



**REQUEST FOR PROPOSALS # 30901-57424
AMENDMENT # 2
FOR PHARMACY BENEFITS MANAGEMENT, THIRD
PARTY ADMINISTRATIVE SERVICES, PROVIDER
NETWORK, BILL REPRICING AND UTILIZATION
REVIEW/MANAGED CARE
FOR WORKERS' COMPENSATION
PROGRAM**

DATE: April 1, 2024

RFP # 30901-57424 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 OR UPDATED
1. RFP Issued		March 4, 2024	Confirmed
2. Disability Accommodation Request Deadline	2:00 p.m.	March 7, 2024	Confirmed
3. Pre-response Teleconference	10:00 a.m.	March 11, 2024	Confirmed
4. Notice of Intent to Respond Deadline	2:00 p.m.	March 12, 2024	Confirmed
5. Written "Questions & Comments" Deadline	2:00 p.m.	March 15, 2024	Confirmed
6. State Response to Written "Questions & Comments"		April 1, 2024	Confirmed
7. Response Deadline	2:00 p.m.	April 10, 2024	Confirmed
8. State Completion of Technical Response Evaluations		April 19, 2024	Confirmed
9. State Schedules Respondent Oral Presentations (Respondent Finalists Only)		April 22, 2024	Confirmed
10. Respondent Oral Presentation (Respondent Finalists Only)	8:00 a.m. to 4:30 p.m.	April 30 to May 3, 2024	Confirmed
11. State Opening & Scoring of Cost Proposals		May 6, 2024	Confirmed
12. Negotiations (Optional to the State)		May 7 – May 10, 2024	Confirmed

13. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection		May 17, 2024	Confirmed
14. End of Open File Period		May 24, 2024	Confirmed
15. State sends contract to Contractor for signature		May 28, 2024	Confirmed
16. Contractor Signature Deadline	2:00 p.m.	May 31, 2024	Confirmed

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. Would you please share the attendee list for the pre-response conference or any additional information respondents received from the meeting?	No. At this point in the procurement process, the list of attendees for the Pre-Response Teleconference is considered confidential.
2. Please clarify the staffing model of the current TPA, Page 2 of the RFP document outlines differing levels of staffing? Please clarify which staff members work 100% of the time on the State program.	Two (2) Workers' Compensation Supervisors, six (6) Claim Specialists for Workers' Compensation Indemnity, two (2) Claim Specialists for Complex Medical, two (2) Claim Assistants, one (1) Claim Specialist for Workers' Compensation Indemnity Subrogation, one (1) Senior Claim Specialist for Workers' Compensation Indemnity, two (2) Claim Specialists for Medical Only, and one (2) Telephonic Case Manager.
3. Please provide workflow and details of current automated FMLA application process. A.25	The State notes that Section A.25 is no longer a required service being sought by the State and will be deleted in its entirety from the Pro Forma Contract. See item #6 below.
4. A.26 would it be acceptable to have dedicated team members that do not reside within a reasonable daily commute be managed out of the office in the Nashville Metro area and available for in person meetings with the State's team at this office or at any location deemed necessary by the state within the State of TN?	Yes.
5. A.37 Is this requirement to mean that the respondent cannot seek to have the pharmacy redirect the pharmacy bill to another appropriate insurance carrier or that they cannot seek to subrogate against the employee's health insurance program? First Fill programs are a vital part of successful pharmacy management programs and create an initial first impression of care for the injured employee. Provision of antivirals within the immediate aftermath of a blood borne pathogen or other bodily fluid exposure is a key part of that treatment plan however these types of scripts can be quite expensive. Would the state be willing to eliminate high-cost drugs from its first fill formulary?	The first fill should be redirected to a carrier, or if paid, subrogate against the employee, or the employee's State health insurance.

