

**CONTRACT #18**  
**RFS # 318.65-00339**  
**FA # 12-36323**  
**Edison # 27743**

**Department of Finance and  
Administration  
Health Care Finance and  
Administration  
Bureau of TennCare**

**VENDOR: Ascend Management  
Innovations, LLC**



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE  
310 Great Circle Road  
NASHVILLE, TENNESSEE 37243

November 9, 2012

Lucian Geise, Director  
Fiscal Review Committee  
8<sup>th</sup> Floor, Rachel Jackson Bldg.  
Nashville, TN 37243

Attention: Ms. Leni Chick

RE: Ascend Management Innovations, LLC – Amendment #3

Dear Mr. Geise:

The Department of Finance and Administration, Division of Health Care Finance and Administration, is submitting for consideration by the Fiscal Review Committee amendment #3 to Ascend Management Innovations, LLC. This non-competitive contract provides for face-to-face evaluations of individuals across the state that have been denied medical (level of care) eligibility for TennCare reimbursed Long Term Care services and for whom an appeal has been requested. Per TennCare Rules 1200-13-01-.01, these evaluations shall be conducted by professional, experienced and specifically trained and currently licensed registered nurses who will conduct the face-to-face assessments and determine if the individual meets Level of Care. Recent changes in the appeals operations have significantly impacted the volume and maximum liability of the contract. This amendment is providing funds to support the increase in appeals based on existing rates. An RFP is being developed to identify a competitively procured contractor to assume the evaluation process when this current non competitive contract ends July 31, 2013.

The Department of Finance and Administration, Division of Health Care Finance and Administration, would greatly appreciate the consideration and approval of this amendment by the Fiscal Review Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Casey Dungan".

Casey Dungan  
Chief Financial Officer

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

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Casey Dungan	*Contact Phone:	507-6482
*Original Contract Number:	FA1236323	*Original RFS Number:	31865-00339
Edison Contract Number: <i>(if applicable)</i>	27743	Edison RFS Number: <i>(if applicable)</i>	
*Original Contract Begin Date:	August 1, 2011	*Current End Date:	July 31, 2013
Current Request Amendment Number: <i>(if applicable)</i>	#3		
Proposed Amendment Effective Date: <i>(if applicable)</i>	January 10, 2013		
*Department Submitting:	Department of Finance and Administration		
*Division:	Division of Health Care Finance and Administration , Bureau of TennCare		
*Date Submitted:	November 9, 2012		
*Submitted Within Sixty (60) days:	Yes		
<i>If not, explain:</i>			
*Contract Vendor Name:	Ascend Management Innovations, LLC		
*Current Maximum Liability:	\$230,000.00		
<b>*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>			
FY: 2012	FY: 2013	FY:	FY:
\$62,000.00	\$ 168,000.00	\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report)</b>			
FY: 2012	FY: 2013	FY:	FY:
\$ 60,101.40	\$ 94,491.96	\$	\$
<b>IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:</b>	N/A		
<b>IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:</b>	N/A		
<b>IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:</b>	N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

*Contract Funding Source/Amount:	State:	\$115,000.00	Federal:	\$115,000.00
Interdepartmental:			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 #1		Extend Term and add Funds		
Amendment #2		Add funds to support increase in Evaluations		
Method of Original Award: <i>(if applicable)</i>		Non-Competitive Contract		
*What were the projected costs of the service for the entire term of the contract prior to contract award?		Original Contract amount was \$50,000 with expectation that amount would be increased based on Actual Evaluations as Program Increased		

## 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.**

**Expenditures are based on individual rates for evaluations per Section C.3 below:**

- 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)
Development of Onsite Evaluation Tool	\$1,000.00 Upon Completion and Approval by TennCare
Nursing Facility Onsite Evaluation	\$ 335.68/ per Evaluation
Home Based Onsite Evaluation	\$371.72/ per Evaluation
Phone Based Hearing (all activities associated with phone based hearing)	\$147.69/ per Phone Hearing
RN Onsite Hearings (all activities associated when onsite hearings are required; travel to be paid in accordance to Section C.4.)	\$32.00/hour
Overnight Courier Between Contractor and Onsite Evaluator for HIPAA Compliance	Actual Expenditures

Supplemental Documentation Required for  
Fiscal Review Committee

**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.**

**The expenditures of this contract do not realize a savings to the State, however, they provide an in-home and nursing facility medical appeal evaluation for an increasing population. An RFP is being developed to identify a competitively procured contractor.**

**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.**

An RFP is being developed to implement competitively procured contract when the term on Ascend contract ends July 31, 2013.



