

CONTRACT #1
RFS # 318.66-026
FA # 02-14632

Finance & Administration
Bureau of TennCare

VENDOR:
Volunteer State Health Plan,
Inc. (TennCare Select)



STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

May 18, 2010

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

RECEIVED
MAY 18 2010
FISCAL REVIEW

Attention: Ms. Leni Chick

RE: Bureau of TennCare Contract Amendments

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee the Middle Tennessee and TennCare Select managed care contract amendments which address the following changes: (1) Include language relating to enforcement of maintenance effort requirements of the Annual Coverage Assessment Act of 2010; (2) Implement rate methodology for adjusting Long-Term Care (LTC) rates based on member movement; (3) Clarify Long Term Care reporting requirements; (4) Update acceptable claims processing entities; and (5) various housekeeping clarifications including numbering and typos. There is no term extension or additional funding associated with these amendments.

Volunteer State Health Plan (Select)	FA-02-14632-23 ✓
AMERIGROUP Tennessee, Inc.	FA-07-16936-06
UnitedHealthCare Plan of River Valley, Inc.	FA-07-16937-06

The following amendments for the East/West Regions of the State include the same language as noted above with added LTC capitation payment rates for use upon implementation of the CHOICES Program in East and West TN.

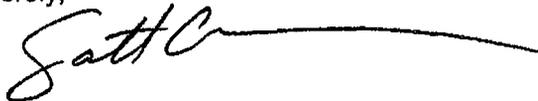
UnitedHealthCare Plan of the River Valley, Inc (West Region)	FA-08-24979-03
Volunteer State Health Plan (West Region)	FA-08-24978-03
UnitedHealthCare Plan of the River Valley, Inc. (East Region)	FA-08-24984-03
Volunteer State Health Plan (East Region)	FA-08-24983-03

TennCare is also submitting for Committee review amendment #1 to SXC Health Solutions, Inc., TennCare's contract for Pharmacy Management. This amendment addresses language changes associated with TennCare's e-Prescribe Initiatives, adds Disclosure of Ownership language as required by the Center for Medicare and Medicaid Services, and clarifies Liquidated Damages as currently stated in the contract.

Mr. Jim White, Director
Fiscal Review Committee
May 18, 2010

The Bureau of TennCare would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Pierce", followed by a long horizontal line extending to the right.

Scott Pierce
Chief Financial Officer

cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton, Director of Contracts

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Scott Pierce	*Contact Phone:	615-507-6415		
*Original Contract Number:	FA-02-14632-00	*Original RFS Number:	318.66-026		
Edison Contract Number: (if applicable)	N/A	Edison RFS Number: (if applicable)	N/A		
*Original Contract Begin Date:	July 1, 2001	*Current End Date:	June 30, 2011		
Current Request Amendment Number: (if applicable)	23				
Proposed Amendment Effective Date: (if applicable)	July 1, 2010				
*Department Submitting:	Department of Finance and Administration				
*Division:	Bureau of TennCare				
*Date Submitted:	May 18, 2010				
*Submitted Within Sixty (60) days:	No				
If not, explain:	Could not submit amendment until Legislature voted to approve Annual Coverage Assessment Act of 2010 that requires TennCare MCO's be amended with effective date July 1, 2010.				
*Contract Vendor Name:	Volunteer State Health Plan, Inc. (TennCare Select)				
*Current Maximum Liability:	\$1,382,683,905.90				
*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2002	FY: 2003	FY: 2004	FY: 2005	FY 2006	FY 2007
\$18,599,868.00	\$33,079,942.00	\$63,490,156.00	\$116,014,894.00	\$175,496,222.00	\$175,496,222.00
FY: 2008	FY: 2009	FY: 2010	FY: 2011		
\$200,000,000.00	\$200,000,000.00	\$400,506,600.00	\$443,906,600.00		
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report - Attached)					
FY: 2002	FY: 2003	FY: 2004	FY: 2005	FY 2006	FY 2007
\$290,556,541.35	\$413,769,656.17	\$811,750,972.40	\$990,250,679.53	\$904,108,515.31	\$929,733,206.66
FY: 2008	FY: 2009	FY: 2010			
\$367,161,736.62	\$382,499,549.22	\$347,717,727.93			
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:		N/A			
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:		TennCare is obligated by contract to reimburse the Managed Care Organization for medical claims paid by the plan to providers and pay an administrative capitation payment per member to cover administrative costs. The maximum liability amounts for this contract represent the payments made by the state to the plan to provide claims processing and other administrative services for each fiscal year. The contract payments reported for each fiscal year represent both the medical claims reimbursement payments and the administrative payments to the plan.			

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount		State: \$658,358,818.35	Federal: \$1,172,631,687.55
Interdepartmental:			Other:
If "other" please define:			
Dates of All Previous Amendments or Revisions: (if applicable)		Brief Description of Actions in Previous Amendments or Revisions: (if applicable)	
November 1, 2002		Amendment #1 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase	
May 29, 2003		Amendment #2 - Language Modification, including changes to MCO language; Maximum Liability Increase	
July 1, 2003		Amendment #3 - Language Modification, including changes to MCO language	
November 14, 2003		Amendment #4 - Language Modification, including changes to MCO language; Maximum Liability Increase	
December 15, 2003		Amendment #5 - Language Modification, including changes to MCO language; Maximum Liability Increase	
January 1, 2004		Amendment #6 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase	
July 1, 2004		Amendment #7 - Language Modification, including changes to MCO language	
October 26, 2004		Amendment #8 - Language Modification, including changes to MCO language; Maximum Liability Increase	
January 1, 2005		Amendment #9 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase	
May 18, 2005		Amendment #10 - Language Modification, including changes to MCO language; Maximum Liability Increase	
July 1, 2005		Amendment #11 - Language Modification, including changes to MCO language	
January 1, 2006		Amendment #12 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase	
March 30, 2006		Amendment #13 - Language Modification, including changes to MCO language; Maximum Liability Increase	
April 28, 2006		Amendment #14 - Language Modification, including changes to MCO language; Maximum Liability Increase	
July 1, 2006		Amendment #15 - Language Modification, including changes to MCO language; Maximum Liability Increase	
January 1, 2007		Amendment #16 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase	
July 1, 2007		Amendment #17 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase	
May 1, 2008		Amendment #18 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase	
March 1, 2009		Amendment #19 - This amendment provided Shared Risk for Contractor, payment for Performance Measures, including EPSDT, Medical Service Budget Target, Case Manager Assignment, as well as establish bonus pool for shared risk initiative. The establishment of partial risk arrangements with managed care entities allows the state to claim a more favorable federal matching rate as well as properly align incentives between the State and the managed care entity.	
July 1, 2009		Amendment #20 - This amendment extended the term and	

Supplemental Documentation Required for Fiscal Review Committee

	provided funds to support the term extension of existing services. Additionally, due to integration of behavioral services into the already existing medical service scope of service, this amendment provided language and funds to support this integration scheduled to begin September 1, 2009.
October, 2009	Amendment #21 - provides language nurse case management services to support MR enrollees currently being served by separate contractor,.
March 1, 2010	Amendment #22 - provides language to comply with Long Term Care Community Choices Act of 2008 for provision of home and community based services and restructuring the long term care system in Tennessee.
Method of Original Award: (if applicable)	Non Competitive
*What were the projected costs of the service for the entire term of the contract prior to contract award?	This contract was originally set up to provide medical and behavioral services to children in state custody and other high risk enrollees, as well as to be a safety net should other MCOs fail. The projected costs were based on actual services provided to those enrollees included in this population.

**VSHP – TennCare Select
FY 2010**

Pre-Edison Payments:

Vendor Invoice	Invoice Date	Voucher	TCS	18A	Total
			BHO PAYMENTS	INTEGRATED MCOS-FULLY CAPPED	
VSHP 200904	4/30/2009	070809CO4			
VSHP 200905	5/31/2009	070809CO4			
2010-03	7/14/2009	071409NR4			
2010-04	7/21/2009	072109NR6			
2010-05	7/28/2009	072809NR2			
2010-02	7/7/2009	070709NR2			
2010-07	8/11/2009	081109NR4			
2010-08	8/18/2009	081809NR5			
2010-09	8/25/2009	082509NR4			
2010-06	8/4/2009	080409NR4			
2010-10	9/1/2009	090109NR5			
Subtotal:					61,502,788.86

Edison Payments:

