

**CONTRACT #12**  
**RFS # 317.01-19127**  
**FA # 10-29400**

**Finance & Administration**  
**Office of e-Health Initiatives**

**VENDOR:**  
**Manatt Health Solutions, a**  
**division of Manatt, Phelps, &**  
**Phillips**

## **Draft Tennessee Summary Letter for Manatt Contract Extension**

December 6, 2010

On December 3<sup>rd</sup>, Office of the National Coordinator (ONC) for Health Information Technology, Department of Health and Human Services (HHS), issued a new funding opportunity announcement (FOA) that makes available approximately \$16 million that encourages breakthrough progress for nationwide health information exchange in five challenge areas identified as key needs since Federal and State governments began implementation of the HITECH Act. Only direct award recipients of the State Health Information Exchange Cooperative Agreement Program may apply.

Previously, with the support of Manatt, Tennessee has successfully received approval from the Office of National Coordinator for its grant of \$11.7M for the purpose of implementing a statewide Health Information Exchange (HIE). Based on the success of Manatt's support for development of the original Strategic and Operational Plans, which resulted in expedited review and release of ONC funding, continued support on these new deliverables through June 2011 will ensure the State maintains timely and full compliance with ONC. The Office of eHealth Initiatives is requesting that the Fiscal Review Committee approve this contract extension in order to provide necessary support for the planning, development and submission of Health Information Exchange Challenge Program.

Additionally, Manatt worked with Department of Finance and Administration staff to draft, finalize and make changes requested by CMS to the State Medicaid Health IT Plan (SMHP) and Information Advanced Planning Document (IAPD). Manatt provided valuable assistance in the development and presentation to CMS of Tennessee's proposal to use Medicaid Meaningful Use Matching Funds to support statewide HIE. If successful, the Matching Fund proposal will allow Tennessee to draw down more than \$9 million in federal funds. CMS approval of this plan is still pending. Manatt's continued support through June 2011 is critical to ensure that Tennessee can garner CMS approval of its proposal and access these funds. The Office of eHealth Initiatives is requesting that the Fiscal Review Committee approve this contract extension in order to provide ongoing support for next steps in a series of federal requirements for funding proposal approval.

With respect to the State HIE Cooperative Agreement, ONC released updated guidance in conjunction with its notice of award for implementation funding. On September 14, 2010, ONC transmitted Implementation Requirements that included requirements of periodic updates to the State HIE Strategic and Operational plans and gap analysis updates. Implementation Requirements for the State HIE Cooperative Agreement, including support for annual updates to the Strategic and Operational Plan are due on or about February 8, 2011. Based on the success of Manatt's support for development of the original Strategic and Operational Plans, which resulted in expedited review and release of ONC funding, continued support on these new deliverables through June 2011 will ensure the State maintains timely and full compliance with ONC. The Office of eHealth Initiatives is requesting that the Fiscal Review Committee approve this contract extension in order to provide ongoing support on these new implementation deliverables to ensure the State maintains timely and full compliance with ONC

Finally, progress continues to be required on a number of critical policy and technical fronts through next year. Manatt support for financial sustainability planning, a framework for qualifying organizations that will connect to statewide HIE services, the development of requirements and a pilot for high-value HIE services, and ongoing assessment and influence of

## **Draft Tennessee Summary Letter for Manatt Contract Extension**

December 6, 2010

national level efforts will allow Tennessee to make continued progress and maximize its investments in eHealth efforts.

- **Task 1 Manatt will continue to support the Department of Finance and Administration's development and refinement of plans and updates for administration of Meaningful Use of Certified EHR Incentives. Services include:**
- **Task 2. Manatt will support Department of Finance and Administration's responsiveness to requirements and new opportunities associated with the State HIE Cooperative Agreement.**
- **Task 3. Manatt will continue to staff the Statewide HIE Coalition.**

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Will Rice	*Contact Phone:	615-687-4945 (or) 615-584-2212
*Original Contract Number:	FA1029400	*Original RFS Number:	31701-19127
Edison Contract Number: (if applicable)	Edison 11163	Edison RFS Number: (if applicable)	31701-19127
*Original Contract Begin Date:	August 7, 2009	*Current End Date:	December 31, 2010
Current Request Amendment Number: (if applicable)	02		
Proposed Amendment Effective Date: (if applicable)	January 1, 2011		
*Department Submitting:	Office of eHealth Initiatives		
*Division:	Finance And Administration		
*Date Submitted:	December 8, 2010		
*Submitted Within Sixty (60) days:	No		
<i>If not, explain:</i>	This extension is made necessary in part because of an announcement on December 3, 2010, Office of National Coordinator for Health Information Technology, Department of Health and Human Services issued a new funding opportunity announcement that makes available approximately \$16 million that encourages breakthrough progress for nationwide health information exchange. Due to the quick response needed by this announcement, this request does not meet the 60-day required notice.		
*Contract Vendor Name:	Manatt Health Solutions, a division of Manatt, Phelps & Phillips		
*Current Maximum Liability:	\$2,388,000.00		
<b>*Current Contract Allocation by Fiscal Year:</b> <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY: 2010	FY: 2011	FY:	FY:
\$1,544,083.00	\$843,917.00	\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract:</b> <i>(attach backup documentation from STARS or FDAS report)</i>			
FY: 2010	FY: 2011	FY:	FY:
\$1,143,333.28	\$781,041.66	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain	N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

where surplus funds were spent:

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:		N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:		N/A		
*Contract Funding Source/Amount:	State:	\$1,527,665.00	Federal:	
Interdepartmental:		\$0.00	Other:	
If "other" please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
Amendment One – August 7, 2010		Amendment One: Extended the end date, added to the scope of services and increased funding		
Method of Original Award: <i>(if applicable)</i>		Non-Competitive		
*What were the projected costs of the service for the entire term of the contract prior to contract award?		N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

<b>Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.</b>					
Deliverable description:	FY: 2010	FY: 2011	FY:	FY:	FY:
See A.11		\$76,655.00			
See A.12		\$250,000.00			
See A.13		\$95,000.00			
<b>Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.</b>					
Deliverable description:	FY:	FY:	FY:	FY:	FY:
See Attached.					
<b>Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.</b>					
Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
See Attached.					
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

Unit	Voucher ID	Line	Distributor	Invoice #	PO No.	Vendor ID
31701	00013599	1	1	103012	000005889	0000109100
31701	00014566	1	1	106631	000006068	0000109100
31701	00015908	1	1	108795	000006472	0000109100
31701	00016551	1	1	113230	000006836	0000109100
31701	00017981	1	1	115347	000007238	0000109100
31701	00018828	1	1	118947	000007406	0000109100
31701	00020400	1	1	121435	000007798	0000109100
31701	00022750	1	1	126660	000008369	0000109100
31701	00023580	1	1	129818	000008369	0000109100
31701	00025667	1	1	133686	000009186	0000109100
31701	00026131	1	1	136269	000009847	0000109100
31701	00027623	1	1	138818	000010365	0000109100
31701	00028816	1	1	142864	000010823	0000109100
31701	00030246	1	1	146818	000011213	0000109100



Amount	Pymnt Date	Pymnt Method	EFT/ACH Layout
\$271,666.66	11/24/2009	EFT	PPD
\$266,666.66	12/14/2009	EFT	PPD
\$116,666.66	12/30/2009	CHK	
\$121,666.66	1/22/2010	EFT	PPD
\$91,666.66	2/26/2010	EFT	PPD
\$91,666.66	3/9/2010	EFT	PPD
\$91,666.66	4/19/2010	EFT	PPD
\$91,666.66	5/27/2010	EFT	PPD
<b>\$1,143,333.28</b>			
\$91,666.66	6/22/2010	EFT	PPD
\$137,875.00	7/30/2010	EFT	PPD
\$137,875.00	8/19/2010	EFT	PPD
\$137,875.00	9/17/2010	EFT	PPD
\$137,875.00	10/13/2010	EFT	PPD
\$137,875.00	11/12/2010	EFT	PPD
<b>\$781,041.66</b>			

Pymnt ID/Wmt #	Redeemed Status	Redeemed Dt
0000162594	Recon	9/7/2010
0000184390	Recon	9/7/2010
0000330396	Recon	1/7/2010
0000227999	Recon	9/7/2010
0000269216	Recon	9/7/2010
0000282340	Recon	9/7/2010
0000332482	Recon	9/7/2010
0000378633	Recon	9/7/2010
0000411272	Recon	9/7/2010
0000459123	Recon	9/7/2010
0000483283	Recon	9/7/2010
0000519089	Recon	9/20/2010
0000549480	Unrecon	
0000590975	Unrecon	



Bonds	User Code	Program	PC Bus Unit
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190002

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Project	Activity	Source Type	Category	Subcategory
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Csh Cl Dt	Acctg Date	Payment
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1/7/2010

11/23/2009 0000168633  
12/11/2009 0000192179  
12/30/2009 0000330396  
1/21/2010 0000239913  
2/25/2010 0000285070  
3/8/2010 0000298939  
4/16/2010 0000353581  
5/26/2010 0000403452  
  
6/21/2010 0000438719  
7/29/2010 0000490443  
8/18/2010 0000515779  
9/16/2010 0000554718  
10/12/2010 0000586909  
11/10/2010 0000631391

**Remit Vndr**

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## OIR Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** Jane Chittenden, OIR Procurement & Contract Management Director  
Department of Finance & Administration  
E-mail : [Jane.Chittenden@tn.gov](mailto:Jane.Chittenden@tn.gov)

**FROM :** Lovel VanArsdale  
E-mail : [Lovel.VanArsdale@tn.gov](mailto:Lovel.VanArsdale@tn.gov)

**DATE :** December 6, 2010

**RE :** Request for OIR Pre-Approval Endorsement

**Applicable RFS # 31701-19127**

**OIR Endorsement Signature & Date:**

**Chief Information Officer**

*NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.*

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

Please document OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

<b>Contracting Agency</b>	<b>Office of eHealth Initiatives</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Lovel VanArsdale, 615-507-6404</b>
<b>Subject Procurement Document</b> (mark one)	
<input type="checkbox"/> RFP	<input type="checkbox"/> Contract
<input type="checkbox"/> Competitive Negotiation Request	<input type="checkbox"/> Contract Amendment
<input type="checkbox"/> Alternative Procurement Method Request	<input type="checkbox"/> Grant
<input type="checkbox"/> Non-Competitive Contract Request	<input type="checkbox"/> Grant Amendment
<input checked="" type="checkbox"/> Non-Competitive Amendment Request	
<b>Information Systems Plan (ISP) Project Applicability</b>	
<input checked="" type="checkbox"/> Not Applicable to this Request	
<input type="checkbox"/> Applicable— ISP Project#	
<b>Response Confirmed by IT Director/Staff</b> (name):	

**Applicable RFS # 31701-19127**

**Required Attachments** (as applicable – copies without signatures acceptable)

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, Non-Competitive Contract Request, Non-Competitive Amendment Request
- Original Contract/Grant or Amendment
- Proposed Contract/Grant or Amendment

**Subject Information Technology Service Description**

(Brief summary of information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, etc. As applicable, identify the contract & solicitation sections related to the IT services.)