# CONTRACT AMENDMENT

Agency Tracking # 31865-00339	Edison ID 27743	Contract # FA1236323	Amendment # 02
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Contractor Legal Entity Name Ascend Management Innovations, LLC	Edison Vendor ID 0000012047
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**Amendment Purpose & Effect(s)**  
Increases contract Maximum Liability for the continued provision of evaluations of individuals appealing the denial of medical eligibility for TennCare LTC services

Amendment Changes Contract End Date:  YES  NO      End Date: July 31, 2013

**TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):**      **\$ 120,000.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$31,000.00	\$31,000.00			\$62,000.00
2013	\$84,000.00	\$84,000.00			\$168,000.00
<b>TOTAL:</b>	<b>\$115,000.00</b>	<b>\$115,000.00</b>			<b>\$230,000.00</b>

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

**Budget Officer Confirmation:** 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.



OCR USE

FA1236323-02

Speed Chart (optional) TN00000183	Account Code (optional) 70803000
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Payments Against a Contract

Ascend Management Innovations, LLC

Edison Contract ID: 27743

Contract #: FA1236323

Vendor ID: 0000012047

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Sum Amount
2012	31865	00406099	103111	11/15/2011	\$4,645.12
2012	31865	00420398	113011	12/21/2011	\$3,944.76
2012	31865	00436227	123111	1/30/2012	\$5,168.04
2012	31865	00451393	013112	3/1/2012	\$6,247.16
2012	31865	00468542	022912	3/30/2012	\$6,954.56
2012	31865	00493191	030212	4/27/2012	\$7,997.64
2012	31865	00508907	040312	5/31/2012	\$7,661.96
2012	31865	00527573	053112	6/29/2012	\$7,661.96
2012	31865	00538751	63012	8/1/2012	\$9,820.20

Total FY 2012: \$60,101.40

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Sum Amount
2013	31865	00561054	73112	8/31/2012	\$6,510.76
2013	31865	00574547	083112	10/4/2012	\$22,744.92
2013	31865	Pending	093012	Pending	\$29,938.36
2013	31865	Pending	103112	Pending	\$35,297.92

Total FY 2013: \$94,491.96

# Non-Competitive Amendment Request

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.

Route a completed request, as one file in PDF format, via e-mail attachment sent to: [Agsprs.Agsprs@state.tn.us](mailto:Agsprs.Agsprs@state.tn.us)

**APPROVED**

CENTRAL PROCUREMENT OFFICE

<b>Request Tracking #</b>	31865-00339	
<b>1. Procuring Agency</b>	Department of Finance and Administration Bureau of TennCare	
<b>2. Contractor</b>	Ascend Management Innovations, LLC	
<b>3. Contract #</b>	FA1236323	
<b>4. Proposed Amendment #</b>	3	
<b>5. Edison ID #</b>	27743	
<b>6. Contract Begin Date</b>	August 1, 2011	
<b>7. Current Contract End Date</b> – with ALL options to extend exercised	July 31, 2013	
<b>8. Proposed Contract End Date</b> – with ALL options to extend exercised	July 31, 2013	
<b>9. Current Maximum Contract Cost</b> – with ALL options to extend exercised	\$230,000.00	
<b>10. Proposed Maximum Contract Cost</b> – with ALL options to extend exercised	\$530,000.00	
<b>11. Office for Information Resources Endorsement</b> – information technology service (N/A to THDA)	x Not Applicable <input type="checkbox"/> Attached	
<b>12. eHealth Initiative Support</b> – health-related professional, pharmaceutical, laboratory, or imaging	x Not Applicable <input type="checkbox"/> Attached	
<b>13. Human Resources Support</b> – state employee training service	x Not Applicable <input type="checkbox"/> Attached	
<b>14. Explanation Need for the Proposed Amendment</b>		
<p>This contract provides for face to face evaluations of individuals across the state who have been denied medical (level of care) eligibility for TennCare reimbursed Long Term Care services and for whom an appeal has been requested. Per Bureau of TennCare Rules 1200-13-01-.10, these evaluations shall be conducted by professional, experienced and specifically trained and currently licensed Registered Nurses who will conduct the face-to-face assessments and determine if the individual meets Level of Care. Prior to this contract these evaluations and level of care assessments were being conducted by Bureau of TennCare nursing staff. These duties required statewide travel to perform</p>		

