this Agreement to be valid and enforceable from the last date set out below:**

**HEALTH CARE FINANCE & ADMINISTRATION**

**BUSINESS ASSOCIATE**

By: \_\_\_\_\_  
**Wendy Long, MD, Director**  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

State of Tennessee, Dept. of Finance & Adm.  
Health Care Finance and Administration  
310 Great Circle Road Nashville, TN 37243  
Fax: (615) 253-5607

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