Support the Statewide HIE Coalition, a forum of States and State-Designated Entities, that identifies issues and enables members to identify and advocate for federal policies that will support successful statewide HIE.



## E-Health Pre-Approval Endorsement Request

### E-Mail Transmittal

**TO :** Lovel VanArsdale, Office of e-Health Initiatives  
 Department of Finance & Administration  
**E-mail :** [Lovel.Vanarsdale@tn.gov](mailto:Lovel.Vanarsdale@tn.gov)

**FROM :** Lovel VanArsdale  
**E-mail :** [Lovel.VanArsdale@tn.gov](mailto:Lovel.VanArsdale@tn.gov)

**DATE :** December 6, 2010

**RE :** Request for eHealth Pre-Approval Endorsement

**Applicable RFS # 31701-19127**

**Office of e-Health Initiatives Endorsement Signature & Date:**

12/07/2010

**Office of e-Health Initiatives**

Office of e-Health Initiatives (eHealth) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with medical/mental health-related professional, pharmaceutical, laboratory, or imaging type services as a component of the scope of service. This request seeks to ensure that eHealth is aware of and has an opportunity to review the procurement detailed below and in the attached document(s).

Please indicate eHealth endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

<b>Contracting Agency</b>	<b>Office of eHealth Initiatives</b>
<b>Agency Contact (name, phone, e-mail)</b>	<b>Lovel VanArsdale, 615-507-6404</b>
<b>Required Attachments (as applicable – copies without signatures acceptable)</b>	
<input type="checkbox"/> RFP, Competitive Negotiation Request, Alternative Procurement Method Request, or Non-Competitive Contract/Amendment Request	
<input type="checkbox"/> proposed contract or amendment	
<b>Medical/Mental Health-Related Service Description</b>	
Support the Statewide HIE Coalition, a forum of States and State-Designated Entities that identifies issues and enables members to identify and advocate for federal policies that will support successful statewide HIE.	

# NON-COMPETITIVE AMENDMENT REQUEST:

NON-AMD123008

<p><b>APPROVED</b></p>
<p><b>Commissioner of Finance &amp; Administration</b></p>

1) RFS #	31701-19127	
2) Procuring Agency :	Finance and Administration, Office of eHealth Initiatives	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Support the Statewide Health Information Exchange (HIE) Coalition. The amendment extends the contract date, adds additional deliverables to the scope of services and adds funding.	
4) Contractor :	Manatt, Phelps and Phillips, LLC	
5) Contract #	Edison 11163	
6) Contract Start Date :	August 7, 2009	
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	December 31, 2010	
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 2,388,000.00	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) Amendment #	Two	
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	January 1, 2011	
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	May 31, 2011	
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 2,809,665.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> <b>use of Non-Competitive Negotiation is in the best interest of the state</b> <input type="checkbox"/> <b>only one uniquely qualified service provider able to provide the service</b>	
14) Description of the Proposed Amendment Effects & Any Additional Service :	This amendment will extend the contract date, add additional deliverables to the scope of services and add funding.	
15) Explanation of Need for the Proposed Amendment :	To add deliverables to the scope of services, allow more time to complete the deliverables and add funding.	
16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)	William Bernstein, Manatt Health Solutions, 7 Times Square, New York, NY 10036	
17) Office for Information Resources Endorsement : (required for information technology service; n/a to THDA)	Documentation is ... <input type="checkbox"/> Not Applicable to this Request <input checked="" type="checkbox"/> Attached to this Request	
18) eHealth Initiative Endorsement : (required for health-related professional, pharmaceutical, laboratory, or imaging service)	Documentation is ... <input type="checkbox"/> Not Applicable to this Request <input checked="" type="checkbox"/> Attached to this Request	

19) Department of Human Resources Endorsement : (required for state employees training service)

Documentation is ...  Not Applicable to this Request  Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

The State is using Manatt to aid the Office of eHealth in applying for additional ARRA funding that encourages breakthrough progress for nationwide health information exchange in five challenge areas identified as key needs since Federal and State governments began implementation of the HITECH Act. Only direct award recipients of the State Health Information Exchange Cooperative Agreement Program may apply.

21) Justification for the Proposed Non-Competitive Amendment :

Previously, with the support of Manatt, Tennessee has successfully received approval from the Office of National Coordinator for its grant of \$11.7M for the purpose of implementing a statewide Health Information Exchange (HIE). Based on the success of Manatt's support for development of the original Strategic and Operational Plans, which resulted in expedited review and release of ONC funding, continued support on these new deliverables through June 2011 will ensure the State maintains timely and full compliance with ONC. The Office of eHealth Initiatives is requesting that the Fiscal Review Committee approve this contract extension in order to provide necessary support for the planning, development and submission of Health Information Exchange Challenge Program.

**AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

SIGNATURE & DATE



# CONTRACT AMENDMENT

<b>Agency Tracking #</b> 31701-19127	<b>Edison ID</b> 11163	<b>Contract #</b> FA1029400	<b>Amendment #</b> 2		
<b>Contractor Legal Entity Name</b> Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP			<b>Registration ID</b> 0000109100		
<b>Amendment Purpose &amp; Effect(s)</b> This amendment extends the end date, adds deliverables to the Scope of Services and increases funding.					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> May 31, 2011			
<b>Maximum Liability (TOTAL Contract Amount) Increase/Decrease per this Amendment:</b>			<b>\$2,809,665.00</b>		
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2010	\$717,333.00		\$826,750.00		\$1,544,083.00
2011	\$810,332.00		\$455,250.00		\$1,265,582.00
<b>TOTAL:</b>	<b>\$1,527,665.00</b>		<b>\$1,282,000.00</b>		<b>\$2,809,665.00</b>
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				OCR USE	
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.					
<b>Speed Code</b>	FA00001772	<b>Account Code</b>	70803000		

**AMENDMENT TWO  
TO FA1029400 Edison #11163**

This Amendment is made and entered by and between the State of Tennessee, Finance and Administration, Office of eHealth Initiatives, hereinafter referred to as the "State" and Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following provisions are added as Contract Sections A.11., A.12. and A.13.

A.11. As described in A.8., Manatt Health Solutions (MHS) will continue to support the Department of Finance and Administration's development and refinement of plans and updates for administration of Meaningful Use of Certified Electronic Health Record (EHR) Incentives through June 30, 2011. Services include:

- a. As-needed/annual update to State Medicaid Health Information Technology Plan (SMHP) including: (1) ongoing strategy for program administration (current activities are interim in order to meet year 1 requirements) and (2) plan for accepting meaningful use data from providers and hospitals (in program year 2) and where those data will reside (i.e., Health Information Organizations (HIO))
- b. Provision of technical assistance in development of TennCare's State Implementation Advanced Planning Document (IAPD) Updates that define plans and funding for statewide Health Information Exchange (HIE). MHS will provide draft IAPD Updates to Office of eHealth Initiatives (OeHI) and TennCare, participate in planning and review sessions with Center of Medicare and Medicaid Services (CMS) staff, and make changes to draft plans as required.
- c. Monitoring and analysis of CMS and Office of the National Coordinator's (ONC) guidance including: (1) final certification bodies; (2) related State Medicaid Director (SMD) letters; (3) National Level Repository (NLR) updates; and (4) stage 2 Meaningful Use.

A.12. MHS will support Department of Finance and Administration's responsiveness to requirements and new opportunities associated with the State HIE Cooperative Agreement through June 30, 2010. Services include:

- a. Support for development of up to two applications in response to Health Information Exchange Challenge Program Funding Opportunity Announcement that are due January 4, 2011.
- b. Support for development and submission of deliverables in response to ONC's Implementation Requirements for the State HIE Cooperative Agreement, including support for annual updates to the Strategic and Operational Plan due on or about February 8, 2011:
  - i. Statewide HIE sustainability plan under development by HIP TN
  - ii. status of plans to use state purchasing power
  - iii. status of plans to create web-enabled state level directories, supporting standards-based directory queries, including provider directories, health plan directories, and licensed clinical labs.
  - iv. status of demonstrations of provider and patient authentication services
  - v. the implementation and evaluation of policies and legal agreements related to HIE submitted to ONC.

- c. Support anticipated revision of contract between the State and HIP TN. At the State's request, Manatt will review proposed contract drafts as needed, and support development of clauses to protect the State's interests.
- d. Support assessment of Enterprise and Value-added Services as candidates for shared statewide services. Development of a pilot project to advance a high-priority HIE use case that advances the meaningful use of health IT. Proposed project deliverables (and anticipated timeframe) include:
  - i. Support assessments of technical feasibility, value proposition, and costs for candidate value-added services (January-May 2011)
  - ii. Conduct background research on use case implementation (January 2011)
  - iii. Prepare comparative analysis of use case implementations, lessons learned (January 2011)
  - iv. Develop draft strategy for use case (February 2011)
  - v. Present comparative analysis and implementation recommendations for TN Pilot to OeHI (February 2011)
  - vi. Prepare draft criteria and implementation plan for OeHI review (February 2011)
  - vii. Engage key internal and external stakeholders to review implementation plan (March 2011)
  - viii. Prepare first draft of RFP solicitation (March 2011)
  - ix. Prepare final draft of RFP solicitation (March 2011)
  - x. Support analysis and review of pilot project implementation (April – May 2011)

A.13. As described in A.6. and A.10., MHS will continue to staff the Statewide HIE Coalition through May 31, 2011.