QUESTION / COMMENT	STATE RESPONSE
6. C.14 as part of the requirements is the State requesting a dedicated toll free number for the call center between adjusters and stakeholders? See Also Contract Attachment 2.	The State requires a dedicated toll-free number for the calls between the adjusters and stakeholders.
7. Is the State of TN currently considering any changes to the Case Management referral triggers referenced in Contract Attachment 1 Special Handling Instructions? Please provide estimated frequency in which claims with conditions matching that change occur.	<p>Currently, a full telephonic case management (TCM) referral is to be made within two weeks of notice of injury or condition where the anticipated lost time in excess of 2 weeks with no return to work estimate and a telephonic case management task assignment is triggered to coordinate restricted duty return to work, when available with employer.</p> <p>The TCM acts in an advocate role, bridging the gap between healthcare providers, adjusters, and injured workers. They help streamline the claim process, minimizing delays and ensuring that the injured worker receives the necessary care promptly. By moving to assigned telephonic case management when surgery is approved by the adjuster, the TCM can help with coordination of care before and after surgery, increasing customer service, as well as return to work coordination.</p> <p>Based on data over the past 3 years, a total of 340 surgeries were approved.</p>
8. Attachment 2 – requests that the phone system used in the call center for adjusters to store all calls for at least 18 months, this duration is currently outside best practices for storage of phone calls, would the state consider any alternatives to this requirement? Would it be acceptable to establish a process in which specific calls identified under parameters agreed to by the vendor and the State be saved for longer periods of time?	<p>The State is amendable to shortening the standard storage duration to 12 months. The State and the contractor will mutually establish a process for identifying phone calls requiring storage for longer than 12 months.</p> <p>See attached Exhibit B for this, and other, revisions. Exhibit B is an updated Contract Attachment 2 and shall replace the old Contract Attachment 2 in its entirety.</p>
9. We acknowledge the State's desire for panel providers to be within 50 miles of the injured worker's home. But if a compliant panel of three physicians cannot be located within 50 miles of the injured employee's home or workplace, does the state agree that the panel may be extended to a 125-mile radius of the community of the injured employee, this is the current standard used by the TN Bureau of Workers Compensation?	<p>Yes. Section A.4.c. of the Pro Forma Contract is amended as follows and shall read: <u>Provider Network Standards</u>. In accordance with Rule 0800-02-01-.06 of the <i>Official Compilation of the Rules and Regulations of the State of Tennessee</i>, the Contractor shall provide an Employee with a choice of three (3) Providers within the Employee's community. For purposes of that requirement, the term "community" means fifty (50) miles from the Employee's residence or place of employment. To meet this requirement, the Contractor shall use its best efforts to select and contract with at least three (3) Primary Care Physicians and a Health Facility located within at least fifty (50) miles of each Employee's residence. If three (3) Primary Care Physicians cannot be located within the community of the</p>

QUESTION / COMMENT	STATE RESPONSE
	<p>Employee, the Contractor may extend the search to a one hundred twenty-five (125) mile radius from the Employee's residence or place of employment. The Contractor shall also use its best efforts to select and contract with at least three (3) orthopedic and neurosurgery specialists located within sixty (60) miles of each Employee's residence. The Contractor shall have an accessibility analysis performed on an annual basis by a qualified third party for the purpose of establishing whether the above standards are being met and provide the results of the analysis to the State. Notwithstanding the numerical standards set forth above (e.g., three (3) Primary Care Physicians and a Health Facility), the Contractor shall use its best efforts to secure, for each county in Tennessee, sufficient Network participation by hospitals, physicians, ambulatory surgical facilities, and other health care providers to ensure an adequate distribution of, and reasonable access to, participating Providers from a geographic and service standpoint. The Contractor and the State shall reevaluate for each county in Tennessee the ratios of health care providers to Employees on an on-going basis and the Contractor shall add health care providers as needed.</p> <p>See item #7 below.</p>
<p>10. Please provide a detailed 5-year loss run in excel format, which includes current open inventory.</p>	<p>The State will provide a 5-year loss run in Excel format.</p> <p>See attached Exhibit E, which will become RFP Attachment 6.21 "5-Year Loss Run by DOI as of 12.31.2023".</p>
<p>11. What are the State's case load standards for adjusters?</p>	<p>See Section A.13.d. of the Pro Forma Contract.</p>
<p>12. Is the State seeking assistance with loss control? If so, how many loss control representatives is the current TPA providing?</p>	<p>The State is not seeking assistance with loss control</p> <p>See item #4 below.</p>
<p>13. Please confirm the current dedicated staffing structure for both TPA and managed care services?</p>	<p>See the State's response to Question/Comment 2 above.</p>
<p>14. Could you please provide medical bill review savings for the past five years?</p>	<p>The State will provide this information.</p> <p>See attached Exhibit C, which will become RFP Attachment 6.20 "Medical Bill Review Savings from 01.01.2018 to 12.31.2023."</p>
<p>15. 6.7 Loss Runs Loss run for new claims Can the State provide a loss run for the new arising claims for the last five years as well as a loss run for all open claims in an Excel format?</p>	<p>See the State's response to Question/Comment 10 above.</p>
<p>16. Section A of RFP Attachment 6.6, Pro Forma Contract Non-pharmacy and non-telehealth services</p>	<p>All of the services listed should be included in the lump-sum fee. Additionally, the following services should also be included as part of the fee: case</p>