SELECT (001-011)					
31865	00007038	100742306	0000071694	225,115.41	10/2/2009
31865	00007039	100742307	0000071694	1,668,948.91	10/2/2009
31865	00015914	100777161	0000071694	236,246.12	11/5/2009
31865	00015915	100777162	0000071694	1,681,973.67	11/5/2009
31865	00023037	100798995	0000071694	233,538.37	12/4/2009
31865	00023038	100798996	0000071694	1,678,780.43	12/4/2009
31865	00004772	2010-04	0000071694	6,238,032.89	10/1/2009
31865	00000002	2010-11	0000071694	6,767,501.75	9/10/2009
31865	00001305	2010-12	0000071694	5,915,944.90	9/17/2009
31865	00002886	2010-13	0000071694	6,882,822.34	9/24/2009
31865	00002887	2010-13 A	0000071694	196,432.00	9/24/2009
31865	00007984	2010-15	0000071694	9,557,165.24	10/8/2009
31865	00009742	2010-16	0000071694	8,098,413.12	10/15/2009
31865	00011449	2010-17	0000071694	6,862,296.79	10/22/2009
31865	00013102	2010-18	0000071694	12,336,221.78	10/29/2009
31865	00015242	2010-19	0000071694	7,209,281.42	11/5/2009
31865	00016957	2010-20	0000071694	8,416,111.10	11/13/2009
31865	00018422	2010-21	0000071694	7,316,207.41	11/19/2009
31865	00020150	2010-22	0000071694	7,532,177.66	11/27/2009
31865	00020234	2010-23	0000071694	4,529,826.40	12/4/2009
31865	00026838	2010-24	0000071694	7,525,071.50	12/10/2009
31865	00032505	2010-25	0000071694	7,739,811.62	12/17/2009
31865	00036958	2010-26	0000071694	7,453,574.23	12/24/2009
Subtotal:				126,301,495.06	

**VSHP – TennCare Select
FY 2010**

31865	00051830	100842252	0000071694	155,803.57	1/7/2010
31865	00051831	100842253	0000071694	1,442,407.16	1/7/2010
31865	00050043	2010-28	0000071694	6,905,006.41	1/7/2010
31865	00054499	2010-29	0000071694	6,499,216.62	1/14/2010
31865	00058240	2010-30	0000071694	11,559,883.93	1/22/2010
31865	00062094	2010-31	0000071694	13,376,299.97	1/29/2010
31865	00068929	100870772	0000071694	148,178.13	2/4/2010
31865	00068930	100870773	0000071694	1,280,217.65	2/4/2010
31865	00067054	2010-32	0000071694	7,041,438.74	2/4/2010
31865	00071770	2010-33	0000071694	8,219,534.94	2/11/2010
31865	00076254	2010-34	0000071694	7,355,598.94	2/18/2010
31865	00080849	2010-35	0000071694	6,157,195.18	2/25/2010
31865	00085547	TPL FY 09-10	0000071694	1,184,379.61	3/3/2010
31865	00087404	100899582	0000071694	73,647.74	3/4/2010
31865	00087405	100899583	0000071694	1,205,307.40	3/4/2010
31865	00085568	2010-36	0000071694	7,022,718.74	3/4/2010
31865	00090154	2010-37	0000071694	8,599,785.32	3/12/2010
31865	00094549	2010-38	0000071694	8,414,339.75	3/18/2010
31865	00098974	refund:nicholas	0000071694	47.37	3/23/2010
31865	00098991	2010-39	0000071694	6,491,485.95	3/25/2010
				103,132,493.12	

004					
31865	00105520	100929023	0000071694	62,712.71	4/1/2010
31865	00103808	2011-40	0000071694	6,128,708.09	4/1/2010
31865	00105521	100929024	0000071694	1,196,711.66	4/2/2010
31865	00108185	2011-41	0000071694	7,733,651.34	4/9/2010
31865	00087405	100899583	0000071694	1,205,307.40	4/13/2010
31865	00112463	2010-42	0000071694	7,529,117.53	4/15/2010
31865	00116675	2010-43	0000071694	7,724,487.99	4/22/2010
31865	00120643	2010-44	0000071694	12,407,477.70	4/29/2010
31865	00126042	100964407	0000071694	54,482.53	5/6/2010
31865	00126043	100964408	0000071694	1,209,734.12	5/7/2010
31865	00128038	2010-45	0000071694	6,102,765.68	5/10/2010
31865	00128075	2010-46	0000071694	5,425,794.14	5/13/2010
				56,780,950.89	

FY 2010 TOTAL

\$347,717,727.93

2009 Select All Vendor Payment

Total

Vendor Invoice	Invoice Date	Voucher	
TPL Q3 FY 08	7/16/2008	071608OT1	390,607.57
TPL QTR 4 FY08	8/14/2008	081408OT2	296,949.08
VSHHP200812	12/31/2008	022509CO2	28,697.00
ADMIN PYMT	2/26/2009	032309OT1	173,413.24
VSHHP200901	1/31/2009	032609CO1	29,442.08
RA100297726	7/1/2008	100297726	477,013.77
RA100297728	7/1/2008	100297728	1,502,229.48
TPL Q3 FY 08	7/16/2008	071608OT2	34,003.75
TPL QTR 4 FY08	8/14/2008	081408OT1	147,366.66
CRA100356632	9/2/2008	100356632	2,500.00
RA100356632	9/2/2008	100356632	168,741.96
RA100356633	9/2/2008	100356633	50,655.51
RA100383426	9/30/2008	100383426	183,359.53
RA100383427	9/30/2008	100383427	1,562,148.69
CRA100417534	11/4/2008	100417534	139,439.20
RA100417534	11/4/2008	100417534	35,122.77
RA100417535	11/4/2008	100417535	567,388.89
RA100444525	12/2/2008	100444525	30,493.72
RA100444526	12/2/2008	100444526	1,571,391.29
RA100471378	12/29/2008	100471378	10,341.72
CRA100471378	12/29/2008	100471378	6,000.00
RA100471379	12/29/2008	100471379	24,752.01
CRA100505483	2/3/2009	100505483	6,800.00
RA100505483	2/3/2009	100505483	135,272.65
RA100505484	2/3/2009	100505484	123,025.54
RA100533140	3/3/2009	100533140	145,275.69
RA100533141	3/3/2009	100533141	1,008,091.39
RA100561123	3/31/2009	100561123	153,082.68
RA100561124	3/31/2009	100561124	1,514,000.00
CRA100323082	7/29/2008	100323082	3,921.00
RA100323082	7/29/2008	100323082	180,909.58
RA100323083	7/29/2008	100323083	1,316,109.55
CRA100626257	6/2/2009	100626257	4,027.16
2009-01	7/1/2008	070108NR6	2,086,282.95
2009-02	7/8/2008	070808NR3	1,800,054.49
2009-03	7/15/2008	071508NR4	6,566,451.02
2009-04	7/22/2008	072208NR3	9,201,588.86
2009-05	7/29/2008	072908NR5	6,101,356.69
2009-06	8/5/2008	080508NR4	6,124,301.15
2009-07	8/12/2008	081208NR5	6,328,280.80
2009-08	8/19/2008	081908NR5	4,178,091.70
2009-09	8/26/2008	082608NR5	7,385,075.00
2009-10	9/2/2008	090208NR3	5,618,636.59
2009-11	9/9/2008	090908NR5	5,130,376.10
2009-12	9/16/2008	091608NR4	5,380,751.84
2009-13	9/23/2008	092308NR5	6,958,441.00
2009-14		093008NR2	1,492,656.68

2009-15	10/7/2008	100708NR1	0051151949
2009-16	10/14/2008	101408NR2	0011114983
2009-17	10/21/2008	102108NR5	0849147153
2009-18	10/28/2008	102808NR2	7836236271
2009-19	11/4/2008	110408NR3	5801177112
2009-20	11/12/2008	111208NR2	0743329222
2009-21	11/18/2008	111808NR4	7577867208
2009-22	11/24/2008	112408NR2	7756121098
2009-23	12/2/2008	120208NR1	1166100139
2009-24	12/9/2008	120908NR4	8039739711
2009-25	12/16/2008	121608NR2	0827101151
2009-26	12/22/2008	122208NR2	6035125135
2009-27	12/29/2008	122908NR2	3195799107
2009-28	1/6/2009	010609NR2	1698031172
2009-29	1/13/2009	011309NR5	7349522109
2009-30	1/20/2009	012009NR5	1149147223
2009-31	1/27/2009	012709NR2	0999136143
2009-32	2/3/2009	020309NR2	317147116
2009-33	2/10/2009	021009NR3	6611099103
2009-34	2/17/2009	021709NR4	0091121116
2009-35	2/24/2009	022409NR5	1126235129
2009-36	3/3/2009	030309NR5	0113106113
2009-37	3/10/2009	031009NR4	8133872104
2009-38	3/17/2009	031709NR2	0893199107
2009-39	3/24/2009	032409NR4	8133872104
2009-40	3/31/2009	033109NR6	5131101117
2009-41	4/7/2009	040709NR3	0123189106
2009-42	4/14/2009	041409NR4	0081071112
2009-43	4/21/2009	042109NR2	7296186116
2009-44	4/28/2009	042809NR2	8168102116
2009-45	5/5/2009	050509NR5	0551018110
2009-46	5/12/2009	051209NR3	6381133113
2009-47	5/19/2009	051909NR7	6961176111
2009-48	5/26/2009	052609NR5	8131170110
2009-49	6/2/2009	060209NR3	7132153109
2009-50	6/9/2009	060909NR3	0287133116
2009-51	6/16/2009	061609NR8	7300182110
2009-52	6/23/2009	062309NR5	6011186114
2010-01	6/30/2009	063009NR1	0301174129
VSHP 200902	2/28/2009	041409CO2	0121143101
VSHP 200904	4/30/2009	070809CO4	0101101101
VSHP 200905	5/31/2009	070809CO4	0101101101
RA100590399	4/28/2009	100590399	1551165110
CRA100590399	4/28/2009	100590399	0710010101
RA100590400	4/28/2009	100590400	0518160108
RA100626257	6/2/2009	100626257	1421197106
CRA100626257	6/2/2009	100626257	1421197106
RA100626258	6/2/2009	100626258	1158156107
RA100626258	6/2/2009	100626258	1158156107