- a. Support the Statewide HIE Coalition, a forum of States and State-Designated Entities that identifies issues and enables members to identify and advocate for federal policies that will support successful statewide HIE.
  - i. Staff and facilitate all Statewide HIE Coalition meetings, including meeting materials and minutes
  - ii. Work with the Steering Committee to identify and research topics of interest.
  - iii. Identify key program staff and contact information for each relevant federal agency, leading regulatory, policy, and/or procurement issuances and opportunity for public comment, as well as procurement award tracking
  - iv. Monthly email updates detailing recent ARRA implementation activities by the various federal agencies involved in administering ARRA's various provisions
  - v. Develop policy memoranda on federal issues, including meaningful use Stage 2, NHIN Governance, proposed rules for care delivery reforms involving health IT and others,
  - vi. Facilitate meetings with key policy influencers and decision-makers on behalf of the coalition as appropriate
  - xi. Support of multi-state coalition developing criteria and mechanisms to accredit qualified organizations. MHS will organize and lead coalition of states that are developing plans for organizations to connect with and access statewide HIE services

2. The text of contract section B.1. is deleted in its entirety and replaced with the following:

B.1. This Contract shall be effective for the period beginning January 1, 2011, and ending on May 31, 2011. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

3. The text of contract section C.1. is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed two million, eight hundred nine thousand six hundred sixty five dollars (**\$2,809,665.00**). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. 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.

4. The text of Contract Section C.3. is deleted in its entirety and replaced with the following:

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

<b>Service Description</b>	<b>Amount</b> (per compensable increment)
Under A.2 Two equal installments will be made at the beginning and upon completion to the State's satisfaction	<b>\$300,000.00</b>
Under A.3 Monthly payments for 4 months with final payment upon completion to the State's satisfaction	<b>\$100,000.00</b> (\$25,000.00 per month)
Under A.4 Monthly payments for 9 months with final payment upon completion to the State's satisfaction	<b>\$675,000.00</b> (\$75,000.00 per month)
Under A.5 Equal installments will be made at the beginning and upon completion to the State's satisfaction	<b>\$10,000.08</b>
Under A.6 Monthly payments for 12 months with final payment upon completion to the State's satisfaction	<b>\$199,999.92</b> (\$16,666.66 per month)
Under A.8 Monthly payments for 8 months with final payment upon completion to the State's satisfaction	<b>\$607,000.00</b>

	(\$75,875.00 per month)
Under A.9 Monthly payments for 8 months with final payment upon completion to the State's satisfaction	<b>\$376,000.00</b> (\$47,000.00 per month)
Under A.10 Monthly payments for 8 months with final payment upon completion to the State's satisfaction	<b>\$120,000.00</b> (\$15,000.00 per month)
Under A.11 Monthly payments for five months, beginning January 1, 2011 with final payment upon completion to the State's satisfaction	<b>\$76,655.00</b> (\$15,333.00 per month)
Under A.12 Monthly payments for five months, beginning January 1, 2011 with final payment upon completion to the State's satisfaction	<b>\$250,000.00</b> (\$50,000.00 per month from Jan-Mar) (\$35,000.00 per month from Apr-May)
Under A.13 Monthly payments for five months, beginning January 1, 2011 with final payment upon completion to the State's satisfaction	<b>\$95,000.00</b> (\$19,000.00 per month)

The revisions set forth herein shall be effective on the date of final approval by the appropriate State officials in accordance with applicable Tennessee State laws and regulations. All other terms and conditions not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**MANATT HEALTH SOLUTIONS, A DIVISION OF MANATT, PHELPS & PHELPS & PHILLIPS, LLP:**

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**PRINTED NAME AND TITLE OF SIGNATORY (above)**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

\_\_\_\_\_  
**MIKE MORROW, COMMISSIONER**

\_\_\_\_\_  
**DATE**



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North - 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

Sen. Bill Ketron, Chairman  
Senators  
Douglas Henry            Reginald Tate  
Doug Jackson            Ken Yager  
Brian Kelsey  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

Rep. Charles Curtiss, Vice-Chairman  
Representatives  
Harry Brooks            Donna Rowland  
Curtis Johnson           Tony Shipley  
Steve McManus           Curry Todd  
Mary Pruitt                Eddie Yokley  
Craig Fitzhugh, *ex officio*  
Speaker Kent Williams, *ex officio*

MEMORANDUM

TO:                    The Honorable Dave Goetz, Commissioner  
                          Department of Finance and Administration

FROM:                Bill Ketron, Chairman, Fiscal Review Committee  
                          Charles Curtiss, Vice-Chairman, Fiscal Review Committee

DATE:                May 11, 2010

SUBJECT:            Contract Comments  
                          (Fiscal Review Committee Meeting 5/10/10)

BK CC

RFS# 317.01-19127

Department: Finance & Administration/Office of eHealth Initiatives

Contractor: Manatt Health Solutions

Summary: The vendor currently works with the State to develop a plan that conforms to the federal requirements for the American Recovery and Reinvestment Act (ARRA). The proposed amendment includes additional deliverables in the scope of services, extends the current contract through December 31, 2010, and increases the maximum liability by \$1,103,000.

Maximum liability: \$1,285,000

Maximum liability w/amendment: \$2,388,000

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: Mr. Will Rice, Executive Director, Office of eHealth Initiatives  
      Mr. Robert Barlow, Director, Office of Contracts Review

RECEIVED

MAY 03 2010

FISCAL REVIEW



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Office of eHealth Initiatives  
310 Great Circle Road  
Nashville, Tennessee 37243  
Phone (615) 507-687-4945  
FAX (615) 532-2849

Dave Goetz  
COMMISSIONER

Will Rice  
EXECUTIVE DIRECTOR

**TO:** Robert Barlow  
**FROM:** Buddy Lea  
**DATE:** April 29, 2010  
**SUBJECT:** A 60 Day Waiver for Start Date for Contract Amendment One

The contract between Finance and Administration and Manatt, Phelps and Phillips, LLC needs to be amended to extend the end date from August 6, 2010 to December 31, 2010. The amendment will also increase funding and include additional deliverables in the Scope of Services. This amendment must go into effect on May, 1, 2010 thereby waiving the 60 day start date requirement. I have approved this waiver because it is in the State's best interest to extend the contract in order to aid the State in significant work that must be done quickly in order for the State to meet the criteria for ARRA funding. Specifically, the State must develop an Implementation Plan in accordance with CMS requirements for administration of Tennessee's Medicaid Meaningful Use incentive, effective May 1, 2010. Manatt will provide technical assistance and subject matter expertise to HIP TN and support the Statewide HIE Coalition, a forum of States and State-Designated Entities that identifies issues and enables members to identify and advocate for federal policies that will support successful statewide HIE.

## SUMMARY LETTER

The Office of eHealth Initiatives is requesting that the Fiscal Review Committee approve this contract extension in order for the State to complete the strategic and operational plans necessary for the successful implementation of grants and obligations under the Health Information Technology for Economic and Clinical Health Act (HITECH) section of the American Recovery and Reinvestment Act funding (ARRA). This extension is made necessary in part because of delays in the promulgation of federal rules and guidelines for these purposes, and also because the effective involvement of private and public stakeholders. Also changes in staffing in the Office of eHealth Initiatives had to be managed. Due to the uncertainty caused by these delays and changes that have only recently been resolved, this request does not meet the 60-day required notice.

The State had a first contract with Manatt Health Solutions that ended July 31, 2009 in the amount of \$250,000.00 to assist the State in preparing a governance model and conceptual architecture for an integrated, statewide health information exchange and a proposed plan to begin implementation through a Not-For-Profit (NFP) Entity, accomplished in the formation of the Health Information Partnership for Tennessee (HIP TN). A second contract of \$1.2M was entered into for the purpose of developing strategic and operational plans that meet federal requirements, not only for the OeHI but also for the TennCare Bureau, which has responsibility for administering reimbursement grants to physicians. Previously you have received copies of both contracts and the reports produced by Manatt. A copy of the draft strategic plan is attached.

Tennessee has successfully received initial approval from the Office of National Coordinator for its grant of \$11.7M for the purpose of implementing a statewide Health Information Exchange (HIE). The initial approval is for the use of \$1M for planning, and the remainder of the grant is contingent upon an approved operational and business plan, for which Manatt is integral to the completion. Tennessee has also received initial approval for \$2.7M from the Center for Medicare and Medicaid Services for the purposes of administering physician and hospital grants for the implementation of electronic health records and for encouraging the broad adoption of HIE. Manatt has been centrally involved in the drafting of a State Medicaid Health Information Technology Plan, the next step in a series of federal requirements. The specific requirements may change as federal rulemaking is completed in the June/July timeframe, and Manatt's assistance is necessary to adjusting the plans to those changes. Physicians and hospitals are expecting to be reimbursed for the implementation of EHRs, and the services of Manatt are necessary for the State to be able to meet their expectations.

Based on this background information, the State is requesting that Manatt Health Care Solutions continue to assist with the following tasks:

- Task 1. Assist in Finalization of a Contractual Framework between State and HIP TN and in the continued collaboration necessary for HIE
- Task 2. Assist in the Development of State operational and business plans for HITECH
- Task 3. Assist TennCare in the development of a State Medicaid Health Information Technology Plan and subsequent implementation documents required by CMS
- Task 4. Provide analysis of final federal regulations and guidelines to assure continued compliance

5/3/2010

- Task 5. Support planning for services necessary to assist providers in meeting federal requirements
- Task 6. Provide technical assistance and subject matter expertise to HIP TN
- Task 7. Provide technical assistance and subject matter expertise for the Southeast Regional HIT-HIE Collaborative
- Task 8. Continue management of the Statewide HIE Coalition to address federal policy and operational issues

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Will Rice	*Contact Phone:	615-687-4945 (or) 615-584-2212
*Original Contract Number:	FA1029400	*Original RFS Number:	31701-19127
Edison Contract Number: <i>(if applicable)</i>	Edison 11163	Edison RFS Number: <i>(if applicable)</i>	31701-19127
*Original Contract Begin Date:	August 7, 2009	*Current End Date:	August 6, 2010
Current Request Amendment Number: <i>(if applicable)</i>	01		
Proposed Amendment Effective Date: <i>(if applicable)</i>	May 1, 2010		
*Department Submitting:	Office of eHealth		
*Division:	Finance And Administration		
*Date Submitted:	April 30, 2010		
*Submitted Within Sixty (60) days:	No		
<i>If not, explain:</i>	This extension is made necessary in part because of delays in the promulgation of federal rules and guidelines for these purposes, and also because the effective involvement of private and public stakeholders. Also changes in staffing in the Office of eHealth Initiatives had to be managed. Due to the uncertainty caused by these delays and changes that have only recently been resolved, this request does not meet the 60-day required notice.		
*Contract Vendor Name:	Manatt Health Solutions, a division of Manatt, Phelps & Phillips		
*Current Maximum Liability:	\$1,285,000.00		
<b>*Current Contract Allocation by Fiscal Year:</b> <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY: 2010	FY:	FY:	FY:
\$1,285,000.00	\$ .00	\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract:</b> <i>(attach backup documentation from STARS or FDAS report)</i>			
FY: 2010	FY:	FY:	FY:
\$1,151,666.62	\$	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A		
<b>IF</b> surplus funds have been carried			