QUESTION / COMMENT	STATE RESPONSE
<p>What of the following services should be included in the lump-sum fee in this section:</p> <ul style="list-style-type: none"> • Claims adjusting of take-over (tail) claims • Program implementation • Data conversion and image conversion • RMIS user access • Data feeds to Origami 	<p>management, all new claims, all utilization review, all Medicare services, return to work coordinator services, all PPO and bill review repricing services, all panel creation services, account management services, all fees associated IMEs, peer reviews, etc. that are not part of the actual physician charge as found in the fee schedule.</p>
<p>17. Section A of RFP Attachment 6.6, Pro Forma Contract Non-pharmacy and non-telehealth services</p> <p>Should the lump-sum fee in this section include the adjusting fees to handle both the assumed take-over and the new claim?</p>	<p>For take-over claims, cost will be a one-time flat fee amount. The cost for all new claims is part of the annual flat rate fee. See RFP Attachment 6.3 and Section C.3. of the Pro Forma Contract.</p>
<p>18. Section A of RFP Attachment 6.6, Pro Forma Contract State-mandated fee schedule medical bill review/repricing services, UR and CM, and/or other managed care services</p> <p>Are the 10 Field Case Managers to be included in the lump-sum fee, or will they be treated as an allocated loss adjustment expense (paid off of the respective file) ?</p>	<p>No, this is all included in the annual flat rate fee. See the State's response to Question/Comment 17 above.</p>
<p>19. Section D of RFP Attachment 6.6, Pro Forma Contract Insurance</p> <p>As it relates to section D.32 Insurance (d) 1-2 of the State's pro forma contract, is it acceptable for the Contractor to maintain insurance coverage based on the aggregate total specified for all policy coverages, even if specific coverages have different limits than specified?</p>	<p>No. The coverage amounts in Section D.32. of the Pro Forma Contract are minimum limits that are required for the contract and that shall be maintained for throughout the term of the contract.</p>
<p>20. Section D of RFP Attachment 6.6, Pro Forma Contract Insurance</p> <p>As it relates to section D.32 Insurance (d) 1-2 of the State's pro forma contract, would the State accept stated coverages related to technology errors and omissions under the Contractor's Cyber Policy as opposed to Error's and Omissions?</p>	<p>As explained during the Pre-response Teleconference, any proposed modifications to the contract terms and conditions must be made by the Written Questions & Comments Deadline (and contain the exact proposed modified language) so that the State can consider any amendments to the contract. After that time, no changes to the contract will be entertained by the State. See also Section 1.6 of the RFP. A respondent must not include alternate contract terms and conditions in its response.</p>
<p>21. 6.6, Pro Forma Contract, Attachment 2 Telephone call center service description and metrics Under call center response standards and metrics, Contractor's best practice is to answer 85% of calls within 30 seconds, will that be acceptable to the state?</p>	<p>No. Ninety percent (90%) of calls shall be answered within ninety (90) seconds.</p>
<p>22. Attachment 6.6 – pro forma contract A.15. Claims Management System. d. Security and Data Retention (4) The Contractor shall make changes requested by the allow State security staff to add, update, and terminate users, grant privileges, and report on activity.</p>	<p>The State agrees to modify Section A.15.d.(4) of the Pro Forma contract by deleting it in its entirety and replacing it with the following: "The Contractor shall make changes requested by the State security staff to add, update, and terminate users, grant privileges, and report on activity."</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Contractor agrees to make changes requested by the State; however due to Contractor's security protocols, such changes need to be made by Contractor's staff</p>	<p>See item #8 below.</p>
<p>23. Attachment 6.6 – pro forma contract</p> <p>D.32. Insurance.</p> <p>e. Crime Insurance</p> <p>1) The Contractor shall maintain crime insurance, which shall be written on a “loss sustained form” or “loss discovered form” providing coverage for third party fidelity, including cyber theft and extortion. The policy must allow for reporting of circumstances or incidents that may give rise to future claims. ., include an extended reporting period of no less than two (2) years with respect to events which occurred but were not reported during the term of the policy, and not contain a condition requiring an arrest or conviction.</p> <p>2) Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Contractor shall purchase an extended reporting or “tail coverage” of at least two (2) years after the Term.</p> <p>Contractor's cyber theft and extortion is covered under Contractor's Cyber policy.</p> <p>Contractor's coverage is on a loss sustained form and hence, this language would not be applicable.</p> <p>Contractor's crime policy is on a loss sustained form and hence the language is not applicable</p>	<p>The State agrees to modify Section D.32.e. of the Pro Forma contract.</p> <p>See item #11 below</p>
<p>24. Attachment 6.6 – pro forma contract</p> <p>E.3. Contractor Hosted Services, Confidential Data, Audit, and Other Requirements.</p> <p>a. “Confidential State Data” is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:</p> <p>(4) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The “Vulnerability Assessment” shall be</p>	<p>The State agrees to modify Section E.3. of the Pro Forma Contract by deleting the last sentence of subdivision (a)(4) and replacing it with the following: “The Contractor shall provide the State upon request with a summary of the results of Penetration Tests and Vulnerability Assessments on the Processing Environment.”</p> <p>As amended, the section shall read:</p> <p>“The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security</p>