<b>Request Tracking #</b>	<b>31865-00339</b>
<p>the evaluations which resulted in critical work time away from the office which was detrimental to the ongoing performance of duties, as well as incurring state travel expenses. Contracting for this service allowed TennCare nursing staff to remain on-site to perform their critical duties, many of which are time sensitive, as well as providing a more cost-effective option to the State for these services. Additionally, since the beginning of this contract, significant changes in the appeals operations that have significant impact on the appeal volume directly impacts the maximum liability of the contract. The amendment is providing funds to support the increase in appeals based on existing rates. An RFP is being developed to identify a competitively procured contractor to assume the evaluation process when this current non-competitive contract ends.</p>	
<p><b>15. Name &amp; Address of the Contractor's Principal Owner(s)</b>  <i>– NOT required for a TN state education institution</i></p> <p>Terri Stokes, President  Ascend Management Innovations, LLC  227 French Landing Drive, Suite 250  Nashville, TN 37228</p>	
<p><b>16. Evidence Contractor's Experience &amp; Length Of Experience Providing the Service</b></p> <p>Ascend Management Innovations, LLC, originally founded in 1998, is a nationally recognized leader in healthcare management services headquartered in Nashville. Ascend offers high quality, customized, clinically-based and cost effective support solutions for the public and private sector healthcare industry. Services include comprehensive and highly specialized clinical assessment services, customized innovative information systems, and expert project management services. Clinical staff includes a network with hundreds of credentialed physicians, psychologists, psychiatrists, licensed social workers, and of importance to this project, registered nurses trained in all aspects of clinical reviews, including onsite client assessments. Ascend collaborates and partners with numerous state agencies and health plan regulators across the U.S. and has a proven track record of success.</p>	
<p><b>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</b></p> <p>TennCare sought to specifically identify a local, experienced vendor to provide level of care assessment services in accordance with State requirements. In addition, the vendor would need to have the expertise and resources to immediately assume the provision of these services with minimal training and start-up preparation. Ascend Management Innovations, LLC was the best identified vendor capable of providing these specialized services and meeting this criteria. Ascend has specific expertise in the area of on-site evaluations of elderly and disabled clients and has a trained network of registered nurses experienced in Long Term Care Utilization Review already in place across the state allowing for a seamless transition without disruption of services. This amendment will provide funds to support the volume of evaluations which have significantly increased due to appeal operations. An RFP is being developed to identify a competitively procured contractor to assume the evaluation process when this current non-competitive contract ends.</p>	
<p><b>18. Justification</b> <i>– specifically explain why non-competitive negotiation is in the best interest of the state</i></p> <p>The Bureau of TennCare established a contract to determine if the outsourcing of Long Term Care level of care assessments would be a viable option. Entering into a non-competitive contract with this locally-based and experienced vendor provided the best opportunity to evaluate the effectiveness of outsourcing these services before entering into any long-term agreements. TennCare has implemented significant changes in the appeals operations that have increased the appeal volume, which directly impacts the maximum liability of the contract. The amendment is providing funds to support the increase in appeals based on existing rates.</p>	

Request Tracking #	31865-00339
<p><b>Agency Head Signature and Date</b> – <i>MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented exigent circumstances</i></p> <p data-bbox="256 394 734 457"><i>Michael C. Embury 11/12</i></p> <p data-bbox="1318 470 1360 499"></p>	