Supplemental Documentation Required for  
Fiscal Review Committee

forward, please give the reasons and provide the authority for the carry forward provision:			
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:		N/A	
*Contract Funding Source/Amount:	State:	\$1,106,000	Federal:
Interdepartmental:		\$1,282,000	Other:
If "other" please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
No previous amendments.			
Method of Original Award: <i>(if applicable)</i>		Non-Competitive	
*What were the projected costs of the service for the entire term of the contract prior to contract award?		N/A	

## Supplemental Documentation Required for Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

**Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.**

Deliverable description:	FY: 2010	FY: 2011	FY:	FY:	FY:
See A.8	\$151,750	\$455,250			
See A.9	\$94,000	\$282,000			
See A.10	\$30,000	\$90,000			

**Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.**

Deliverable description:	FY:	FY:	FY:	FY:	FY:
See Attached.					

**Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.**

Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
See Attached.					
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

**Proposed savings to be realized per fiscal year by entering into this contract or amendment: Provide breakdown by fiscal year and deliverable for any cost savings or avoidance to be realized by this contract or amendment.**

The Office of eHealth Initiatives is requesting that the Fiscal Review Committee approve this contract extension in order for the State to complete the strategic and operational plans necessary for the successful implementation of grants and obligations under the Health Information Technology for Economic and Clinical Health Act (HITECH) section of the American Recovery and Reinvestment Act funding (ARRA). There is no additional savings but there is potential for the loss of Federal Funding if specific deadlines are not met.

**Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options: List other options available (including other vendors, in-house), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.**

Manatt has been centrally involved in the drafting of a State Medicaid Health Information Technology Plan, the next step in a series of federal requirements. The specific requirements may change as federal rulemaking is completed in the June/July timeframe, and Manatt's assistance is necessary to adjusting the plans to those changes. Physicians and hospitals are expecting to be reimbursed for the implementation of EHRs, and the services of Manatt are necessary for the State to be able to meet their expectations.

Unit	Voucher ID	Invoice #	PO No.	Vendor ID	Vendor Name	Amount	Paymt Date	Dept
31701	00010228	2009070929	0000004523	0000109100	Manatt, Phelps, Phillips LLC	50,000.00	9/17/2009	3171900001
31701	00013599	103012	0000005889	0000109100	Manatt, Phelps, Phillips LLC	271,666.66	11/24/2009	3171900001
31701	00014566	106631	0000006068	0000109100	Manatt, Phelps, Phillips LLC	266,666.66	12/14/2009	3171900001
31701	00015908	108795	0000006472	0000109100	Manatt, Phelps, Phillips LLC	116,666.66	12/30/2009	3171900001
31701	00016020	2009060871	0000003728	0000109100	Manatt, Phelps, Phillips LLC	50,000.00	1/11/2010	3171900001
31701	00016551	113230	0000006836	0000109100	Manatt, Phelps, Phillips LLC	121,666.66	1/22/2010	3171900001
31701	00017981	115347	0000007238	0000109100	Manatt, Phelps, Phillips LLC	91,666.66	2/26/2010	3171900001
31701	00018828	118947	0000007406	0000109100	Manatt, Phelps, Phillips LLC	91,666.66	3/9/2010	3171900001
31701	00020400	121435	0000007798	0000109100	Manatt, Phelps, Phillips LLC	91,666.66	4/19/2010	3171900001
						1,151,666.62		

## NON-COMPETITIVE AMENDMENT REQUEST:

APPROVED



Commissioner of Finance &amp; Administration

1) RFS #	31701-19127	
2) Procuring Agency :	Office of eHealth Initiatives	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Support the Statewide Health Information Exchange (HIE) Coalition. The amendment extends the contract date, adds additional deliverables to the scope of services and adds funding.	
4) Contractor :	Manatt, Phelps and Phillips, LLC	
5) Contract #	Edison 11163	
6) Contract Start Date :	August 7, 2009	
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	August 6, 2010	
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 1,285,000.00	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) Amendment #	One	
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	May 1, 2010	
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	December 31, 2010	
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 2,388,000.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state	
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
This amendment will extend the contract date, add additional deliverables to the scope of services and add funding		
15) Explanation of Need for the Proposed Amendment :		
Allow more funding, deliverables and time to complete the project		
16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)		
William Bernstein, Manatt Health Solutions, 7 Times Square, New York, NY 10036		
17) Office for Information Resources Endorsement : (required for information technology service; n/a to THDA)		
Documentation is ... <input type="checkbox"/> Not Applicable to this Request <input checked="" type="checkbox"/> Attached to this Request		
18) eHealth Initiative Endorsement : (required for health-related professional, pharmaceutical, laboratory, or imaging service)		
Documentation is ... <input type="checkbox"/> Not Applicable to this Request <input checked="" type="checkbox"/> Attached to this Request		

19) Department of Human Resources Endorsement : (required for state employees training service)

Documentation is ...  Not Applicable to this Request  Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

The State is using Manatt to aid the Office of eHealth to develop a state-wide strategic and governance plan within a very short period of time in order to meet the criteria for the ARRA funds. Time being of the essence, Manatt has a working knowledge of Tennessee's unique state-wide eHealth projects while also leveraging knowledge of the content of health information technology part of the ARRA. Additionally, Manatt is nationally recognized and uniquely qualified to leverage this reputation to attract attention to the State of Tennessee and its eHealth initiatives in order to align our state to receive ARRA funding.

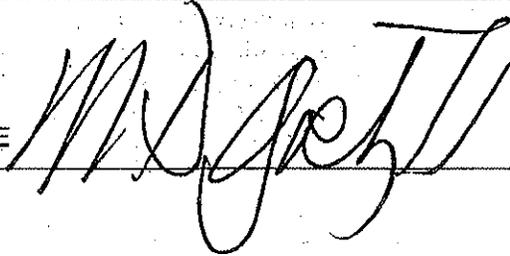
21) Justification for the Proposed Non-Competitive Amendment :

Manatt has been nationally recognized by the federal government as they were involved in the drafting of the health information technology part of the ARRA. They have also had consulting contracts to develop governance and strategic planning with many states, including New York so they would quickly be able to assist in the development of the Tennessee plan. Additionally, The Office of National Coordinator (a major funding source for the ARRA) is funding the State-Level Health Information Exchange Steering Committee (SLHIE) to hire Manatt to analyze, advise, and direct States on the general content of the ARRA. Manatt, through its work with SLHIE's steering committee, on which the State sits, has become intimately familiar with the State of TN's eHealth projects, at the State and regional levels, with considerable knowledge about CareSpark and MidSouth eHealth Alliance (Tennessee regional health exchanges). Therefore, Manatt is uniquely qualified to leverage their prior work with Tennessee's eHealth community and their knowledge of the ARRA content in order to **quickly** develop the strategic and governance plans that align with the anticipated criteria for receiving a part of the \$2 billion in health information technology funding.

**AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

SIGNATURE & DATE



4/30/10



# OIR Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** Jane Chittenden, OIR Procurement & Contract Management Director  
Department of Finance & Administration  
E-Mail : [Jane.Chittenden@tn.gov](mailto:Jane.Chittenden@tn.gov)

**FROM :** Will Rice, Executive Director  
Office of eHealth Initiatives  
E-Mail : [Will.Rice@tn.gov](mailto:Will.Rice@tn.gov)

**DATE :** April 29, 2010

**RE :** Request for OIR Pre-Approval Endorsement

<b>APPLICABLE RFS #</b> 31701-19127
<b>OIR ENDORSEMENT SIGNATURE &amp; DATE :</b> <i>FOR TECHNICAL MERIT ONLY :</i>   <i>4/30/10</i> Chief Information Officer
<i>NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.</i>

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

Please document OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

<b>1 SUBJECT PROCUREMENT DOCUMENT TYPE (mark one) :</b> <input type="checkbox"/> RFP <input type="checkbox"/> Competitive Negotiation Request <input type="checkbox"/> Alternative Procurement Method Request <input type="checkbox"/> Non-Competitive Contract Request <input checked="" type="checkbox"/> Non-Competitive Amendment Request <input type="checkbox"/> Contract <input type="checkbox"/> Contract Amendment <input type="checkbox"/> Grant <input type="checkbox"/> Grant Amendment
<b>2 INFORMATION SYSTEMS PLAN (ISP) PROJECT APPLICABILITY :</b> <input checked="" type="checkbox"/> Not Applicable to this Request <input type="checkbox"/> Applicable – ISP PROJECT #  <b>RESPONSE CONFIRMED BY :</b> IT DIRECTOR/STAFF PRINTED NAME
<b>3 CONTRACTING AGENCY CONTACT :</b> William Bernstein, President 7 Times Square New York, NY 10036 TELEPHONE # (212) 830-7282 <a href="mailto:wbernstein@manatt.com">wbernstein@manatt.com</a>

**APPLICABLE RFS # 31701-19127**

**4 SUBJECT INFORMATION TECHNOLOGY SERVICE DESCRIPTION :**

Support the Statewide HIE Coalition, a forum of States and State-Designated Entities that identifies issues and enables members to identify and advocate for federal policies that will support successful statewide HIE.