QUESTION / COMMENT	STATE RESPONSE
<p>designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall provide evidence of allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.</p> <p>(4) Contractor does not allow clients to conduct any potentially invasive or intrusive testing, including vulnerability scanning or penetration testing as we leverage a platform that is shared amongst our clients. Instead, we can provide the results of our most recent vulnerability scan and manual penetration test conducted by a third party.</p>	<p>weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall provide the State upon request with a summary of the results of Penetration Tests and Vulnerability Assessments on the Processing Environment."</p> <p>See item #9 below.</p>
<p>25. Attachment 6.6 – pro forma contract</p> <p>E.3. Contractor Hosted Services, Confidential Data, Audit, and Other Requirements.</p> <p>d. Business Continuity Requirements.</p> <p>(1) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:</p> <p>i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: 4 hours for all data managed within a database and 24 hours for all non-database systems.</p> <p>ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: 24-48 hours.</p> <p>(1) i. – Contractor can meet the 4-hour RPO requirement for data stored in a database, but our other system data is backed up at least daily and therefore has a 24-hour RPO.</p> <p>(1) ii. – Contractor's RTOs are defined in our Global Summary document for each application. The RTO for the applications in scope are from 24 to 48 hours.</p>	<p>This is language from the State's standard required contract terms, and the State respectfully declines this request.</p>

- 3. Delete in its entirety the language associated with RFP Attachment 6.3 Cost Proposal & Scoring Guide pertaining to the "Annual 1% Claim Variance Adjustment" table section and replace it with the following:**

Cost Item Description	Proposed Cost					State Use ONLY		
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	Sum	Evaluation Factor	Evaluation Cost (sum x factor)
<p>Annual 1% Claim Variance Adjustment (as discussed below)</p> <p>In the event of a claim frequency variance in excess of +5% or -5% in the total number of received claims (not including Report Only (RO) claims), which shall be calculated each contract period by using the Date Administrator Notified field in the Contractor's claims management system, the flat fee associated with each subsequent service year shall be adjusted. For each contract period, this adjustment shall be calculated based on—and shall be capped at a 10% variance from—the Total Original Estimated Claim Count below. This variance may result in an additional fee to the Contractor or a credit to the State. The additional proposed annual flat fee or credit shall apply to each 1% variance of claim count between 5% and 10%. This claim count evaluation shall take place on June 30, 2025, for the July 1, 2024 – June 30, 2025 contract period, and on each June 30 thereafter through the July 1, 2028 – June 30, 2029 contract period.</p> <p>Total Original Estimated Claim Count: 1,923</p> <ul style="list-style-type: none"> • Medical Only – 1,265 • Indemnity - 658 	N/A	<p>\$ _____</p> <p>(flat amount to be applied to each 1% variance in the total number of received claims between the current contract period and the Total Original Estimated Claim Count)</p>	Same as second year	Same as second year	Same as second year		10	