# CONTRACT AMENDMENT

<b>Agency Tracking #</b> 31865-00339	<b>Edison ID</b> 27743	<b>Contract #</b> FA1236323	<b>Amendment #</b> 03
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<b>Contractor Legal Entity Name</b> Ascend Management Innovations, LLC	<b>Edison Vendor ID</b> 0000012047
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**Amendment Purpose & Effect(s)**  
Increases contract Maximum Liability for the continued provision of evaluations of individuals appealing the denial of medical eligibility for TennCare LTC services

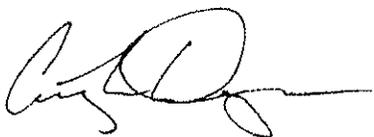
**Amendment Changes Contract End Date:**  YES  NO **End Date:** July 31, 2013

**TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):** **\$ 300,000.00**

Funding ---					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$31,000.00	\$31,000.00			\$62,000.00
2013	\$234,000.00	\$234,000.00			\$468,000.00
<b>TOTAL:</b>	<b>\$265,000.00</b>	<b>\$265,000.00</b>			<b>\$530,000.00</b>

**American Recovery and Reinvestment Act (ARRA) Funding:**  YES  NO

**Budget Officer Confirmation:** 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.



OCR USE

<b>Speed Chart (optional)</b> TN00000183	<b>Account Code (optional)</b> 70803000
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**AMENDMENT #3  
CONTRACT FA1236323  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE  
AND  
ASCEND MANAGEMENT INNOVATIONS, LLC**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, Bureau of TennCare, hereinafter referred to as the "State" and Ascend Management Innovations, LLC, 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. 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 Five Hundred Thirty Thousand Dollars (\$530,000.00). The payment rates in Section C.3 and the Travel Compensation provided in Section C.4 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.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

The revisions set forth herein shall be effective January 10, 2013. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**ASCEND MANAGEMENT INNOVATIONS, LLC**

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**CONTRACTOR SIGNATURE**

**DATE**

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

**DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE**

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**MARK A. EMKES, COMMISSIONER**

**DATE**



# CONTRACT AMENDMENT

Agency Tracking # 31865-00339	Edison ID 27743	Contract # FA1236323	Amendment # 02
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Contractor Legal Entity Name Ascend Management Innovations, LLC	Edison Vendor ID 0000012047
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**Amendment Purpose & Effect(s)**  
Increases contract Maximum Liability for the continued provision of evaluations of individuals appealing the denial of medical eligibility for TennCare LTC services

Amendment Changes Contract End Date:  YES  NO      End Date: July 31, 2013

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **\$ 120,000.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$31,000.00	\$31,000.00			\$62,000.00
2013	\$84,000.00	\$84,000.00			\$168,000.00
<b>TOTAL:</b>	<b>\$115,000.00</b>	<b>\$115,000.00</b>			<b>\$230,000.00</b>

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

**Budget Officer Confirmation:** 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.



OCR USE

FA1236323-02

Speed Chart (optional) TN00000183	Account Code (optional) 70803000
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*Teri Hepley CEO*

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

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

*Mark A. Emkes/CS*

MARK A. EMKES, COMMISSIONER

*9/20/2012*

DATE



# FUNDING REVISION CONTRACT

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

<b>Begin Date</b> August 1, 2011	<b>End Date</b> July 31, 2013	<b>Agency Tracking #</b> 31865-00339	<b>Edison Record ID</b> 27743
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<b>Contractor Legal Entity Name</b> Ascend Management Innovations, LLC	<b>Edison Vendor ID</b> 0000012047
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**Service Caption (one line only)**  
 Evaluation of individuals appealing the denial of medical eligibility for TennCare LTC Services  
**FUNDING REVISION: Moving \$12,000.00 from FY 2013 to FY 2012**