**5 REQUIRED ATTACHMENT(S) AS APPLICABLE (copies without signatures acceptable) :**

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, or Non-Competitive Contract/Amendment Request
- proposed contract/grant or amendment
- original contract/grant & any prior amendments



# E-Health Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** Lovel VanArsdale, Office of e-Health Initiatives  
Department of Finance & Administration  
E-Mail : [Lovel.Vanarsdale@tn.gov](mailto:Lovel.Vanarsdale@tn.gov)

**FROM :** Will Rice  
Office of eHealth Initiatives  
E-Mail : [Will.Rice@tn.gov](mailto:Will.Rice@tn.gov)

**DATE :** April 29, 2010

**RE :** Request for eHealth Pre-Approval Endorsement

**APPLICABLE RFS #** 31701-19127

**OFFICE OF E-HEALTH INITIATIVES ENDORSEMENT SIGNATURE & DATE :**

May 3, 2010

Office of e-Health Initiatives

Office of e-Health Initiatives (eHealth) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with medical/mental health-related professional, pharmaceutical, laboratory, or imaging type services as a component of the scope of service. This request seeks to ensure that eHealth is aware of and has an opportunity to review the procurement detailed below and in the attached document(s).

Please indicate eHealth endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

**MEDICAL/MENTAL HEALTH-RELATED SERVICE DESCRIPTION :**

Support the Statewide HIE Coalition, a forum of States and State-Designated Entities that identifies issues and enables members to identify and advocate for federal policies that will support successful statewide HIE

**CONTRACTING AGENCY CONTACT :**

William Bernstein, President  
7 Times Square  
New York, NY 10036  
TELEPHONE # (212) 830-7282  
[wbernstein@manatt.com](mailto:wbernstein@manatt.com)

**REQUIRED ATTACHMENT(S) AS APPLICABLE (copies without signatures acceptable) :**

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, or Non-Competitive Contract/Amendment Request
- proposed contract or amendment



# CONTRACT AMENDMENT

Agency Tracking # 31701-19127	Edison ID 11163	Contract # FA1029400	Amendment # 1
----------------------------------	--------------------	-------------------------	------------------

Contractor Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP	Contractor Federal Employer Identification or Social Security # <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 95-2375841
---	---

**Amendment Purpose/ Effects**  
This amendment extends the end date, adds deliverables to the Scope of Services and increases funding

Contract Begin Date August 7, 2009	Contract End Date December 31, 2010	Subrecipient or Vendor <input type="checkbox"/> Subrecipient... <input checked="" type="checkbox"/> Vendor	CFDA #(s)
---------------------------------------	--	---	-----------

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2010	\$717,333.00		\$826,750.00		\$1,544,083.00
2011	\$388,667.00		\$455,250.00		\$843,917.00
<b>TOTAL:</b>	\$1,106,000.00		\$1,282,000		\$2,388,000.00

American Recovery and Reinvestment Act (ARRA) Funding -  YES  NO

— COMPLETE FOR AMENDMENTS —			Agency Contact & Telephone # Lovel VanArsdale - 615-507-6404	
END DATE AMENDED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred) Maureen Abbey - 615-744-6070 <i>Maureen Abbey</i>	
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Speed Code	Account Code
2010	\$1,285,000.00	\$259,083.00	FA00001481	70803000
2011		\$843,917.00		
<b>TOTAL:</b>	\$1,285,000.00	\$1,103,000.00		

*W. J. Pettit*  
F&A Secured Document  
# **FA1029400-01**

**Procurement Process Summary (non-competitive, FA- or ED-type only)**  
There are no other consultants who have the vast experience and have worked with other States to create a comprehensive plan that conforms to the federal requirements of the American Recovery and Reinvestment Act, Health Information Technology for Economic and Clinical Health Act to allow the State to advance the eHealth activities in Tennessee.

**AMENDMENT ONE  
TO FA1029400 Edison # 11163**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Office of eHealth Initiatives, hereinafter referred to as the "State" and Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The following provisions are added as Contract Sections A.8., A.9. and A.10.
  - A.8. In accordance with Center of Medicare and Medicaid Services (CMS) requirements for administration of Tennessee's Medicaid Meaningful Use Incentive program, Manatt Health Solutions (MHS) will support TennCare's development of an Implementation Plan as counsel and advisors. Services include:
    - a. Provide technical assistance in development of TennCare's State Medicaid Health Information Technology Plan (HIT), including support in landscape assessment, strategic planning and state administrative policy formulation.
    - b. Provide technical assistance in development of TennCare's Implementation Planning-Advanced Planning Document (APD).
    - c. Support analysis of final federal Meaningful Use regulations and relevant federal guidance and monitoring and reporting on emerging policies.
    - d. Support design of a Shared Health Pilot Program.
    - e. Support planning for statewide Enterprise Services. MHS will assist in the development of requirements, scope, anticipated costs for the following services:
      - i. *Medication Management.* Statewide service to be made accessible through Health Information Partnership for Tennessee (HIP TN) or as a standalone service, allows for medication reconciliation at the point of care, one of the meaningful use criteria for 2011.
      - ii. *Laboratory Services.* Support laboratory data transactions to achieve Meaningful Use requirements for laboratory ordering, result distribution and reporting.
      - iii. *Immunization Registries.* Enable immunization registry to receive Continuity of Care Documents (CCD)s or other data formats through HIP TN's services.
  - A.9. In accordance with Office of the National Coordinator's (ONC) requirements for the State Health Information Exchange (HIE) Cooperative Agreement, MHS will support provide the following services:
    - a. Provide technical assistance and subject matter expertise to HIP TN. Participate in HIP TN Board and Operations Council Meetings. Provide subject matter experts (SMEs) for the Sustainability and Technology Workgroups as follows:
      - Financial SME to guide HIE sustainability strategies. MHS will support the development of HIE sustainability options, scenarios and models. Develop the State point of view.

- Technical SME to support HIP TN's development of core services requirements and design. Contribute to the development of HIP TN's RFP for core services. Work with HIP TN to identify value added services. MHS will support State technical readiness and related activities.

b. MHS will support the development of an State HIE Cooperative Agreement Operational Plan by:

- Coordinating input from TennCare, HIP TN, Tennessee Regional Extension Centers (tnREC), State Agencies, Regional States.

- Incorporating public feedback.

c. Provide technical assistance to support ONC budget, work plan, and other requests as required.

A.10. As described in A.6., MHS will continue to staff the Statewide HIE Coalition from August 1, 2010 through December 31, 2010.

a. Support the Statewide HIE Coalition, a forum of States and State-Designated Entities that identifies issues and enables members to identify and advocate for federal policies that will support successful statewide HIE.

2. The text of Contract Section B.1 is deleted in its entirety and replaced with the following:

B.1. This Contract shall be effective for the period commencing on August 7, 2009 and ending on December 31, 2010. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

3. The text of Contract Section C.1. is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Two million three hundred eighty eight thousand dollars (\$2,388,000.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. 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.

4. The text of Contract Section C.3. is deleted in its entirety and replaced with the following:

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.

b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Under A.2 Two equal installments will be made at the beginning and upon completion to the State's satisfaction	\$300,000.00
Under A.3 Monthly payments for 4 months with final payment upon completion to the State's satisfaction	\$100,000.00 (\$25,000.00 per month)
Under A.4 Monthly payments for 9 months with final payment upon completion to the State's satisfaction	\$675,000.00 (\$75,000.00 per month)
Under A.5 Equal installments will be made at the beginning and upon completion to the State's satisfaction	\$10,000.00
Under A.6 Monthly payments for 12 months with final payment upon completion to the State's satisfaction	\$199,999.92 (\$16,666.66 per month)
Under A.8 Monthly payments for 8 months with final payment upon completion to the State's satisfaction	\$607,000.00 (\$75,875.00 per month)
Under A.9 Monthly payments for 8 months with final payment upon completion to the State's satisfaction	\$376,000.00 (\$47,000.00 per month)
Under A.10 Monthly payments for 8 months with final payment upon completion to the State's satisfaction	\$120,000.00 (\$15,000.00 per month)

5. The text of Contract Section C.5. is deleted in its entirety and replaced with the following:

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.

a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:

Department of Finance and Administration  
Office of eHealth Initiatives  
Attn: Lovel VanAredale  
310 Great Circle Road  
Nashville, Tennessee 37243

b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.

- (1) Invoice/Reference Number (assigned by the Contractor);
- (2) Invoice Date;
- (3) Invoice Period (period to which all invoiced charges are applicable);
- (4) Contract Number (assigned by the State to this Contract);
- (5) Account Name: Department of Finance and Administration, Office of eHealth Initiatives;

- (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
- (7) Contractor Name;
- (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
- (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
- (10) Contractor Remittance Address;
- (11) Complete Itemization of Charges, which shall detail the following:
  - i. Service or Milestone Description (including name /title as applicable) of each service invoiced;
  - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced;
  - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced;
  - iv. Amount Due by Service; and
  - v. Total Amount Due for the Invoice period.

- o. The Contractor understands and agrees that an invoice to the State under this Contract shall:
  - (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
  - (2) not include any future work but will only be submitted for completed service; and
  - (3) not include sales tax or shipping charges.
- d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.
- e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.

6. The text of Contract Section E.2. is deleted in its entirety and replaced with the following:

**E.2. Communications and Contacts.** All instructions, notices, consents, demands, or other communications required or contemplated by this Contract 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. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Will B. Rice, Director of Office of eHealth Initiatives  
 Department of Finance and Administration  
 310 Great Circle Road, 4<sup>th</sup> Floor East

Nashville, TN 37243  
Will.Rice@tn.gov  
Telephone # (615) 687-4945  
FAX # (615) 632-2849

The Contractor:

William Bernstein  
Manatt Health Solutions, a Division of Manatt, Phelps & Phillips, LLP  
7 Times Square  
New York, NY 10036  
wbernstein@manatt.com  
Telephone # (212) 830-7282  
FAX # (212) 830-7321

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

7. The following provision is added as Contract Section E.6:

- E.6. **Federal Economic Stimulus Funding.** This Contract requires the Contractor to provide products and/or services that are funded in whole or in part under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, (Recovery Act). The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of the Recovery Act are met and that the Contractor provides information to the State as required.