2008 TennCare Select Vendor payment

Vendor Invoice	Invoice Date	Voucher	Amount
TPL ADMIN FY08	3/24/2008	032408OT1	590,773.18
2008-01	7/2/2007	070207NR1	8,874,275.93
RATE ADJUST	7/5/2007	070507NR1	13,787,598.00
2008-02	7/9/2007	071007NR1	5,862,696.71
2008-03	7/17/2007	071707NR3	5,278,216.47
2008-04	7/23/2007	072407NR1	9,237,287.76
2008-05	7/31/2007	073107NR6	8,314,595.68
2008-06	8/6/2007	080607NR2	7,923,631.92
2008-07	8/13/2007	081407NR3	7,063,107.76
2008-08	8/20/2007	082107NR5	6,923,114.68
2008-09	8/28/2007	082807NR6	8,590,631.40
2008-10	9/4/2007	090407NR3	5,649,195.03
2008-11	9/10/2007	091107NR3	5,530,250.23
TPL ADMIN	9/14/2007	091407OT1	1,714,667.19
2008-12	9/17/2007	091807NR4	7,186,374.44
2008-13	9/25/2007	092507NR4	7,030,873.28
2008-14	10/2/2007	100207NR2	5,934,061.15
2008-15	10/8/2007	100907NR4	7,013,158.67
NCQA	10/2/2007	100507OT1	134,407.00
2008-16	10/15/2007	101607NR3	6,353,278.06
2008-17	10/22/2007	102307NR5	9,752,014.63
2008-18	10/29/2007	103007NR2	6,301,810.58
2008-19	11/5/2007	110607NR5	7,064,685.71
2008-20	11/13/2007	111307NR6	8,087,177.98
2008-21	11/19/2007	111907NR4	7,034,463.56
2008-22	11/26/2007	112607NR2	4,595,460.36
2008-23	12/4/2007	120407NR5	9,398,864.85
2008-24	12/10/2007	121107NR4	7,183,459.36
2008-25	12/17/2007	121807NR3	7,665,163.71
2008-26	12/26/2007	122607NR3	6,970,653.72
2008-27	1/2/2008	010208NR5	3,815,524.43
2008-28	1/7/2008	010807NR4	3,993,418.36
2008-29	1/14/2008	011508NR3	7,495,270.98
2008-30	1/22/2008	012208NR4	8,933,348.49
2008-31	1/28/2008	012908NR4	6,605,308.64
2008-32	2/5/2008	020508NR3	6,030,307.08
2008-33	2/11/2008	021208NR4	5,571,950.15
2008-34	2/19/2008	021908NR5	5,844,930.94
2008-35	2/25/2008	022608NR4	6,953,700.04
2008-36	3/3/2008	030408NR5	6,105,078.86
2008-37	3/11/2008	031108NR3	7,201,578.61
2008-38	3/17/2008	031808NR4	6,852,789.47
2008-39	3/24/2008	032508NR4	6,816,851.20
2008-40	3/31/2008	040108NR5	6,481,683.64
2008-41	4/8/2008	040808NR3	6,004,251.78
2008-42	4/15/2008	041508NR5	6,900,640.94

2008-43	4/22/2008	042208NR4	9,390,994.69
2008-44	4/29/2008	042908NR4	5,349,680.76
2008-45	5/5/2008	050608NR3	6,731,103.10
2008-46	5/13/2008	051308NR2	6,227,000.38
2008-47	5/20/2008	052008NR3	6,526,640.19
2008-48	5/27/2008	052708NR4	6,904,841.81
2008-49	6/3/2008	060308NR5	4,813,399.62
2008-50	6/10/2008	061008NR4	5,277,854.26
2008-51	6/17/2008	061708NR4	5,188,273.42
2008-52	6/23/2008	062408NR4	6,099,365.78
		Total	367,161,736.62

2007 TennCare Select Vendor payment

Vendor Invoice	Invoice Date	Voucher	Amount
2006-26		070306NR2	0.00
2006-27		070306NR2	16,262,352.83
2006-28		071106NR2	15,644,024.82
2006-29		071806NR1	17,005,130.42
2006-30		072606NR2	24,731,415.08
2006-31		080106NR3	16,996,699.73
2006-32	8/8/2006	080906NR2	17,248,515.67
2006-33	8/15/2006	081606NR3	16,577,975.95
2006-34	8/22/2006	082206NR2	17,614,658.55
2006-35	8/29/2006	083006NR3	18,917,975.73
2006-36	9/5/2006	090506NR4	17,210,552.58
2006-37	9/12/2006	091206NR3	13,301,832.88
2006-38	9/19/2006	091906NR3	20,320,994.67
2006-39	9/26/2006	092606NR3	22,180,915.29
2006-40	10/3/2006	100306NR5	23,463,094.52
2006-41	10/10/2006	101006NR2	17,651,414.72
2006-42		101706NR2	16,052,176.14
2006-43	10/24/2006	102406NR2	21,287,276.20
2006-44	10/31/2006	103106NR2	16,248,943.11
2006-45	11/7/2006	110706NR1	22,366,180.20
2006-46	11/14/2006	111406NR4	24,435,987.79
110306	8/23/2006	110606OT1	918,644.43
2006-47	11/20/2006	112006NR2	22,534,216.51
2006-48	11/28/2006	112806NR4	10,768,460.11
2006-49	12/5/2006	120506NR5	25,263,087.62
2006-50	12/12/2006	121206NR5	22,549,726.25
2006-51	12/19/2006	121906NR3	18,261,656.72
2006-52	12/27/2006	122706NR2	18,819,656.44
2007-01	1/2/2007	010207NR4	12,060,139.25
2007-02	1/9/2007	010907NR4	15,822,481.58
2007-03	1/16/2007	011607NR4	19,138,300.02
2007-04	1/23/2007	012307NR3	23,463,730.71
2007-05	1/30/2007	013007NR1	23,425,253.78
2007-06	2/6/2007	020607NR4	20,550,165.93
2007-07	2/13/2007	021307NR2	21,310,244.65
2007-08	2/20/2007	022007NR3	21,145,908.60
2007-09	2/27/2007	022707NR4	28,205,782.76
2007-10	3/6/2007	030607NR2	25,383,408.26
2007-11	3/12/2007	031307NR4	21,670,981.00
2007-12	3/20/2007	032007NR4	22,471,345.50
2007-13	3/27/2007	032707NR5	22,221,662.46
2007-14	4/3/2007	040307NR1	20,444,321.61
2007-15	4/9/2007	041007NR2	21,498,656.91
2007-16	7/16/2007	041707NR1	13,929,180.68
2007-17	4/24/2007	042407NR3	18,684,036.40
2007-18	4/30/2007	050107NR4	11,658,711.12
2007-19	5/8/2007	050807NR3	12,041,186.08
2007-20	5/14/2007	051507NR1	11,253,604.12
2007-21	5/21/2007	052207NR1	10,302,073.28
2007-22	5/29/2007	052907NR1	8,392,623.79
2007-23	6/4/2007	060507NR2	8,727,679.58
2007-24	6/11/2007	061207NR2	8,078,652.35
2007-25	6/18/2007	061907NR2	6,843,275.21
2007-26	6/26/2007	062607NR3	6,376,236.07
		Total	929,733,206.66

2006 TennCare Select Vendor payment

Vendor Invoice	Voucher	Amount
2005-30	072605NR5	23,530,975.71
2006-04	012406NR2	21,749,449.95
2006-17	042506NR2	21,369,311.52
2005-49	120605NR2	20,606,440.88
2005-29	071905NR3	20,570,935.54
2005-27	070505NR2	20,221,130.26
2006-11	031406NR3	20,197,818.45
2006-26	062706NR3	19,986,895.01
2005-43	102505NR4	19,691,508.89
2005-33	081605NR4	19,498,944.07
2005-51	122005NR2	19,154,057.50
2005-32	080905NR3	19,095,632.45
2006-12	032106NR1	18,990,278.17
2005-47	112105NR2	18,925,878.75
2005-28	071205NR4	18,881,877.95
2006-06	020706NR3	18,556,398.83
2005-50	121305NR2	18,235,062.26
2005-35	083005NR3	18,196,655.52
2006-05	013106NR4	18,186,584.61
2005-46	111505NR4	18,153,665.40
2006-09	022806NR2	18,121,797.95
2006-19	050906NR4	18,120,001.07
2005-40	100405NR2	18,000,182.53
2005-31	080205NR3	17,928,609.59
2006-24	061306NR3	17,830,061.44
2005-45	110805NR1	17,805,545.42
2005-36	090605NR3	17,630,949.44
2005-44	110105NR1	17,567,158.81
2006-14	040406NR3	17,507,708.45
2005-34	082305NR4	17,383,004.25
2006-20	051606NR5	17,220,456.87
2006-03	011706NR4	17,051,015.51
2005-36	091305NR2	16,999,409.92
2006-08	022106NR5	16,983,748.18
2005-39	092705NR2	16,968,298.94
2006-10	030706NR2	16,953,239.25
2006-13	032806NR1	16,850,998.03
2005-42	101805NR1	16,609,270.69
2006-07	021406NR1	16,525,382.24
2006-21	052306NR3	16,260,689.37
2005-38	092005NR3	16,074,495.63