<b>Subrecipient or Vendor</b> <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	<b>CFDA #</b> 93.778 Dept of Health & Human Services/Title XIX
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Funding — FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$31,000.00	\$31,000.00			\$62,000.00
2013	\$24,000.00	\$24,000.00			\$48,000.00
<b>TOTAL:</b>	\$55,000.00	\$55,000.00			<b>\$110,000.00</b>

**American Recovery and Reinvestment Act (ARRA) Funding:**  YES  NO

**Ownership/Control**

African American     Asian     Hispanic     Native American     Female

Person w/Disability     Small Business     Government     NOT Minority/Disadvantaged

Other:

**Selection Method & Process Summary (mark the correct response to confirm the associated summary)**

RFP    The procurement process was completed in accordance with the approved RFP document and associated regulations.

Competitive Negotiation    The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.

Alternative Competitive Method    The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.

Non-Competitive Negotiation    The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.

Other    The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

**Budget Officer Confirmation:** 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.



OCR USE - FA

<b>Speed Chart (optional)</b> TN00000183	<b>Account Code (optional)</b> 70803000	<b>Contract #</b> <b>FA1236323-01</b>
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# CONTRACT AMENDMENT

<b>Agency Tracking #</b> 31865-00339	<b>Edison ID</b> 27743	<b>Contract #</b> FA1236323	<b>Amendment #</b> 01
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<b>Contractor Legal Entity Name</b> Ascend Management Innovations, LLC	<b>Edison Vendor ID</b> 0000012047
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**Amendment Purpose & Effect(s)**  
 Extends contract term and provides funding for the continued provision of evaluations of individuals appealing the denial of medical eligibility for TennCare LTC services

<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	<b>End Date:</b> July 31, 2013
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**TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):** **\$ 60,000.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$25,000.00	\$25,000.00			\$50,000.00
2013	\$30,000.00	\$30,000.00			\$60,000.00
<b>TOTAL:</b>	<b>\$55,000.00</b>	<b>\$55,000.00</b>			<b>\$110,000.00</b>

**American Recovery and Reinvestment Act (ARRA) Funding:**  YES  NO

**Budget Officer Confirmation:** 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.

*[Signature]* 2/18/2012

OCR USE

**FA1236323-01**

<b>Speed Chart (optional)</b> TN00000183	<b>Account Code (optional)</b> 70803000
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**AMENDMENT #1  
CONTRACT FA1236323  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE  
AND  
ASCEND MANAGEMENT INNOVATIONS, LLC**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, Bureau of TennCare, hereinafter referred to as the "State" and Ascend Management Innovations, LLC, 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. 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 August 1, 2011, and ending on July 31, 2013. The Contractor hereby acknowledges and affirms that the State shall have no obligation for Contractor services or expenditures that were not completed within this specified contract period.
2. Contract Section B.2 is added as the following new contract language:
  - B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing a total contract term of no more than two (2) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of a contract amendment. If a term extension necessitates additional funding beyond that which was included in the original Contract, an increase of the State's maximum liability will also be effected through contract amendment, and shall be based upon payment rates provided in the original Contract.
3. 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 One Hundred Ten Thousand Dollars (\$110,000.00). The payment rates in Section C.3 and the Travel Compensation provided in Section C.4 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.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).



The revisions set forth herein shall be effective July 31, 2012. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

ASCEND MANAGEMENT INNOVATIONS, LLC

*Teri Stokes* 3/13/12  
GRANTEE SIGNATURE DATE

Teri Stokes  
PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

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

*Mark A. Emkes* 3/13/2012  
MARK A. EMKES, COMMISSIONER DATE



# CONTRACT

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

<b>Begin Date</b> August 1, 2011	<b>End Date</b> July 31, 2012	<b>Agency Tracking #</b> 31865-00339	<b>Edison Record ID</b> 27743
<b>Contractor Legal Entity Name</b> Ascend Management Innovations, LLC			<b>Edison Vendor ID</b> 0000012047

**Service Caption (one line only)**  
Evaluation of individuals appealing the denial of medical eligibility for TennCare LTC Services