The Contractor (and any subcontractor) shall comply with the following:

- a. Federal Grant Award Documents, as applicable.
- b. Executive Office of the President, Office of Management and Budget (OMB) Guidelines as posted at [www.whitehouse.gov/omb/recovery\\_default/](http://www.whitehouse.gov/omb/recovery_default/), as well as OMB Circulars, including but not limited to A-102 and A-133 as posted at [www.whitehouse.gov/omb/financial\\_offm\\_circulars/](http://www.whitehouse.gov/omb/financial_offm_circulars/).
- c. Office of Tennessee Recovery Act Management Directives (posted on the Internet at [www.tnrecovery.gov](http://www.tnrecovery.gov)).
- d. The Recovery Act, including but not limited to the following sections of that Act:
  - (1) Section 1604 -- Disallowable Use. No funds pursuant to this Contract may be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
  - (2) Section 1512 -- Reporting and Registration Requirements. The Contractor must report on use of Recovery Act funds provided through this Contract. Information from these reports will be made available to the public.
  - (3) Section 1553 -- Recovery Act Whistleblower Protections. An employee of any non-Federal employer receiving covered funds under the Recovery Act may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, to the Accountability and Transparency Board, an inspector general, the Comptroller General, a member of Congress, a State or Federal regulatory or law enforcement agency, a person with supervisory authority over the employee (or other person working for the employer who

has the authority to investigate, discover or terminate misconduct), a court or grand jury, the head of a Federal agency, or their representatives; information that the employee believes is evidence of one or more of the following related to the implementation or use of covered funds:

- i. gross mismanagement,
- ii. gross waste,
- iii. substantial and specific danger to public health or safety,
- iv. abuse of authority, or
- v. violation of law, rule, or regulation (including those pertaining to the competition for or negotiation of a Contract).

**Non-enforceability of Certain Provisions Waiving Rights and Remedies or Requiring Arbitration:** Except as provided in a collective bargaining agreement, the rights and remedies provided to aggrieved employees by this section may not be waived by any agreement, policy, form, or condition of employment, including any predispute arbitration agreement. No predispute arbitration agreement shall be valid or enforceable if it requires arbitration of a dispute arising out of this section.

**Requirement to Post Notice of Rights and Remedies:** The Contractor and any subcontractor shall post notice of the rights and remedies as required under Section 1553. (Refer to Section 1553 of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 located at [www.recovery.gov](http://www.recovery.gov), for specific requirements of this section and prescribed language for the notices.)

- (4) **Section 902 – Access Of Government Accountability Office.** The Contractor shall provide that the Comptroller General and his representatives are authorized:
  - i. to examine any records of the Contractor or any of its subcontractors, that directly pertain to, and involve transactions relating to, this Contract or a subcontract; and
  - ii. to interview any officer or employee of the Contractor or any of its subcontractors regarding such transactions.
- (5) **Section 1514 – Inspector General Reviews.** Any Inspector general of a federal department or executive agency has the authority to review, as appropriate, any concerns raised by the public about specific investments using such funds made available in the Recovery Act. In addition, the findings of such reviews, along with any audits conducted by any Inspector general of funds made available in the Recovery Act, shall be posted on the Inspector general's website and linked to the website established by Recovery Act Section 1526, except that portions of reports may be redacted to the extent the portions would disclose information that is protected from public disclosure under sections 552 and 552a of title 5, United States Code.
- (6) **Section 1515 – Access of Offices of Inspector General to Certain Records and Employers.** With respect to this Contract, any representative of an appropriate Inspector general appointed under section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), is authorized:
  - i. to examine any records, of the Contractor or any of its subcontractors, that pertain to and involve transactions relating or pursuant to this Contract; and
  - ii. to interview any officer or employee of the Contractor or any subcontractors regarding such transactions.
- (7) **Section 1606 – Wage Rate Requirements.** All laborers and mechanics employed by pursuant to this Contract shall be paid wages at rates not less





GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

Sen. Bill Ketron, Chairman  
Senators  
Douglas Henry           Reginald Tate  
Doug Jackson           Ken Yager  
Paul Stanley  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

Rep. Charles Curtiss, Vice-Chairman  
Representatives  
Harry Brooks           Donna Rowland  
Curtis Johnson        Tony Shipley  
Steve McManus        Curry Todd  
Mary Pruitt            Eddie Yokley  
Craig Fitzhugh, *ex officio*  
Speaker Kent Williams, *ex officio*

MEMORANDUM

TO:                    The Honorable Dave Goetz, Commissioner  
                          Department of Finance and Administration

FROM:                Bill Ketron, Chairman, Fiscal Review Committee  
                          Charles Curtiss, Vice-Chairman, Fiscal Review Committee BK CC

DATE:                August 6, 2009

SUBJECT:            **Contract Comments**  
                          (Fiscal Review Committee Meeting 8/4/09)

RFS# 317.01-19127

Department: Finance & Administration/Office of eHealth Initiatives

Contractor: Manatt Health Solutions

Summary: The proposed contract requires the vendor to work with the State, the proposed non-profit eHealth coordinating entity, and appropriate stakeholders to develop a plan that conforms to the federal requirements for the American Recovery and Reinvestment Act (ARRA). The proposed contract has a term beginning August 7, 2009, and ending August 6, 2010, with the option to extend in one-year increments for a total of five years.

Maximum liability: \$1,285,000

After review, the Fiscal Review Committee voted to recommend approval of the contract.

cc: Ms. Melissa Hargiss, Director, Office of eHealth Initiatives  
      Mr. Robert Barlow, Director, Office of Contracts Review

SUMMARY LETTER

## FISCAL REVIEW

The Office of eHealth Initiatives is requesting that the Fiscal Review Committee approve this contract in order for the State to quickly align itself for American Recovery and Reinvestment Act funding (ARRA). It was recently announced that the guidelines for applying for the Health Information Technology for Economic and Clinical Health Act (HITEC) funding will be released within a short time period and that the timeline for applying for these competitive grants has been accelerated to less than 90 days. Due to this unforeseen rigorous time frame, this request does not meet the 60-day required notice.

The State had a prior contract with Manatt Health Solutions that ended July 31, 2009 in the amount of \$250,000.00 to assist the State in preparing a governance model and conceptual architecture for an integrated, statewide health information exchange and a proposed plan to begin implementation through a Not-For-Profit (NFP) Entity. The previous contract plus, the contracts only amendment and Manatt's final report is attached to this request.

The HITEC grant funding will be obtained through competitive grant applications for the implementation of a Health Information Exchange (HIE) in the State of Tennessee. The requirements will include a statewide plan which will incorporate the plans from each of the Regional Health Information Exchanges (RHIOs) in the State and the State's plan for the continued development of the over arching state-wide technology, the eHealth Network, which will be operate through the State's secure network, NetTN.

The Office of eHealth, with Manatt's oversight and grant writing skills, will apply for these funds which will include submission of the statewide plan which Manatt will help to create. Once an award is funded, the Office of eHealth will receive those funds from the federal government. The Office will divide the funds pursuant to the statewide plan with a grant to the NFP and interagency grants to other State agencies. The NFP will then sub-grant the funds to the RHIOs and other qualified organizations pursuant to the statewide plan.

The Manatt Health Solutions contract contains tasks to develop the strategy to maximize "meaningful use" incentives under the Medicaid and Medicare portion of the HITEC Act. The Office of eHealth will administer these incentive funds for TennCare. The administrative funds used to develop and implement the strategy, education and implementation are subject to a federal match of 90/10. Therefore, the \$675,000 being paid to Manatt Health Solutions as well as other funds for the administration of this plan will be reimbursed by Centers for Medicare and Medicaid at 90% level.

Based on this background information, the State is requesting that Manatt Health Care Solutions assist with the following tasks:

- Task 1. Assist in Development of a Contractual Framework between State and Not-for-Profit
- Task 2. Assist in the Development of a State eHealth Plan (as required under HITECH)
- Task 3. Assist State and SDE Develop Responses to HITECH Request for Proposals
- Task 4. Develop TennCare Strategy to Maximize "Meaningful Use" Incentives
- Task 5. Develop a coalition of states to address policy and operational issues

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Melissa Hargiss	*Contact Phone:	615-532-1553
*Contract Number:	N/A	*RFS Number:	31701-19127
*Original Contract Begin Date:	8/7/09	*Current End Date:	8/6/10
Current Request Amendment Number: <i>(if applicable)</i>			
Proposed Amendment Effective Date: <i>(if applicable)</i>			
*Department Submitting:		Office of eHealth Initiatives	
*Division:		Finance And Administration	
*Date Submitted:		7/20/09	
*Submitted Within Sixty (60) days:		No	
<p><b>RECEIVED</b></p> <p><b>JUL 24 2009</b></p>		<i>If not, explain:</i> It is in the State's best interest to begin the contract in order to aid the State in significant work that must be done quickly in order for the State to develop a comprehensive plan conforming to federal requirements for funding under ARRA.	
<p><b>FISCAL REVIEW</b></p>		*Contract Vendor Name: Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP	
*Current Maximum Liability:		\$1,285,000.00	
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY: 2010	FY:	FY:	FY:
\$1,285,000.00	\$	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>			
FY:2010	FY:	FY:	FY:
\$1,285,000	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:		The appropriated funds are to be used to advance health information technology statewide. The use of the funds for the Manatt contract will help us to continue this goal by applying for federal funding since the state is unable to fund this at this time. <b>Public Chapter No. 554, Section 36, Item 1</b>	

Supplemental Documentation Required for  
Fiscal Review Committee

<b>IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:</b>				
<b>*Contract Funding Source/Amount:</b>	<b>State:</b>	<b>100%</b>	<b>Federal:</b>	
<b>Interdepartmental:</b>			<i>Other:</i>	
<b>If "other" please define:</b>				
<b>Dates of All Previous Amendments or Revisions: <i>(if applicable)</i></b>		<b>Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i></b>		
<b>Method of Original Award: <i>(if applicable)</i></b>				
Include a detailed breakdown of the actual expenditures anticipated in each year of the contract. Include specific line items, source of funding, and disposition of any excess fund. <i>(if applicable)</i>				
Include a detailed breakdown, in dollars, of any savings that the department anticipates will result from this contract. Include, at a minimum, reduction in positions, reduction in equipment costs, reduction in travel. <i>(if applicable)</i>				
Include a detailed analysis, in dollars, of the cost of obtaining this service through the proposed contract as compared to other options. <i>(if applicable)</i>				



# CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Agency Tracking #

31701-19127

Edison ID

11163

Contractor

Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP

Contractor Federal Employer Identification or Social Security #

C- or  V- 95-2375841

Service

Assist the State in development of a comprehensive plan conforming to federal requirements that will be submitted to the United States Department of Health and Human Services for funding under the American Recovery and Reinvestment Act to advance the eHealth initiatives in the State of Tennessee.