2006-18	050206NR1	16,042,283.90
2006-15	041106NR3	15,975,611.17
2006-15	041806NR4	15,448,206.81
2006-01	010306NR3	15,306,476.97
2006-25	062006NR2	15,305,684.66
2006-22	053006NR2	15,217,720.36
2006-02	011006NR4	14,563,137.47
2005-52	122705NR5	14,001,360.40
2005-41	101105NR1	13,601,677.80
2005-48	112905NR2	10,676,650.10
2005-45B	100905NR1	1,778,180.37
	Total	904,108,515.31

2005 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2004-27	Q042367	070604NR4	13,805,308.23
2004-28	Q043815	070704NR3	1,101,601.81
2004-29	Q053375	071304NR3	17,536,614.77
2004-30	Q059096	072004NR7	17,140,846.34
2004-31	Q063466	072704NR5	21,768,665.01
2004-32	Q069516	080304NR5	17,137,689.89
2004-33	Q075332	081004NR4	20,267,480.86
2004-34	Q084930	081704NR7	18,850,281.71
2004-35	Q092202	082404NR1	17,899,784.19
2004-36	Q099296	083104NR6	19,478,023.19
2004-37	Q104552	090704NR3	18,189,723.57
2004-38	Q113644	091404NR3	16,131,772.44
2004-39	Q120552	092104NR4	19,026,751.60
2004-40	Q127527	092804NR4	20,018,213.38
2004-41	Q134297	100504NR2	18,684,861.89
2004-42	Q141101	101204NR4	18,865,004.09
2004-43	Q150261	101904NR4	15,540,616.56
2004-44	Q157406	102604NR3	25,601,222.15
2004-45	Q165051	110204NR3	18,651,988.03
2004-46	Q170459	110804NR3	17,706,671.30
2004-47	Q180475	111604NR3	16,498,772.25
2004-47B	Q183568	111804NR1	639,879.31
2004-47	Q186373	112204NR2	19,938,964.52
2004-48B	Q189943	112404NR1	853,051.24
2004-49	Q192986	113004NR4	12,286,193.56
2004-50	Q200656	120704NR3	23,229,410.67
2004-51	Q210927	121404NR5	22,942,631.44
2004-52	Q217109	122204NR2	23,469,595.61
2004-53	Q222329	122804NR3	7,384,351.21
2005-01	Q226563	010405NR3	16,083,818.43
2005-02	Q233515	011105NR3	19,578,867.41
2005-03	Q241962	011805NR4	19,607,510.32
2005-04	Q249534	012505NR4	25,823,785.87
2005-05	Q257430	020105NR1	21,368,292.95
2005-06	Q264106	020805NR3	21,654,011.13
2005-07	Q274350	021505NR5	19,863,749.95
2005-08	Q279857	022205NR6	20,615,380.60
2005-07	Q287730	030105NR2	1,089.22
2005-08	Q287730	030105NR2	(1,089.22)
2005-09	Q287730	030105NR2	22,193,003.63
2005-10	Q295874	030805NR4	21,216,557.65
2005-11	Q306182	031505NR2	21,699,893.04
2005-12	Q313549	032205NR2	18,831,307.75
2005-12	Q319248	032905NR4	17,992,341.46
2005-14	Q326639	040505NR3	19,659,202.06
2005-15	Q333302	041205NR1	18,677,731.22
2005-16	Q343240	041905CO6	19,104,939.58
2005-17	Q349882	042605NR2	26,598,290.01
2005-18	Q358432	050305NR1	20,929,323.29

2005-19	Q365115	051005NR2	21,641,385.00
2005-20	Q374441	051705NR4	20,077,386.14
2005-21	Q381801	052405NR2	20,658,158.17
2005-22	Q388730	053105NR2	18,712,519.87
2005-23	Q395119	060705NR4	18,369,808.05
2005-24	Q405289	061405NR4	20,951,295.23
2005-25	Q412166	062105NR3	19,675,061.20
2005-26	Q419968	062805NR2	19,720,981.74
		Total	990,250,679.53

2004 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2003-27	P339516	070103NR5	9,571,621.66
2003-28	P345419	070803NR4	12,901,141.70
2003-29	P356122	071503NR2	13,114,403.76
2003-30	P361788	072203NR4	10,612,921.84
2003-31	P367474	072903NR4	10,307,908.12
2003-36	P371129	080503NR9	13,384,066.87
2003-33	P377274	081203NR1	10,345,783.89
2003-34	P385856	081903NR6	11,143,261.05
2003-35	P394644	082793NR1	11,669,284.48
2003-36	P397991	090203NR3	11,586,532.73
2003-37	P404206	090903NR4	13,354,953.90
2003-38	P413180	091603NR6	12,633,269.91
2003-39	P420975	092403NR3	15,055,885.62
2003-40	P426714	093003NR6	15,798,808.77
2003-41	P432250	100703NR7	16,415,573.94
2003-41	P441025	101403NR2	(1,064,145.86)
2003-41-	P441025	101403NR2	1,064,145.86
2003-42	P441025	101403NR2	12,133,450.47
2003-42	P447099	102103NR6	44,179.16
2003-42-	P447099	102103NR6	48,915.83
2003-42--	P447099	102103NR6	(93,094.99)
2003-43	P447099	102103NR6	14,215,623.88
2003-43	P453627	102803NR4	20,944.70
2003-43-	P453627	102803NR4	1,039,913.89
2003-43--	P453627	102803NR4	(1,060,858.59)
2003-44	P453627	102803NR4	17,621,780.18
2003-44	P460688	110403NR4	190,334.85
2003-44-	P460688	110403NR4	1,388,563.91
2003-44--	P460688	110403NR4	(1,578,898.76)
2003-45	P460688	110403NR4	13,707,170.77
2003-45	P468670	111203NR2	187,475.89
2003-45-	P468670	111203NR2	797,122.56
2003-45--	P468670	111203NR2	(984,598.45)
2003-46	P468670	111203NR2	15,809,075.76
2003-47	P475333	111803NR4	13,929,696.52
2003-46	P483097	112503NR4	47,781.35
2003-46-	P483097	112503NR4	680,591.02
2003-46--	P483097	112503NR4	(728,372.37)
2003-47	P483097	112503NR4	39,309.50
2003-47-	P483097	112503NR4	638,481.33
2003-47--	P483097	112503NR4	(677,790.83)

2003-48	P483097	112503NR4	14,974,277.93
2003-48	P487383	120203NR5	22,442.87
2003-48-	P487383	120203NR5	554,454.74
2003-48--	P487383	120203NR5	(576,897.61)
2003-49	P487383	120203NR5	8,306,089.43
2003-49	P494604	120903NR4	16,059.06
2003-49-	P494604	120903NR4	158,530.34
2003-49--	P494604	120903NR4	(174,589.40)
2003-50	P494604	120903NR4	18,352,281.27
2003-50	P504141	121603NR6	37,740.06
2003-50-	P504141	121603NR6	664,415.90
2003-50--	P504141	121603NR6	(702,155.96)
2003-51	P504141	121603NR6	15,726,068.53
2003-51	P510184	122203NR4	86,270.36
2003-51-	P510184	122203NR4	1,144,550.20
2003-51--	P510184	122203NR4	(1,230,820.56)
2003-52	P510184	122203NR4	16,430,966.73
2003-52	P515582	123003NR4	27,506.84
2003-52-	P515582	123003NR4	592,937.23
2003-52--	P515582	123003NR4	(620,444.07)
2003-53	P515582	123003NR4	8,721,987.07
2003-53	P520061	010604NR6	18,625.59
2003-53-	P520061	010604NR6	92,378.82
2003-53--	P520061	010604NR6	(111,004.41)
2004-01	P520061	010604NR6	13,000,161.88
2004-01	P529928	011304NR3	21,753.95
2004-01-	P529928	011304NR3	597,456.99
2004-01--	P529928	011304NR3	(619,210.24)
2004-02	P529928	011304NR3	17,546,494.22
2004-02	P535078	012004NR7	63,928.89
2004-02-	P535078	012004NR7	121,655.31
2004-02--	P535078	012004NR7	(185,584.20)
2004-03	P535078	012004NR7	12,868,081.59
2004-03	P549037	020304NR2	10,921.60
2004-03-	P549037	020304NR2	(1,232,670.30)
2004-03--	P549037	020304NR2	1,221,748.70
2004-04	P549037	020304NR2	31,813.28
2004-04-	P549037	020304NR2	357,666.44
2004-04--	P549037	020304NR2	(389,479.72)
2004-05	P549037	020304NR2	16,260,359.96
2004-05	P556339	021004NR6	26,900.83
2004-05-	P556339	021004NR6	305,930.03
2004-05--	P556339	021004NR6	(332,830.86)
2004-06	P556339	021004NR6	18,970,284.89
2004-04	P541761	012704NR5	4,214,773.78
2004-04-	P541761	012704NR5	15,221,252.76
2004-06	P564496	021704NR7	13,238.83