4. **Delete from RFP Section 1.1 under the “Services requested in this RFP” header the following language:** “Financial and operational loss control services, as further described in Sections A.3, A.4, and A.5 of RFP Attachment 6.6., *Pro Forma Contract*,”
5. **Rename RFP Attachment 6.7 from “Loss Runs as of November 30, 2023” to “Loss Run Data for Open Claims as of November 30, 2023”.**
6. **Delete RFP Attachment 6.6 Pro Forma Contract section A.25. in its entirety and renumber the remaining subsections accordingly.**
7. **Delete the language associated with RFP Attachment 6.6 Pro Forma Contract section A.4.c. in its entirety and insert the following in its place:**

Provider Network Standards. In accordance with Rule 0800-02-01-.06 of the *Official Compilation of the Rules and Regulations of the State of Tennessee*, the Contractor shall provide an Employee with a choice of three (3) Providers within the Employee's community. For purposes of that requirement, the term "community" means fifty (50) miles from the Employee's residence or place of employment. To meet this requirement, the Contractor shall use its best efforts to select and contract with at least three (3) Primary Care Physicians and a Health Facility located within at least fifty (50) miles of each Employee's residence. If three (3) Primary Care Physicians cannot be located within the community of the Employee, the Contractor may extend the search to a one hundred twenty-five (125) mile radius from the Employee's residence or place of employment. The Contractor shall also use its best efforts to select and contract with at least three (3) orthopedic and neurosurgery specialists located within sixty (60) miles of each Employee's residence. The Contractor shall have an accessibility analysis performed on an annual basis by a qualified third party for the purpose of establishing whether the above standards are being met and provide the results of the analysis to the State. Notwithstanding the numerical standards set forth above (e.g., three (3) Primary Care Physicians and a Health Facility), the Contractor shall use its best efforts to secure, for each county in Tennessee, sufficient Network participation by hospitals, physicians, ambulatory surgical facilities, and other health care providers to ensure an adequate distribution of, and reasonable access to, participating Providers from a geographic and service standpoint. The Contractor and the State shall reevaluate for each county in Tennessee the ratios of health care providers to Employees on an on-going basis and the Contractor shall add health care providers as needed.

8. **Delete the language associated with RFP Attachment 6.6 Pro Forma Contract section A.15.d.(4) in its entirety and insert the following in its place:**

The Contractor shall make changes requested by the State security staff to add, update, and terminate users, grant privileges, and report on activity.

9. **Delete the language associated with RFP Attachment 6.6 Pro Forma Contract section E.3.a.(4) in its entirety and insert the following in its place:**

The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State’s requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor’s computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment’s features and data. The “Vulnerability Assessment” shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall provide the State upon request with a summary of the results of Penetration Tests and Vulnerability Assessments on the Processing Environment.

10. Delete in its entirety the Evaluation Categories & Maximum Points table in RFP Section 5.1 and replace it with the following table (and make the associated changes in the maximum points possible in: RFP Attachment 6.2, Sections B, C, and D; RFP Attachment 6.3; and RFP Attachment 6.5):

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	10
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	60
Oral Presentations-Respondent Finalists Only (refer to RFP Attachment 6.2., Section D)	10
Cost Proposal (refer to RFP Attachment 6.3.)	20

11. Delete in its entirety the language associated with RFP Attachment 6.6 Pro Forma Contract section D.32.e. and insert the following in its place:

e. Crime Insurance

- 1) The Contractor shall maintain crime insurance, which shall be written on a "loss sustained form" or "loss discovered form" providing coverage for third party fidelity which shall include cyber theft and extortion, unless cyber theft and extortion coverage is included in the Contractor's Cyber Liability insurance policy. The policy must allow for reporting of circumstances or incidents that may give rise to future claims.
- 2) Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000).