Contract Begin Date

August 7, 2009

Contract End Date

August 6, 2010

Subrecipient or Vendor

Subrecipient  Vendor

CFDA #(s)

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2010	\$1,285,000.00				\$1,285,000.00
TOTAL:	\$1,285,000.00				\$1,285,000.00

American Recovery and Reinvestment Act (ARRA) Funding -  YES  NO

Agency Contact & Telephone #

Lovel VanArsdale, 615-253-8570

Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

Maureen Abbey, 615-741-6070

*Maureen Abbey / at*

Speed Code

FA00001481

Account Code

71304000

Contractor Ownership/Control

- African American   
 Person w/ Disability   
 Hispanic   
 Small Business   
 Government  
 Asian   
 Female   
 Native American   
 NOT Minority/Disadvantaged   
 Other

Contractor Selection Method

- Alternative Competitive Method \*   
 Non-Competitive Negotiation \*   
 Other \*

AD 08/08

**\*Procurement Process Summary**

There are no other consultants who have the vast experience and have worked with other States to create a comprehensive plan that conforms to the federal requirements of the American Recovery and Reinvestment Act, Health Information Technology for Economic and Clinical Health Act to allow the State to advance the eHealth activities in Tennessee.



# FAX/EMAIL TRANSMITTAL

to Request OIR Procurement Endorsement

TO : Jane Chittenden, Director  
OIR Procurement & Contract Management FAX # 741-6164

FROM : Melissa Hargiss, Director of Office of  
eHealth FAX # 532-2849

DATE : 7/24/09

RFS # 31701-19127

RE : Procurement Endorsement — Manatt Health Solutions Consulting  
Contract

INFORMATION SYSTEMS PLAN PROJECT: N/A

NUMBER OF FAX PAGES (including cover) : N/A FOR EMAIL

The nature and scope of service detailed in the attached service procurement document(s) appears to require Office for Information Resources (OIR) review and support, because the procurement involves information technology or information systems services.

This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of the procurement. If you have any questions or concerns about this matter, please call **Melissa Hargiss** at 615-532-1553.

**Please indicate below your response to this proposed procurement, and return this communication at your earliest convenience (note the return FAX number above).**

Thank you for your help.

Attachment(s)

Must include the entire contract or amendment document and where applicable, the non-competitive contract or amendment request form. The original contract and any prior amendments that were applied to the same section of the contract must be provided with an amendment. Electronic copies of the contract, amendments, and request form without signature are acceptable.

RFP documents must be provided in electronic form.

OIR Endorsement :

*Mark Benzel (off)*  
OIR Chief Information Officer

*7/29/09*  
Date



# CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

<b>Agency Tracking #</b> 31701-19127	<b>Edison ID</b> 11163
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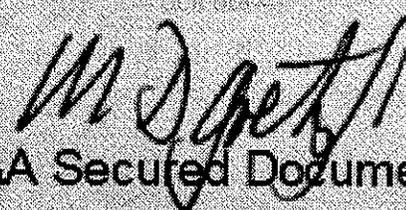
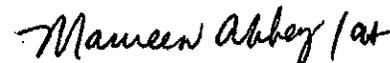
<b>Contractor</b> Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP	<b>Contractor Federal Employer Identification or Social Security #</b> <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 95-2375841
--	--

**Service**  
Assist the State in development of a comprehensive plan conforming to federal requirements that will be submitted to the United States Department of Health and Human Services for funding under the American Recovery and Reinvestment Act to advance the eHealth initiatives in the State of Tennessee.

<b>Contract Begin Date</b> August 7, 2009	<b>Contract End Date</b> August 6, 2010	<b>Subrecipient or Vendor</b> <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	<b>CFDA #(s)</b>
--	--	---	------------------

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2010	\$1,285,000.00				\$1,285,000.00
<b>TOTAL:</b>	\$1,285,000.00				\$1,285,000.00

American Recovery and Reinvestment Act (ARRA) Funding -  YES  NO

 <b>F&amp;A Secured Document</b> # <u>FA1029400</u>	<b>Agency Contact &amp; Telephone #</b> Lovel VanArsdale, 615-253-8570	
	<b>Agency Budget Officer Approval</b> (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred) Maureen Abbey, 615-741-6070 	
	<table border="1"> <tr> <td><b>Speed Code</b> FA00001481</td> <td><b>Account Code</b> 71304000</td> </tr> </table>	<b>Speed Code</b> FA00001481
<b>Speed Code</b> FA00001481	<b>Account Code</b> 71304000	

**Contractor Ownership/Control**

African American   
  Person w/ Disability   
  Hispanic   
  Small Business   
  Government  
 Asian   
  Female   
  Native American   
  NOT Minority/Disadvantaged   
 Other

**Contractor Selection Method**

Alternative Competitive Method \*   
 Non-Competitive Negotiation \*   
 Other \*

11/13  
08/25

**\*Procurement Process Summary**

There are no other consultants who have the vast experience and have worked with other States to create a comprehensive plan that conforms to the federal requirements of the American Recovery and Reinvestment Act, Health Information Technology for Economic and Clinical Health Act to allow the State to advance the eHealth activities in Tennessee.

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
AND**

**Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Office of eHealth Initiatives, hereinafter referred to as the "State" and Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP, hereinafter referred to as the "Contractor," is for the provision of consulting services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a division of a Limited Liability Partnership.  
Contractor Federal Employer Identification: 95-2375841  
Contractor Place of Incorporation or Organization: California

**A. SCOPE OF SERVICES:**

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.
- A.2. In order to qualify for the American Recovery and Reinvestment Act (ARRA), Health Information Technology for Economic and Clinical Health Act (HITECH)'s State Planning and Implementation Program, the State will need to prepare and submit a comprehensive plan (Plan) for proposed eHealth activities in Tennessee. To be competitive, Tennessee's plan will need to inventory and develop detailed deliverables and costs for governance and oversight, clinical objectives, privacy and security, technical architecture, technical adoption, and financing. The plan will need to address health information exchanges, State related agencies (TennCare, Corrections, and Department of Health), integration between State and the proposed not-for-profit activities, implementation of Medicaid electronic incentive payments, and regional extension centers.
- A.2.a. Based on the preliminary assessment conducted by the Contractor for the State, the Contractor will work with the State, the proposed not-for-profit eHealth coordinating entity, and appropriate stakeholders to develop a plan that conforms to the federal requirements for the Recovery Act's State Planning and Implementation Program.
- A.2.b. Contractor will develop a detailed project timeline, work with the State to coordinate draft, review, and finalization of Plan components; collect and compile comments from external stakeholders; provide summary presentations of proposed Plan; and manage and oversee compilation of information into the final Plan that will be provided to the State and other designated entity for submission to the United States Department of Health and Human Services (HHS).
- A.2.c. Over an eight (8) week period, beginning August 7, 2009, the Contractor will deliver the following:
- i. Conduct a kick-off meeting in the Nashville area, to review project timeline, roles and assignments.
  - ii. Based on taxonomy of required elements to qualify for State Planning/Implementation Program, conduct a detailed gap analysis for Tennessee's readiness. Review inventories of Tennessee's eHealth capabilities.
  - iii. Develop a detailed outline of the Statewide Plan that includes proposed funding request, allocations, and activity timeline.
  - iv. Develop first draft of Plan and conduct meeting with key stakeholders to review.

- v. Develop second draft of Plan and conduct meeting with the State staff and its stakeholders to review.
  - vi. Submit final draft of Plan to State or other designated entity for submission to United States Department of Health and Human Services.
  - vii. Hold weekly calls with State staff and its stakeholders to review status.
- A.3. Within HITECH, there are a number of funding opportunities that can advance the eHealth efforts in Tennessee. These funding opportunities include those identified by statute (including the State Planning and Implementation Program, Regional Extension Centers, Electronic Health Record (EHR) loan program, use of Medicaid Administrative Funds for health information technology, broadband and telemedicine, and workforce development) and as yet unspecified programs that will emerge from the Office of the National Coordinator through its discretionary authority.
- A.3.a. The Contractor will provide the State and its stakeholders with a detailed overview and assessment of each HITECH-related funding opportunity. The overview will include updates on procurement requirements, eligibility criteria, timelines, and budgets, and the assessment will include an analysis of Tennessee's readiness and positioning of resources to maximize its receipt of funding and advance Tennessee's eHealth efforts.
- A.3.b. Over a sixteen (16) week period, beginning on August 7, 2009, the Contractor will deliver the following:
- i. A Microsoft Word document that identifies the status of key HITECH programs and provides recommendations for application strategies.
  - ii. Hold bi-weekly calls to review HITECH program and Grant Application that are developed by the Contractor and the State.
  - iii. On going review of the Grant Applications proposals.
- A.4. HITECH provides significant opportunities and obligations for State Medicaid agencies to support both the adoption of health IT and advance of health information exchange. Specifically, TennCare, through the Office of eHealth Initiatives will:
- Develop and administer a new EHR incentive program built around a definition of "meaningful use" that they will craft.
  - Develop policies for "qualified third parties" to receive Medicaid incentive funds to support adoption.
  - Develop programs and priorities for the use of administrative funding.
- A.4.a. Each requirement presents new challenges for the State who will be overseeing the Medicaid health IT adoption and advance of health information exchange, and raises difficult questions. For example, with respect to defining "meaningful use" for Medicaid providers, the State will need to define its objectives, assess the implications of alternative definitions, and develop a detailed proposal for HHS review.
- A.4.b. In addition, the State will need to understand how its ability to support qualified intermediaries for EHR adoption would impact the work of emerging regional extension centers.
- A.4.c. With respect to program administration, the State will have the ability to use administrative funds (which have a 90% federal match) to enhance health IT adoption and expand health information exchange. As a result, the State will need to ascertain what it is permitted to do, develop a methodology for selecting and prioritizing what it wants to do, and execute an implementation strategy.