2004-06-	P564496	021704NR7	142,442.76
2004-06--	P564496	021704NR7	(155,681.59)
2004-07	P564496	021704NR7	17,080,163.52
2004-07	P571198	022404NR5	27,734.97
2004-07-	P571198	022404NR5	264,361.31
2004-07--	P571198	022404NR5	(292,096.28)
2004-08	P571198	022404NR5	19,656,057.63
2004-08	P578797	030204NR4	61,776.64
2004-08-	P578797	030204NR4	198,077.82
2004-08--	P578797	030204NR4	(259,854.46)
2004-09	P578797	030204NR4	17,932,603.38
2004-09	P586386	030904NR5	11,330.72
2004-09-	P586386	030904NR5	191,673.51
2004-09--	P586386	030904NR5	(203,004.23)
2004-10	P586386	030904NR5	19,480,654.91
2004-10	P595341	031604NR4	24,364.27
2004-10-	P595341	031604NR4	213,986.50
2004-10--	P595341	031604NR4	(238,350.77)
2004-11	P595341	031604NR4	16,739,640.17
2004-11	P602609	032304NR2	6,301.60
2004-11-	P602609	032304NR2	247,131.18
2004-11--	P602609	032304NR2	(253,432.78)
2004-12	P602609	032304NR2	18,786,140.00
2004-13	P610025	033004NR5	16,268,602.11
2004-14	P616395	040604NR6	18,831,995.00
2004-15	P624541	041304NR3	19,185,757.42
2004-16	P631569	042004NR4	18,113,523.24
2004-17	P638012	042704NR4	16,946,800.75
2004-18	P645376	050404NR4	19,902,428.14
2004-19	P652258	051104NR3	18,259,754.23
2004-20	P661472	051804NR6	17,738,461.86
2004-20	P668376	052504NR8	(400.00)
2004-21	P668376	052504NR8	16,691,824.67
2004-20	Q001625	052704NR2	400.00
2004-22	Q004096	060104NR3	15,043,406.35
2004-23	Q011105	060804NR4	17,669,270.69
2004-24	Q020959	061504NR5	18,459,311.35
2004-25	Q027081	062204NR2	16,249,722.14
2004-26	Q036035	062904NR4	16,809,558.28
		Total	811,750,972.40

2003 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2002-69	P048785	091102NR2	9,392,524.07
2002-70	P055144	091702NR3	10,661,813.93
2002-71	P062257	092402NR4	7,105,264.99
2002-72	P068524	100102NR6	10,945,659.18
2002-73	P076150	100902NR3	8,681,617.84
2002-74	P083369	101502NR2	11,476,661.77
2002-75	P084274	101602NR2	652,206.19
2002-76	P089684	102202NR3	4,834,204.32
2002-77	P096569	102902NR4	15,849,505.83
2002-78	P102381	110502NR6	8,025,508.48
2002-79	P107483	111202NR5	12,226,470.95
2002-80	P116522	111902NR6	8,003,425.42
2002-81	P122933	112502NR2	10,523,735.41
2002-82	P128685	120302NR2	4,791,802.56
2002-83	P135702	121002NR4	12,182,299.13
2002-84	P145330	121702NR9	7,512,867.50
2002-85	P150215	122002NR1	11,070,533.38
2002-86	P155422	123102NR2	4,648,140.62
2003-01	P160508	010703NR5	10,357,303.58
2003-02	P170401	011403NR7	6,531,613.34
2003-03	P173689	012103NR3	9,669,481.84
2003-04	P179975	012803NR1	9,476,743.07
2003-06	P194464	021103NR5	8,234,543.23
2003-07	P202292	021803NR5	13,122,054.97
2003-08	P209638	022503NR3	8,191,323.02
2003-09	P216181	030403NR4	11,504,541.50
2003-10	P223739	031103NR4	8,245,497.34
2003-11	P232607	031803NR4	12,893,442.05
2003-12	P239494	032503NR6	7,425,841.02
2003-13	P246046	040103NR4	11,164,958.94
2003-14	P252368	040803NR7	7,709,575.34
2003-15	P253893	040903NR2	618,264.59
2003-16	P261104	041503NR6	12,491,593.75
2003-17	P266787	042203NR3	9,102,200.18
2003-18	P274218	042903NR4	10,904,296.01
2003-19	P280017	050603NR6	9,161,558.11
2003-20	P289403	051303NR3	12,467,903.24
2003-21	P295524	052003NR4	8,653,596.32

2003-22	P300931	052703NR4	10,678,761.95
2003-23	P308385	060303NR6	8,974,860.87
2003-24	P315549	061003NR4	12,942,681.44
2003-25	P324615	061703NR4	8,048,696.13
2003-25	P331612	062406NR2	15,661,878.76
2003-5	P186972	020403NR3	10,952,204.01
		Total	413,769,656.17

2002 TennCare Select Vendor payment

Vendor Number	Vendor Suffix	Amount
V621656610	00	290,556,541.35
	Total	290,556,541.35

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.

Actual expenditures are based on rates incorporated into the contract. (Attached).

Deliverable description	FY	FY	FY	FY	FY

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.

TennCare Select provides medical and behavioral services to thousands of TennCare enrollees across the state at contracted rates for services and associated administrative costs for those enrollees in state custody and other high risk enrollees. This contract amendment does not identify savings, however, it does provide high risk enrollees with medical and behavioral coverage at an enhanced matching federal rate. There are no increased funds requested for this amendment.

Deliverable description	FY	FY	FY	FY	FY

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.

The TennCare Select network was developed to create a consistent level of service through a group of providers to provide services to children in state custody and other high risk enrollees, as well as to provide a safety net should other managed care companies fail. At present, there is not another statewide option to provide this network as it is currently configured.

Supplemental Documentation Required for Fiscal Review Committee

A detailed breakdown of anticipated expenditures and payment mechanisms for each year of the contract is listed below as stated in the contract language.

- b. Effective January 1, 2003, the administrative fee paid for enrollees in Group 1.A, Group 1.B and Group 2 shall be \$25.00 per member per month. **Effective July 1, 2006, the administrative fee paid for enrollees in Group 1.A, Group 1.B and Group 2 shall be \$25.20 per member per month.**
- c. Effective January 1, 2003, the administrative fee paid for enrollees in Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	\$11.37
100,000 to 199,999 enrollees	\$11.25
200,000 to 299,999 enrollees	\$11.12
300,000 to 399,999 enrollees	\$11.00
400,000 to 499,999 enrollees	\$10.89
500,000 to 599,999 enrollees	\$10.68
600,000 to 699,999 enrollees	\$10.53
700,000 to 799,999 enrollees	\$10.38
800,000 to 899,999 enrollees	\$10.23
900,000 to 999,999 enrollees	\$10.08
1,000,000 or more enrollees	\$9.93

Effective July 1, 2006, the administrative fee paid for enrollees in Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	\$11.57
100,000 to 199,999 enrollees	\$11.45
200,000 to 299,999 enrollees	\$11.32
300,000 to 399,999 enrollees	\$11.20
400,000 to 499,999 enrollees	\$11.09
500,000 to 599,999 enrollees	\$10.88
600,000 to 699,999 enrollees	\$10.73
700,000 to 799,999 enrollees	\$10.58
800,000 to 899,999 enrollees	\$10.43
900,000 to 999,999 enrollees	\$10.28
1,000,000 or more enrollees	\$10.13

- i. The applicable administrative fee shall be determined based upon the total number of enrollees in the month preceding the month in which payment is made to the Contractor as determined by TENNCARE. The administrative fee specified shall be applicable to all enrollees in Group 3, Group 4, Group 5 and Group 6 upon attainment of an enrollment level. For example, if enrollment for the month of February is 250,000 enrollees, the administrative fee payment for the month of March shall be \$11.12 per member per month for each Group 3, Group 4, Group 5 and Group 6 enrollee assigned to the CONTRACTOR during the month of March, adjusted as set forth in subparagraphs 5-1.d through 5-1.j, if applicable.

Supplemental Documentation Required for Fiscal Review Committee

NCQA's minimum effect size change methodology, where the applicable 2007 HEDIS or CAHPS score serves as the baseline.

- HbA1C Testing
- Controlling High Blood Pressure
- Timeliness of Prenatal Care
- Postpartum Care
- Adolescent Immunizations (combo2)
- Childhood Immunizations (combo 2)
- Cervical Cancer Screening

k. **Shared Risk Terms and Conditions**

Effective March 1, 2009, the terms of the CONTRACTOR's shared risk responsibility shall be described below. The shared risk terms shall apply to the following populations as described in Section 4-1.1.a of this Contract: Group 1.A, Group 1.B, and Group 2.

The CONTRACTOR will be paid an administrative fee to administer the TennCare MCO benefits. Additionally, there will be both an upside potential (bonus) as well as downside potential (risk). Bonus and the risk will be based on the following components as described below:

EPSDT, and
Medical Services Budget Target.

(1) **Acuity Adjustment**

The parties hereby agree that the aggregate base line acuity for the population administered by the CONTRACTOR shall be based on a methodology recommended by the State or its actuarial contractor.