12. Delete in its entirety Item Reference # C.14 in RFP Attachment 6.2, Section C, and insert the following in its place:

	C.14. Describe your call center capabilities and the technology used to record calls between the adjuster and stakeholders. Include within the description the structure or organization of the call center. Also, include how many employees you currently have assigned to, or plan to assign to, the call center. Include what standards and procedures you have in place in order to satisfy the performance standards and metrics of the call center service as required by Section A.3.b.(4) of the <i>Pro Forma Contract</i> (RFP Attachment 6.6). Lastly, describe whether the call center personnel will be 100% dedicated to the scope of services in this contract.		10	
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13. Add as a new Item Reference # in RFP Attachment 6.2, Section C, the following:

	<p>C.15. Describe the level of customization available to the State across all communications of the Contractor, internal and external, which communications shall include, but not be limited to, written notices, letters, emails, and all other notifications, written, electronic, or otherwise, made in the Contractor's provision of the services set forth in the <i>Pro Forma</i> Contract (RFP Attachment 6.6). Internal communications include, but are not limited to, communications made between the Contractor and the State and all other State entities, agencies, active employees with workers' compensation claims being administered by the Contractor, and legislators. External communications include, but are not limited to, communications made between the Contractor and former employees with workers' compensation claims being administered by the Contractor, medical providers, insurance companies, and all other third parties. How do you intend to satisfy the requirements as set forth in Section A.3.b.(3) of the <i>Pro Forma</i> Contract (RFP Attachment 6.6). Do you have a mobile app, and, if so, is the app able to have State of Tennessee branding or other customizations, as designated by the State?</p>		10	
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14. Delete in its entirety the language associated with RFP Attachment 6.6 Pro Forma Contract section A.2. and insert the following in its place:

Definitions. For purposes of this Contract, definitions shall be as follows and as set forth in the Contract:

- a. "Act" shall mean Tennessee's Workers' Compensation Act, codified in Tenn. Code Ann. § 50-6-101 *et seq.*, as amended.
- b. "AWP" shall mean average wholesale price.
- c. "Business Day" shall mean 7:30 a.m. CS(D)T until 6:00 p.m. CS(D)T each day, except Saturdays, Sundays and legal holidays on which State offices are closed.
- d. "Compounding" shall mean the preparation, mixing, assembling, packaging or labeling of a drug or device.
- e. "Communications" shall mean, including, but not limited to, written letters, correspondence, memoranda, emails, and notifications in either hard copy or electronic form.
- f. "Dispense" or "Dispensed" shall mean preparing, packaging, compounding or labeling for delivery and actual delivery of a prescription drug, nonprescription drug or device in the course of professional practice to a patient or the patient's agent by or pursuant to the lawful order of a prescriber.
- g. "Employee" shall mean any person defined as a State of Tennessee employee pursuant to Tenn. Code Ann. § 8-42-101 who is eligible for workers' compensation coverage pursuant to Tenn. Code Ann. § 9-8-307.
- h. "External Communications" shall mean, including, but not limited to, Communications made between the Contractor and former State employees with workers' compensation claims being administered by the Contractor, medical providers, insurance companies, and all other third parties.
- i. "Health Facility" shall mean an institution legally operating as a hospital which is primarily engaged in providing, for compensation from its patients, inpatient medical and surgical facilities for diagnosis and treatment of injury or illness and is operated under the medical