- A.4.d. To assist the State Medicaid agencies in developing strategies to address these new responsibilities, the Contractor will: (1) develop a plan that outlines the key considerations, implementation options, and recommended next steps for the State, and (2) build an implementation strategy and support the State's execution of the strategy.
- A.4.e. Over a nine (9) month period, beginning August 7, 2009, the Contractor will deliver the following:
- i. Background review of statute and most current guidance from Center for Medicare and Medicaid Services (CMS).
  - ii. Kick-off meeting to review the results of the background review detailed in Contract Section A.4.e.i above, project scope, statute, and CMS guidance.
  - iii. Conduct interviews of TennCare officials, key Tennessee stakeholders, Medicaid Directors in two other states, and CMS officials.
  - iv. Analyze and develop recommendations regarding the State's role in support of Tennessee's eHealth Plan. This deliverable will be an early priority and dependent on the timing and requirements of HHS's State Planning and Implementation Grant Program.
  - v. Develop Preliminary Plan and host meeting with Tennessee stakeholders to review Preliminary Plan.
  - vi. Solicit feedback on Preliminary Plan from national experts and revise as necessary.
  - vii. Develop Final Plan and host meeting in the Nashville area to review.
  - viii. Develop implementation strategy for the State and serve as subject matter experts to support State's implementation strategy.
- A.5. As contemplated by the proposed Tennessee eHealth governance framework, a new not-for-profit organization will be created to coordinate eHealth policy development and lead Tennessee's response to funding opportunities and obligations posed by the Recovery Act.
- A.5.a. In order to ensure accountability, the State of Tennessee will need a contract with the new not-for-profit organization that defines roles, obligations, and reserve powers for the State. Manatt will work with the Tennessee Department of Finance and Administration to develop a contract that ensures the new not-for-profit organization serves the broad public interest and meets existing State and federal accountability requirements.
- A.5.b. At the State's request, the Contractor will deliver the following:
- i. Review draft of current assessment Word document of Tennessee's contractual options vis-à-vis the proposed not-for-profit organization.
  - ii. Review proposed contract drafts as needed.
  - iii. Support development of clauses for reserve State powers.
  - iv. Hold weekly calls to review status.
- A.6. The Contractor will develop a coalition of states and State Designated Entities ("SDEs") to address policy and operational issues related to implementation of the emerging national health information technology agenda. The goal of the coalition is to allow like-minded states and SDEs to come together to develop and advocate for policies that recognize and support states' roles in advancing health IT adoption and health information exchange as the nation builds a nationwide health information network.

A.6.a. The contractor will provide the following:

- i. **Staffing/Administration of all Coalition Committees:** Contractor will facilitate the coalition, including staffing the executive steering and subcommittees, calling and facilitating meetings, drafting agendas and materials, and posting minutes.
- ii. **Federal Monitoring:** Based on needs of coalition members, Contractor will monitor ARRA developments and implementation activities by the following agencies:
  - Office of the National Coordinator
  - HIT Policy and Standards Committees
  - Department of Agriculture (including the Rural Utilities Service)
  - Department of Commerce (including National Telecommunications and Information Administration)
  - Federal Communications Commission
  - Department of Health and Human Services (including the Office of Civil Rights)
  - Federal Trade Commission (PHR breach notification regulations)
  - National Institute for Standards and Technology
  - Health Resources and Services Administration
  - Centers for Medicare and Medicaid Services
  - National Institutes of Health
  - Food and Drug Administration
  - Agency for Health Care Research and Quality
- iii. **In tracking the activities of these agencies, contractor will identify key program staff and contact information for each agency, leading regulatory, policy, and/or procurement issuances and opportunity for public comment, as well as procurement award tracking. Contractor will also provide the following:**
  - Monthly email updates detailing recent ARRA implementation activities by the various federal agencies involved in administering ARRA's various provisions;
  - Monthly in-depth webinars on specific ARRA implementation issues (e.g. telehealth and broadband).
- iv. **Development of Policy Memorandums on Federal Policy:** Contractor will develop policy memorandums on federal policy issues, including meaningful use and others, as described above in the activities of the Policy Subcommittee. Contractor will also facilitate meetings with key policy influencers and decision-makers on behalf of the coalition as appropriate.
- v. **Facilitation of Discussions/Solutions Relating to State Implementations of Health Information Exchanges (HIEs):** Contractor will facilitate discussions related to state implementation of HIEs, as described above in the description of the activities of the Operations Subcommittee.

A.7. The services the Contractor will involve policy and business consulting and do not include providing legal advice to the State.

**B. CONTRACT TERM:**

B.1 This Contract shall be effective for the period commencing on August 7, 2009 and ending on August 6, 2010. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

B.2 **Term Extension.** The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to

the current, contract expiration date by means of an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract, and shall be based upon payment rates provided for in the original Contract.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed One million, two hundred and eighty five thousand dollars (\$1,285,000.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. 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.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.

b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

<b>Service Description</b>	<b>Amount (per compensable increment)</b>
Under A.2 Two equal installments will be made at the beginning and upon completion to the State's satisfaction	<b>\$300,000.00</b>
Under A.3 Monthly payments for 4 months with final payment upon completion to the State's satisfaction	<b>\$100,000.00</b> (\$25,000.00 per month)
Under A.4 Monthly payments for 9 months with final payment upon completion to the State's satisfaction	<b>\$675,000.00</b> (\$75,000.00 per month)
Under A.5 Equal installments will be made at the beginning and upon completion to the State's satisfaction	<b>\$10,000.08</b>
Under A.6 Monthly payments for 12 months with final payment upon completion to the State's satisfaction	<b>\$199,999.92</b> (\$16,666.66 per month)

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

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.

a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:

Department of Finance and Administration  
Office of eHealth Initiatives  
312 Rosa L. Parks Avenue, 13<sup>th</sup> Floor  
Nashville, TN 37243

b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.

- (1) Invoice/Reference Number (assigned by the Contractor);
- (2) Invoice Date;
- (3) Invoice Period (period to which all invoiced charges are applicable);
- (4) Contract Number (assigned by the State to this Contract);
- (5) Account Name: Department of Finance and Administration, Office of eHealth Initiatives;
- (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
- (7) Contractor Name;
- (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
- (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
- (10) Contractor Remittance Address;
- (11) Complete Itemization of Charges, which shall detail the following:
  - i. Service or Milestone Description (including name /title as applicable) of each service invoiced;
  - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced;
  - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced;
  - iv. Amount Due by Service; and
  - v. Total Amount Due for the invoice period.

c. The Contractor understands and agrees that an invoice to the State under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) not include any future work but will only be submitted for completed service; and
- (3) not include sales tax or shipping charges.

d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.

e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or

Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.

- C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- 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 which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other Contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty days (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. 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 violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract 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 Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. 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 disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, 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 hereby attests, certifies, warrants, and assures 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 A, hereto, semi-annually during the period of this Contract. Such 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 period of this Contract, 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 relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such 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. Said 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 Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) 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.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.11. 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.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon 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 such 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 hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either 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 shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, 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 relating hereto, whether written or oral.

- D.20. 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 hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**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, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract 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. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Melissa E. Hargiss, Director of Office of eHealth Initiatives  
Department of Finance and Administration  
312 Rosa L. Parks Avenue, 13<sup>th</sup> Floor  
Nashville, TN 37243  
Melissa.hargiss@tn.gov  
Telephone # 615-532-1553  
FAX # 615-532-2849

The Contractor:

William Bernstein  
Manatt Health Solutions, a Division of Manatt, Phelps & Phillips, LLP  
7 Times Square  
New York, NY 10036  
wbernstein@manatt.com  
Telephone # (212) 830-7282  
FAX # (212) 830-7321

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

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 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 pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 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 may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
  - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Contractor understands and agrees that there may be unique business circumstances under which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State contractor would not be appropriate, and in such cases the State may refuse Contractor personnel. Inasmuch, it shall be the responsibility of the State to review Contractor personnel to identify any such issues.
  - c. With reference to either subsection a. or b. above, a contractor may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the internet at: [www.state.tn.us/finance/rds/ocr/waiver.html](http://www.state.tn.us/finance/rds/ocr/waiver.html). The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.

IN WITNESS WHEREOF,

MANATT HEALTH SOLUTIONS, A DIVISION OF MANATT, PHELPS & PHILLIPS, LLP

  
CONTRACTOR SIGNATURE

Aug 18, 2009  
DATE

*William S. Bernstein, Partner*

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

*M.D. Goetz, Jr.*

M.D. GOETZ, JR. COMMISSIONER

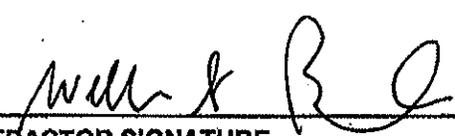
*8/24/00*

DATE

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP
<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)</b>	95-2375841

**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.**

  
 \_\_\_\_\_  
**CONTRACTOR SIGNATURE**

**NOTICE:** This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

William S. Bernstein  
 \_\_\_\_\_  
**PRINTED NAME AND TITLE OF SIGNATORY**

Aug 10, 2009  
 \_\_\_\_\_  
**DATE OF ATTESTATION**

**FA CONTRACT INFORMATION SUPPLEMENT**

FOR ALL FA-TYPE CONTRACTS — COMPLETE EITHER SECTION A OR SECTION B

<b>Contract RFS #</b> 31701-19127	
<b>Contractor:</b> Manatt Health Solutions, a division of Manatt, Phelps & Phillips, LLP	
<b>SECTION A— CONTRACTOR IS AN INDIVIDUAL</b>	<b>SECTION B— CONTRACTOR IS A COMPANY</b> (e.g., sole proprietorship, partnership, or corporation)
<p><b>Is or has the contractor been a state employee?</b></p> <p><input type="checkbox"/> NO (no additional information required)</p> <p><input type="checkbox"/> YES</p>	<p><b>Does an individual, who is or has been a state employee, own controlling interest in (or own) the contractor company?</b></p> <p><input checked="" type="checkbox"/> NO (no additional information required)</p> <p><input type="checkbox"/> YES</p>
<p><b>Was such employment within the past six months?</b></p> <p><input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES (an approved rule exception permitting a contract within six months of employment is also required)</p>	<p><b>Was such employment within the past six months?</b></p> <p><input checked="" type="checkbox"/> NO</p> <p><input type="checkbox"/> YES (an approved rule exception, permitting a contract within six months of employment is also required)</p>
<p><b>Does the contractor receive Tennessee Consolidated Retirement System (TCRS) retirement benefits?</b></p> <p><input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES (the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)</p>	<p><b>Does the individual who owns controlling interest in the contractor company receive Tennessee Consolidated Retirement System (TCRS) retirement benefits?</b></p> <p><input checked="" type="checkbox"/> NO</p> <p><input type="checkbox"/> YES (the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)</p>
<b>CONTRACTOR SIGNATURE</b>	
<p align="center"><i>Will A. Reel</i>                      Aug 18, 2009</p>	
<b>CONTRACTOR</b>	<b>DATE</b>