The Parties further agree that the ability of the CONTRACTOR to achieve these initiatives is directly and materially related to said base line acuity of the aggregate population described above. As an integral part of evaluating the

CONTRACTOR's performance in achieving the goals set forth above, the CONTRACTOR and TennCare shall perform a quarterly follow-up acuity review of the aggregate population described above. The CONTRACTOR and TennCare shall perform a reconciliation of aggregate acuity of the CONTRACTOR's assigned population described above and show compliance with the Shared Risk Initiatives adjusting for changes in acuity population and supply said adjustment data to TENNCARE for review and approval on a quarterly basis. The adjusted base line numbers for acuity shall serve as the standard for the determination as to whether the CONTRACTOR achieved the Shared Risk Initiatives.

(2) **Mandates / Initiatives**

In addition, the Parties hereby agree that the determination of achieving compliance with the above Shared Risk Initiatives shall be consistent with the obligations of this Contract as they are performed and interpreted as of March 1, 2009. As such, services provided as a result of compliance with an instruction or mandate from the TennCare Bureau that is in conflict with, or in excess of, those obligations pursuant to this Contract as of March 1, 2009 shall be taken into account and not counted against the Contractor in determining the achievement of the Shared Risk Initiatives.

Supplemental Documentation Required for Fiscal Review Committee

(3) Risk Component

The Shared Risk Model will require that a percent of the administrative fees be placed at risk. The Model will set ten percent (10%) of the administrative fee at risk.

The Shared Risk Initiatives are listed below along with its associated risk contribution.

Shared Risk Initiative	Contribution to Risk
EPSDT Compliance	5.0%
Medical Services Budget Target	5.0%

(a) Increase EPSDT Compliance

The target for the period March 1, 2009 through June 30, 2009 is based on the CONTRACTOR's reported screening rate according to the information contained in the CMS 416 Report for FFY 2007 which is 85%.

The goal is to insure that all children under the age of twenty-one (21) are receiving screenings consistent with the periodicity schedule referenced in the Contract.

TENNCARE shall use the CMS 416 format in order to measure the CONTRACTOR's progress on a quarterly basis. In order to encourage continued progress, the administrative rate shall be reconciled in accordance with the following:

Percentage of EPSDT Compliance Benchmark	Administrative Fee Adjustment
≥ 100%	All admin assoc with EPSDT Screening rate compliance risk portion and potential bonus
≥ 95% and < 100%	-25% of admin assoc EPSDT Screening rate compliance risk portion
≥ 90% and < 95%	-50% of admin assoc EPSDT Screening rate compliance risk portion
≥ 85% and < 90%	-75% of admin assoc EPSDT Screening rate compliance risk portion
< 85% and lower	-100% of admin assoc EPSDT Screening rate compliance risk portion

Evaluation Period: Annually with a 90 day lag

At Risk Portion: 5.0% of Administrative Fee (Budget)

Implementation Date: March 1, 2009

(b) Medical Services Budget Target Initiative

At the end of the evaluation period associated with the MSBT, if the actual medical costs + IBNR is less than or equal to 100% of the MSBT, the CONTRACTOR shall retain 100% of the administrative fee

Supplemental Documentation Required for Fiscal Review Committee

associated with the MSBT. If the actual medical costs + IBNR is more than 100% of the MSBT, the CONTRACTOR's administrative fee associated with the MSBT shall be adjusted in accordance with the chart below. The estimated IBNR shall be reviewed and adjusted by the State's actuarial contractor prior to final determination of performance. The Table below illustrates the risk corridors for the Medical Services Budget target:

Percent of MSBT	Administrative Fee Adjustment
< 102%	All admin assoc with MSBT at risk portion and potential bonus
> 102% and ≤ 105%	-25% of admin assoc MSBT risk portion
> 105% and ≤ 110%	-50% of admin assoc MSBT risk portion
> 110% and ≤ 115%	-75% of admin assoc MSBT risk portion
> 115% and greater	-100% of admin assoc MSBT risk portion

Evaluation Period: Annual with a 90 day lag

At Risk Portion: 5% of Administrative Fee (Budget)

Implementation Date: March 1, 2009

(4) Performance Bonuses

TennCare will establish a bonus pool for each Risk Initiative described below. The bonus pool will represent a total of ten percent (10%) of the administrative fee for the selected population (Group 1.A, Group 1.B, and Group 2) for the CONTRACTOR as described in Section 5-1 of this Contract. The following Initiatives will be included in the Bonus Pool: EPSDT Compliance and Medical Service Budget Target (MSBT).

The following table identifies the weighting for each Initiative:

Shared Risk Initiative	Contribution to Bonus (% of Admin Rate for Selected Population)
EPSDT Compliance	5.0%
Medical Service Budget Target	5.0%

Additional Bonus Points

Performance - Percent Exceeding Target	EPSDT Compliance Target
> 100% and ≤ 105%	25%
> 105% and ≤ 110%	60%
> 110% and ≤ 117%	100%

Performance - Percent Improving Target	Medical Services Budget Target
< 98% and ≥ 95%	25%
< 95% and ≥ 90%	50%
< 90% and ≥ 85%	75%
< 85%	100%

Supplemental Documentation Required for Fiscal Review Committee

(5) Risk and Bonus Payout Reconciliation

The administrative fee will be paid in full on a monthly basis until such time the Evaluation Periods have occurred and determination has been made regarding the CONTRACTOR's compliance. Payouts for the annual evaluation period shall be made by October 31 of the following year.

In the event that the CONTRACTOR's progress on the various initiatives are different from what is determined by TennCare, the results (findings from both) will be reconciled during a fifteen (15) business day period following the due date of the submission by the Plan. If the dispute relates to medical cost and utilization based initiatives, TENNCARE shall request review by the Department of the Comptroller of the Treasury of said discrepancies. TennCare will submit an "On Request Report" (with a seven (7) day response time) to the CONTRACTOR in order for the CONTRACTOR to review and update or reprocess their data provided to TENNCARE. TENNCARE shall provide the outcome of the determination within eight (8) business days of receiving the information from the CONTRACTOR. If the information requested by TENNCARE is not provided by the due date, then the determination defaults to TENNCARE.

If targets are consistently exceeded (or not met) TENNCARE shall require that the CONTRACTOR submit a Corrective Action Plan to address the deficiencies.

Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Administrative Fee Effective July 1, 2001 through December 31, 2002

Category	Effective July 1, 2001 - June 30, 2002	Effective July 1, 2002 - December 31, 2002
Group 1.A	\$21.84 PMPM	\$22.71 PMPM
Group 1.B	\$21.84 PMPM	\$22.71 PMPM
Group 2	\$21.84 PMPM	\$22.71 PMPM
Group 3	\$13.84 PMPM	\$14.39 PMPM
Group 4	\$13.84 PMPM	\$14.39 PMPM
Group 5	\$13.84 PMPM	\$14.39 PMPM
Group 6	\$13.84 PMPM	\$14.39 PMPM

II. Administrative Fee Effective January 1, 2003:

Group 1.A, Group 1.B, and Group 2

Category	Effective January 1, 2003
Group 1.A	\$25.00 PMPM
Group 1.B	\$25.00 PMPM
Group 2	\$25.00 PMPM

Supplemental Documentation Required for Fiscal Review Committee

Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	\$11.37
100,000 to 199,999 enrollees	\$11.25
200,000 to 299,999 enrollees	\$11.12
300,000 to 399,999 enrollees	\$11.00
400,000 to 499,999 enrollees	\$10.89
500,000 to 599,999 enrollees	\$10.68
600,000 to 699,999 enrollees	\$10.53
700,000 to 799,999 enrollees	\$10.38
800,000 to 899,999 enrollees	\$10.23
900,000 to 999,999 enrollees	\$10.08
1,000,000 or more enrollees	\$9.93

III. Administrative Fee Effective January 1, 2006:

Group 1.A, Group 1.B, and Group 2

Category	Effective January 1, 2003
Group 1.A	\$25.20 PMPM
Group 1.B	\$25.20 PMPM
Group 2	\$25.20 PMPM

Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	\$11.57
100,000 to 199,999 enrollees	\$11.45
200,000 to 299,999 enrollees	\$11.32
300,000 to 399,999 enrollees	\$11.20
400,000 to 499,999 enrollees	\$11.09
500,000 to 599,999 enrollees	\$10.88
600,000 to 699,999 enrollees	\$10.73
700,000 to 799,999 enrollees	\$10.58
800,000 to 899,999 enrollees	\$10.43
900,000 to 999,999 enrollees	\$10.28
1,000,000 or more enrollees	\$10.13

IV. Administrative Fee Effective September 1, 2009

Category	Effective September 1, 2009
Group 1.A	\$29.00 PMPM
Group 1.B	\$29.00 PMPM
Group 2	\$29.00 PMPM

**Supplemental Documentation Required for
Fiscal Review Committee**

Group 3	\$29.00 PMPM
Group 4	\$29.00 PMPM
Group 5	\$29.00 PMPM
Group 6	\$29.00 PMPM

4. **Attachment XVI shall be amended by adding a new item V which shall read as follows:**

- V. **Administrative Fee Effective Upon Implementation of the Integrated Health Services Delivery Model**

Enrollee Category	Effective Upon Implementation of the Integrated Health Services Delivery Model
Group 1.A	\$29.00 PMPM
Group 1.B	\$29.00 PMPM
Group 2	\$29.00 PMPM
Group 3	\$29.00 PMPM
Group 4	\$29.00 PMPM
Group 5^{IHSDM}	TennCare shall reimburse actual and reasonable costs associated with the management and delivery of covered services for this population as specified in Section 4.1.6.
Group 5	\$29.00 PMPM
Group 6	\$29.00 PMPM