- supervision of a staff of physicians and continuously provides nursing services by registered nurses for twenty-four (24) hours of every day.
- j. "Internal Communications" shall mean, including, but not limited to, Communications made between the Contractor and the State and between the Contractor and state officials, state employees, and legislators relative to workers' compensation claims being administered by the Contractor on behalf of the State.
 - k. "Maximum Allowable Rates" shall mean the maximum fees a Provider may receive for dispensing healthcare services, supplies or pharmaceuticals to Employees for work related injuries, as determined by the lesser of the following: (i) the State Mandated Rates, or (ii) the Negotiated Rates.
 - l. "Negotiated Rates" shall mean the rates the Contractor negotiated with a Provider pursuant to Section A.4.d.(1), Section A.4.i, Section A.5.d(1) or Section A.5.j below, as applicable, that are lower than the State Mandated Rates.
 - m. "Network" shall mean the Providers contracted by the Contractor to participate in the managed disability provider network or workers' compensation pharmacy network established and maintained on behalf of the State pursuant to this Contract.
 - n. "Pharmacy" or "Pharmacies" shall mean a location licensed by a state where drugs are Compounded or Dispensed under the supervision of a Pharmacist, and where prescription orders are received or processed.
 - o. "Pharmacist" shall mean an individual health care provider licensed by a state to practice the profession of pharmacy.
 - p. "Primary Care Physician" shall mean a duly licensed physician who engages in the practice of occupational medicine, emergency medicine, internal medicine, or family/general medicine. "Primary Care Physician" also means a duly licensed Walk-in Clinic that provides care and treatment of injured employees.
 - q. "Primary Care Provider" shall mean a Primary Care Physician or a Health Facility.
 - r. "Provider" shall mean a facility or practitioner who, for a fee, dispenses healthcare services or supplies to the public. "Provider" also means a Pharmacy.
 - s. "Repricing" shall mean the process used to calculate the difference between the Providers' billed charges and the Maximum Allowable Rates.
 - t. "State Mandated Rates" shall mean the fees calculated according to Tenn. Code Ann. § 50-6-204 and the Medical Fee Schedule Rules promulgated by the Tennessee Department of Labor and Workforce Development in Chapters 0800-02-17, 0800-02-18 and 0800-02-19 of the *Official Compilation of the Rules and Regulations of the State of Tennessee*, as may be amended.
 - u. "Walk-in Clinic" shall mean a free-standing or hospital-based facility, with limited hours, professionally staffed and equipped to provide emergency or non-emergency medical care.

15. Delete in its entirety the language associated with RFP Attachment 6.6 Pro Forma Contract section A.3.b.(3) and insert the following in its place:

(3) Claim Handling Requirements.

- (A) The Contractor shall develop, in consultation with the State, claim handling requirements for workers' compensation claims assigned by the State to the Contractor. At a minimum, such requirements shall include the Claim Handling Requirements, attached hereto as Contract Attachment 1, which is hereby incorporated into this Contract as though fully set forth herein. Once developed, the Claims Handling Requirements may be revised or modified by the Parties from time to time, without requiring an amendment to this Contract, provided that no such revisions or modifications shall be inconsistent with this Contract. The Contractor shall not unreasonably withhold its consent to any such revisions or modifications proposed by the State.
- (B) In addition to the requirements set forth above in subdivision (A), all Internal Communications and External Communications made by the Contractor in providing

the services set forth in this Contract shall be branded as determined and designated by the State, such that all Communications of the Contractor will not include the identity of the Contractor. Such branding may include, but shall not be limited to, the State's logo, the language "Tennessee Treasury Department, Division of Claims and Risk Management," and/or any other language, logo, trademark or branding so designated by the State, and shall be the only branding on all Internal Communications and External Communications made by the Contractor.

16. Delete in its entirety the language associated with RFP Attachment 6.6 Pro Forma Contract section A.3.b.(4) and insert the following in its place:

(4) Telephonic 24/7 Nurse Triage and Electronic Claims Intake Services, Performance Standard, Incentives and Penalties. The 24/7 Nurse Triage and Electronic Claims Intake Services, as described below, shall be performed in accordance with pages [PAGE NUMBERS FROM SUCCESSFUL PROPOSAL WHICH RESPOND TO ITEM C.5 OF ATTACHMENT 6.2 OF THE RFP] of the Contractor's Proposal and as may be modified or supplemented in the Claim Handling Requirements. Additional performance standards, requirements, and incentives pertaining to the toll-free telephone call center are included in the Telephone Call Center Services Description and Metrics, attached hereto as Contract Attachment 2, and the Performance Incentives, attached hereto as Contract Attachment 3, which are hereby incorporated into this Contract as though fully set forth herein, and which may be revised or modified by the Parties from time to time, without requiring an amendment to this Contract, provided that no such revisions or modifications shall be inconsistent with this Contract.