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS #	318.66-026		
STATE AGENCY NAME :	Department of Finance and Administration, Bureau of TennCare		
SERVICE CAPTION :	Provides TennCare Covered Medical and Behavioral Services to Children in State Custody and Other High Risk Enrollees		
CONTRACT #	FA-02-14632-00	PROPOSED AMENDMENT #	23
CONTRACTOR :	Volunteer State Health Plan, Inc.		
CONTRACT START DATE :	July 1, 2001		
CURRENT, LATEST POSSIBLE END DATE : (including ALL options to extend)	06/30/2011		
CURRENT MAXIMUM LIABILITY :	\$1,830,990,505.90		
LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT : (including ALL options to extend)	06/30/2011		
TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT : (including ALL options to extend)	\$1,830,990,505.90		
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		
ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)			
(1) description of the proposed additional service and amendment effects :			
This contract is being amended to address the following language changes: (1) Include language relating to enforcement of maintenance effort requirements of the Annual Coverage Assessment Act of 2010; (2) Implement rate methodology for adjusting Long-Term Care (LTC) rates based on member movement; (3) Clarify Long Term Care reporting requirements; (4) Update acceptable claims processing entities; and (5) various housekeeping clarifications including numbering and typos. There is no term extension or additional funding associated with this amendment.			

(2) explanation of need for the proposed amendment :

This amendment is needed to comply with Long Term Care Community Choices Act of 2008 for the provision of home and community based services and reporting, and to include language as required by the Annual Coverage Assessment Act of 2010 as it relates to MCOs.

(3) name and address of the proposed contractor's principal owner(s) :
(not required if proposed contractor is a state education institution)

BlueCross BlueShield 801 Pine St Chattanooga, TN 37402

(4) documentation of OIR endorsement of the Non-Competitive procurement request :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

This Contractor is currently providing a statewide network of medical and behavioral services for the TennCare Program for children in State custody and other high risk populations. This amendment is required in order to provide these enrollees with necessary services and to be in compliance with the Long-Term Care Community Choices Act of 2008 and the Annual Coverage Assessment Act of 2010.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

The changes proposed in this amendment will result in compliance with the Long-Term Care Community Choices Act of 2008 reporting requirement clarifications and the Annual Coverage Assessment Act of 2010. The Bureau of TennCare feels this amendment represents changes that will strengthen this contract and assure state and federal compliance. The approval by the Commissioner of Finance and Administration is greatly appreciated.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed 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:

5/10/10

CONTRACT NOT PAID THROUGH EDISON

CONTRACT SUMMARY SHEET

RFS Number:	318.66-026	Contract Number:	FA-02-14632-23
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare

Contractor	Contract Identification Number
VSHP (TennCare Select)	<input type="checkbox"/> V- <input type="checkbox"/> C-

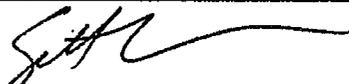
Service Description

Managed Care Organization / Medically Necessary Health Care Services to the TennCare

Contract Begin Date	Contract End Date
7/1/2001	6/30/2011

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	4A2	134	11	<input type="checkbox"/> STARS		
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)	
2002	\$ 6,755,937.23	\$ 11,843,931.25			\$ 18,599,868.48	
2003	\$ 15,785,123.40	\$ 17,294,819.40			\$ 33,079,942.80	
2004	\$ 25,125,990.72	\$ 38,364,165.90			\$ 63,490,156.62	
2005	\$ 58,007,447.00	\$ 58,007,447.00			\$ 116,014,894.00	
2006	\$87,748,111.00	\$87,748,111.00			\$175,496,222.00	
2007	\$87,748,111.00	\$87,748,111.00			\$175,496,222.00	
2008	\$72,610,000.00	\$127,390,000.00			\$200,000,000.00	
2009	\$72,610,000.00	\$127,390,000.00			\$200,000,000.00	
2010	\$100,882,479.00	\$304,024,121.00			\$404,906,600.00	
2011	\$131,085,619.00	\$312,820,981.00			\$443,906,600.00	
Total:	\$ 658,358,818.35	\$ 1,172,631,687.55			\$1,830,990,505.90	

CFDA# 93.778 Title XIX Dept. of Health & Human Svcs. Check the box ONLY if the answer is YES:

State Fiscal Contract		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name:	Scott Pierce	Is the Contractor a Vendor? (per OMB A-133)	
Address:	310 Great Circle Road	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	Nashville, TN (615)507-6415	Is the Contractor on STARS?	
Procuring Agency Budget Officer Approval Signature		Is the Contractor's FORM W-9 ATTACHED?	
Scott Pierce		Is the Contractor's Form W-9 Filed with Accounts?	

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that 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.
CONTRACT END DATE:	6/30/2011	6/30/2011	
FY: 2002	\$ 18,599,868.48		
FY: 2003	\$ 33,079,942.80		
FY: 2004	\$ 63,490,156.62		
FY: 2005	\$116,014,894.00		
FY: 2006	\$175,496,222.00		
FY: 2007	\$175,151,878.00		
FY: 2008	\$200,000,000.00		
FY: 2009	\$200,000,000.00		
FY: 2010	\$404,906,600.00		
FY: 2011	\$443,906,600.00		
Total:	\$1,830,990,505.90		

AMENDMENT NUMBER 23

**AN AGREEMENT FOR THE ADMINISTRATION OF TENNCARE SELECT
BETWEEN
THE STATE OF TENNESSEE,
d.b.a. TENNCARE
AND
VOLUNTEER STATE HEALTH PLAN, INC.**

CONTRACT NUMBER: FA-02-14632-00

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Agreement for the Administration of TennCare Select by and between the State of Tennessee TennCare Bureau, hereinafter referred to as TENNCARE, and Volunteer State Health Plan, Inc., hereinafter referred to as the CONTRACTOR, as specified below.

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language.

1. Section 2.7.2.8.1.5 shall be deleted and replaced as follows:

2.7.2.8.1.5 The CONTRACTOR shall ensure that Tennessee's statutory requirement for a face-to-face evaluation by a mandatory pre-screening agent (MPA), is conducted to assess eligibility for emergency involuntary admission to an RMHI (Regional Mental Health Institute) and determine whether all available less drastic alternatives services and supports are unsuitable.

2. Section 2.11.5.1 shall be deleted and replaced as follows:

2.11.5.1 At the direction of the State, the CONTRACTOR shall divert new admissions to other inpatient facilities as appropriate, utilizing the Regional Mental Health Institutes only when no other option is available.

3. Section 2.11.8.1 shall be amended by adding a new Section 2.11.8.1.3 which shall read as follows:

2.11.8.1.3 The CONTRACTOR shall notify TENNCARE when the CONTRACTOR denies a provider credentialing application for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program integrity reasons.

4. Section 2.11.8.2 shall be amended by adding a new Section 2.11.8.2.3 which shall read as follows:

2.11.8.2.3 The CONTRACTOR shall notify TENNCARE when the CONTRACTOR denies a provider credentialing application for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program integrity reasons.

5. Section 2.12 shall be amended by adding a new Section 2.12.16 which shall read as follows:

- 2.12.16 The CONTRACTOR shall comply with the Annual Coverage Assessment Act of 2010, (T.C.A. 71-5-1003 *et seq.*, 71-5-1005 *et seq.*).
- 2.12.16.1 The CONTRACTOR shall be prohibited from implementing across the board rate reductions to covered or excluded contract hospitals or physicians either by category or type of provider. These requirements shall also apply to services or settings of care that are ancillary to a covered or excluded hospital, including a wholly owned subsidiary or controlled affiliate of a covered or excluded hospital or hospital system, holds more than a fifty percent (50%) controlling interest in such ancillary services or settings of care, but shall not apply to any other ancillary services or settings of care. For purposes of this Section, covered or excluded contract hospitals or physicians shall be those as defined by the Annual Coverage Assessment Act of 2010.
- 2.12.16.2 For across the board rate reductions to ancillary services or settings of care, the CONTRACTOR shall provide appropriate notice.
- 2.12.16.3 For purposes of this requirement, services or settings of care that are “ancillary” shall mean, but not be limited to, ambulatory surgical facilities, outpatient treatment clinics or imaging centers, dialysis centers, home health and related services, home infusion therapy services, outpatient rehabilitation or skilled nursing services. Further, for purposes of this requirement, “physician” includes a physician licensed under title 63, chapter 6 and chapter 9 and a group practice of physicians that hold a contract the CONTRACTOR.

6. Section 2.20.2.1 and 2.20.2.3 shall be deleted and replaced as follows:

- 2.20.2.1 The CONTRACTOR shall cooperate with all appropriate state and federal agencies, including TBI MFCU and/or OIG, in investigating fraud and abuse. In addition, the CONTRACTOR shall fully comply with the TCA 71-5-2601 and 71-5-2603 in performance of its obligations under this Agreement. The CONTRACTOR shall report all confirmed or suspected fraud and abuse to TENNCARE and the appropriate agency as follows:
- 2.20.2.3 Pursuant to TCA 71-5-2603(c) the CONTRACTOR shall be subject to a civil penalty, to be imposed by the OIG, for willful failure to report fraud and abuse by recipients, enrollees, applicants, or providers to TENNCARE and OIG or TBI MFCU, as appropriate.

7. Section 2.20.2 shall be amended by adding a new Section 2.20.2.10 and renumbering the remaining subsections accordingly, including any references thereto. The new Section 2.20.2.10 shall read as follows:

- 2.20.2.10 The CONTRACTOR shall notify TENNCARE when the CONTRACTOR denies a provider credentialing application for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program integrity reasons.

- 8. The opening paragraph in Section 2.21.9 shall be amended by adding a new third sentence so that the opening paragraph of Section 2.21.9 shall read as follows:**

2.21.9 Ownership and Financial Disclosure

The CONTRACTOR shall disclose, to TENNCARE, the Comptroller General of the United States or CMS, full and complete information regarding ownership, financial transactions and persons convicted of criminal activity related to Medicare, Medicaid, or the federal Title XX programs in accordance with federal and state requirements, including Public Chapter 379 of the Acts of 1999. The CONTRACTOR shall screen their employees and contractors initially and on an ongoing monthly basis to determine whether any of them has been excluded from participation in Medicare, Medicaid, SCHIP, or any Federal health care programs (as defined in Section 1128B(f) of the Social Security Act) and not employ or contract with an individual or entity that has been excluded. The word "contractors" in this section shall refer to all individuals listed on the disclosure form including providers and non-providers such as board members, etc. This disclosure shall be made in accordance with the requirements in Section 2.30.15.3.2. The following information shall be disclosed:

- 9. Section 2.22.6.4.14 shall be deleted in its entirety and the remaining subsections shall be renumbered as appropriate, including all references thereto.**
- 10. Section 2.26.7 shall be amended by deleting the reference to Section 2.25.9 and replacing it with the reference to Section 2.25.11.**
- 11. Section 2.26.12.1 shall be amended by adding the words "durable medical equipment" and shall read as follows:**

2.26.12.1 All claims for services furnished to a TennCare enrollee filed with a CONTRACTOR shall be processed by either the CONTRACTOR or by one (1) subcontractor retained by the organization for the purpose of processing claims. However, another entity can process claims related to behavioral health, vision, lab, durable medical equipment or transportation if that entity has been retained by the CONTRACTOR to arrange and provide for the delivery of said services. However, all claims processed by any subcontractor shall be maintained and submitted by the CONTRACTOR.

- 12. Sections 2.30.7.6 and 2.30.7.7 shall be deleted in their entirety and the remaining subsections shall be renumbered as appropriate, including all references thereto.**

- 13. Section 2.30.10.5 shall be deleted and replaced as follows:**

2.30.10.5 The CONTRACTOR shall submit a monthly *CHOICES Utilization Report*. The report shall be submitted on a monthly basis with a one (1) month lag period (e.g., March information sent in the May report) and shall include a summary overview that includes the number of CHOICES member who have not received any long-term care services within thirty (30) to fifty-nine (59) days, within sixty (60) to eighty-nine (89) days, or in ninety (90) days or more. The report shall also include detailed member data for members who have not received services in the last thirty (30) days, including the member's name, social security number, CHOICES group, and CHOICES enrollment date; date of last long-term care service; length of time without long-term care services; whether and when long-term care services will

Amendment Number 23 (cont.)

resume; and the reason/explanation why the member has not received long-term care services.

14. Section 2.30.14 shall be amended by adding new Sections 2.30.14.4 through 2.30.14.7 as follows:

2.30.14 Fraud and Abuse Reports

- 2.30.14.1 The CONTRACTOR shall submit an annual *Fraud and Abuse Activities Report*. This report shall summarize the results of its fraud and abuse compliance plan (see Section 2.20) and other fraud and abuse prevention, detection, reporting, and investigation measures, and should cover results for the fiscal year ending June 30. The report shall be submitted by September 30 of each year in the format reviewed and approved by TENNCARE (as part of the CONTRACTOR's compliance plan).
- 2.30.14.2 The CONTRACTOR shall submit an annual fraud and abuse compliance plan (see Section 2.20.3 of this Agreement).
- 2.30.14.3 On an annual basis the CONTRACTOR shall submit its policies for employees, contractors, and agents that comply with Section 1902(a)(68) of the Social Security Act. These policies shall be submitted by July 1 of each year.
- 2.30.14.4 The CONTRACTOR shall submit an annual *Risk Assessment Report* providing results of an annual risk assessment of the CONTRACTOR's various fraud and abuse/program integrity processes. The reports shall also be submitted on an 'as needed' basis and immediately after an adverse action, including financial-related actions (such as overpayment recoupment and fines), is issued on a provider with concerns of fraud and abuse. The CONTRACTOR shall inform TENNCARE of such action and provide details of such financial action.
- 2.30.14.5 The CONTRACTOR shall submit a quarterly *Program Integrity Exception List report* that identifies employees or contractors (as defined in Section 2.21.9) that have been reported on the HHS-OIG LEIE (List of Excluded Individuals/Entities), the CMS MED (Medicare Exclusion Database), and/or the listing of Monthly Disciplinary Actions issued by the Professional Health Board. This quarterly report shall be submitted no later than the fifteenth (15th) of the month following the end of the quarter that is being reported.
- 2.30.14.6 The CONTRACTOR shall submit a monthly *List of Involuntary Terminations Report* (including providers termed due to sanctions, invalid licenses, etc.) due to fraud and abuse concerns to TENNCARE.
- 2.30.14.7 In addition to the appropriate agency as described in Section 2.20.2, the CONTRACTOR shall report all confirmed or suspected fraud and abuse to TENNCARE immediately in accordance with Section 2.20.2.

15. Section 5.3 shall be amended by adding a new Section 5.3.45 which shall read as follows:

5.3.45 TCA 71-5-1003 *et seq.*, 71-5-1005 *et seq.*

16. Section 5.20.2.2.7 shall be amended by adding new liquidated damages to Level A of the Liquidated Damages Chart as follows:

A.18	Failure to provide continuity of care consistent with the services in place prior to the member's enrollment in the CONTRACTOR's CHOICES Program for a CHOICES member transferring from another MCO or upon CHOICES implementation in the Grand Region (see Sections 2.9.2 and 2.9.3)	\$500 per day beginning on the next calendar day after default by the CONTRACTOR in addition to the cost of the services not provided
A.19	Failure to complete a comprehensive assessment, develop a plan of care, and authorize and initiate all long-term care services specified in the plan of care for a CHOICES member within specified timelines (see Section 2.9.6)	\$500 per day for each service not initiated timely beginning on the next calendar day after default by the CONTRACTOR in addition to the cost of the services not provided
A.20	Failure to develop a person-centered plan of care for a CHOICES member that includes all of the required elements, and which has been reviewed with and signed by the member or his/her representative, unless the member/representative refuses to sign which shall be documented in writing	\$500 per deficient plan of care

17. Section 5.32.1 shall be amended by deleting “, beliefs” after the word “religion”.

18. Item 4 of the CONTRACTOR requirements of “Mental Health Case Management” Service Delivery in Attachment I shall be deleted and replaced as follows:

- 4) A minimum of fifty-one (51%) of all mental health case management services should take place outside the case manager's office at the most appropriate setting;

19. Attachment III shall be amended by adding the following Section regarding “Long Term Care Services” immediately following the existing Section titled “Lab and X-Ray Services” as follows:

- Long Term Care Services:
 - (a) Transport distance to licensed Adult Day Care providers will be the usual and customary not to exceed 20 miles for TennCare enrollees in urban areas, not to exceed 30 miles for TennCare enrollees in suburban areas and not to exceed 60 miles for TennCare enrollees in rural areas except where community standards and documentation shall apply.

Amendment Number 23 (cont.)

All of the provisions of the original Agreement not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective July 1, 2010.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set their signatures.

**STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION**

**VOLUNTEER STATE HEALTH PLAN,
INC.**

BY: _____
M. D. Goetz, Jr.
Commissioner

BY: _____
Sonya Nelson
President and Chief Executive Officer

DATE: _____

DATE: _____

APPROVED BY:

APPROVED BY:

**STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION**

**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

BY: _____
M. D. Goetz, Jr.
Commissioner

BY: _____
Justin P. Wilson
Comptroller

DATE: _____

DATE: _____



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

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Senators

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Doug Jackson Ken Yager
Brian Kelsey
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

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Steve McManus Curry Todd
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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: January 26, 2010

SUBJECT: **Contract Comments**
 (Fiscal Review Committee Meeting 1/25/10)

BK CC

RFS# 318.66-026

Department: Finance & Administration/Bureau of TennCare

Contractor: Volunteer State Health Plan – TennCare Select

Summary: The vendor is responsible for the provision of TennCare-covered services to children in state custody and high risk individuals, and provides a safety net for other TennCare MCOs statewide. The proposed amendment includes provisions for the implementation of the Long-Term Care Community Choices Act of 2008, updates Title VI requirements, extends the current contract for an additional year, and increases the maximum liability by \$448,306,600.

Maximum liability: \$1,382,683,906

Maximum liability w/amendment: \$1,830,990,506

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

cc: The Honorable Darin Gordon, Deputy Commissioner
Mr. Robert Barlow, Director, Office of Contracts Review