(A) Telephonic 24/7 Nurse Triage Services. The Contractor shall establish and maintain, at its own expense, a toll-free telephone call center with an automated response system, staffed with trained personnel who will be responsible for providing 24/7 Nurse Triage and electronic claims intake services, which allow the filing of workers' compensation claims over the telephone and electronically. All calls received through the call center shall be answered by the Contractor's personnel and within the time frame described below in subdivision (B). The Contractor shall develop, for the State's approval, a script to be used for answering each call, which shall include, but shall not be limited to, branding as may be designated by the State and as may be modified or supplemented in Contract Attachment 2. The Contractor shall make such services available twenty-four (24) hours a day, seven (7) days a week, and the Contractor agrees that the telephone call center and the automated phone response center shall have an adequate number of telephone lines to respond to calls and shall each have a toll-free TDD line for hearing-impaired callers. The Contractor shall provide notification of each such telephonic 24/7 Nurse Triage services and electronic filing to the injured Employee's agency contact within two (2) Business Days of filing.

(B) Annual Performance Standard. To ensure adherence to industry standards and timely processing of all claims and services, the Contractor agrees that it shall strive to answer within ninety (90) seconds at least ninety percent (90%) of all calls made to the call center, as provided in Section A.3.b.(4), and that each return call shall be made the next business day or sooner, or within twenty-four (24) hours, whichever is earlier, except for weekends and State of Tennessee holidays ("Performance Standard"). The Contractor further agrees that this Performance Standard shall be met or exceeded during each performance evaluation period. A performance evaluation period shall be each twelve (12) month period of the Contract, beginning on July 1, 2025. The Contractor further agrees that the Contractor's compensation shall be affected by its compliance or non-compliance with the Performance Standard, as described below.

- (C) **Incentive.** If the Contractor meets or exceeds the Performance Standard during any performance evaluation period, the Contractor shall be entitled to one hundred percent (100%) of the incentive amount set forth in Contract Attachment 3. If the Contractor fails to meet the Performance Standard, but answers within ninety (90) seconds between eighty-five percent (85%) ninety percent (90%) of calls made to the call center, the Contractor shall not be entitled to any of the incentive amount set forth in Contract Attachment 3.
- (D) **Penalty.** If the Contractor fails to meet the Performance Standard during any performance evaluation period, and if the Contractor fails to answer within ninety (90) seconds at least eighty-five percent (85%) of calls made to the call center, the Contractor's compensation as described in Section C.3.b. in this Contract shall be reduced by an amount equal to one hundred percent (100%) of the amount the Contractor would have been entitled to had it met or exceeded the Performance Standard described above and as set forth in Contract Attachment 3. This reduction in compensation may be waived by the State upon presentation of adequate documentation from the Contractor indicating the Performance Standard was not met because of a unique problem or situation. Such documentation must be submitted to the State with the invoice in which the reduction in compensation will be made.

17. Delete in its entirety the language associated with RFP Attachment 6.6 Pro Forma Contract section C.3.c. and insert the following in its place

In the event of a claim frequency variance in excess of +5% or -5% in the total number of received claims (not including Report Only (RO) claims), which shall be calculated each contract period by using the Date Administrator Notified field in the Contractor's claims management system, the flat fee associated with each subsequent service year shall be adjusted. For each contract period, this adjustment shall be calculated based on—and shall be capped at a 10% variance from—the Total Original Estimated Claim Count below. This variance may result in an additional fee to the Contractor or a credit to the State. The additional proposed annual flat fee or credit shall apply to each 1% variance of claim count between 5% and 10%. This claim count evaluation shall take place on June 30, 2025, for the July 1, 2024 – June 30, 2025 contract period, and on each June 30 thereafter through the July 1, 2028 – June 30, 2029 contract period.

Total Original Estimated Claim Count: 1,923 (Medical Only – 1,265; Indemnity – 658)

- 18. Delete in its entirety RFP Attachment 6.18 "Pharmacy, Telehealth, and Physical Therapy Cost Proposal Scoring Calculation Example" and replace it with Exhibit A, attached, which will be the new RFP Attachment 6.18.**
- 19. Delete in its entirety RFP Attachment 6.6 Pro Forma Contract, Contract Attachment 3 and replace it with Exhibit D, attached.**
- 20. 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.