<b>Subrecipient or Vendor</b> <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	<b>CFDA #</b> 93.778 Dept of Health & Human Services/Title XIX
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$25,000.00	\$25,000.00			\$50,000.00
<b>TOTAL:</b>	\$25,000.00	\$25,000.00			<b>\$50,000.00</b>

**American Recovery and Reinvestment Act (ARRA) Funding:**  YES  NO

**Ownership/Control**

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

**Selection Method & Process Summary (mark the correct response to confirm the associated summary)**

- RFP    The procurement process was completed in accordance with the approved RFP document and associated regulations.  
 Competitive Negotiation    The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.  
 Alternative Competitive Method    The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.  
 Non-Competitive Negotiation    The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.  
 Other    The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

**Budget Officer Confirmation:** 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.

OCR USE - FA

## FA1236323

**Speed Chart (optional)**  
TN00000183

**Account Code (optional)**  
70803000

**Contract #**

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION,  
BUREAU OF TENNCARE  
AND  
ASCEND MANAGEMENT INNOVATIONS, LLC**

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This Contract, by and between the State of Tennessee, Department of Finance and Administration, Bureau of TennCare, hereinafter referred to as the "State" or "TennCare", and Ascend Management Innovations, LLC, hereinafter referred to as the "Contractor", is for the evaluation of individuals who have been denied medical (i.e., level of care) eligibility for TennCare-reimbursed Long Term Care services and for whom an appeal has been requested, as further defined in the "SCOPE OF SERVICES."

The Contractor is a limited liability company.  
Contractor Place of Incorporation or Organization: Tennessee  
Contractor Edison Registration ID # 0000012047

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**A. SCOPE OF SERVICES:**

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor shall conduct face-to-face evaluations to determine if the individual meets Level of Care as defined in the Bureau of TennCare Rules at 1200-13-01-.10 for individuals located across the State who have been denied medical eligibility for Long-Term Care services by the Bureau of TennCare and for whom an appeal has been timely requested. The Contractor shall arrive at a LOC determination which maintains full fidelity to the State's criteria.
  - a. Assessment information gathered and recorded on the assessment tool must be accurate which shall be accomplished by the use of professional, experienced and specifically trained and currently licensed Registered Nurses to conduct the face-to-face assessment.
  - b. The Contractor shall help to ensure consistent and defensible LOC determinations by including centralized final LOC decision making through a secondary clinical and quality review process and utilizing Registered Nurses experienced in Long Term Care Utilization Review to collect LOC information. Training shall include, but not be limited to item definitions, state criteria interpretation, and interview strategies before assuming assessment responsibilities.
- A.3. The Contractor shall have at least one primary and one secondary (back-up) experienced Quality RN. A Quality RN shall be assigned to review every assessment. The Quality RN is responsible for:
  - a. Ensuring the completeness of the evaluation;
  - b. Ensuring the consistency of the documentation;
  - c. Following up to address and clarify any inconsistencies and/or omissions;
  - d. Providing ongoing feedback and training to the assessor, and
  - e. Applying the criteria to every LOC determination, and ensuring that decisions are made consistently and defensibly, with full fidelity to the State's criteria.
- A.4. TennCare will initially fax on site referrals and all supporting documentation to the Contractor. Upon receipt, the Contractor will forward the referrals and supporting documentation to a field assessor to perform onsite assessment. All protected health information shared between Contractor and field assessor must be transmitted via overnight courier. Upon completion of assessment, the field assessor will return all information related to the onsite assessment back to the Contractor. The Contractor will fax final documentation to TennCare.

Upon completion of programming updates to TennCare Pre-Admission Evaluation System (TPAES), the faxing of information between TennCare and the Contractor shall discontinue, at

which point TennCare shall make onsite referrals via TPAES only. The Contractor will attach final documentation in TPAES and submit back to TennCare.

The Contractor shall adhere to the following timelines and performance measures upon receipt of a referral from TennCare. Within seven (7) business days, the Contractor shall have:

- a. Conducted the face-to face assessment and gathered appropriate ancillary information as indicated,
- b. Made an initial determination based on the assessment and documentation gathered.
- c. Performed a quality review of the initial assessment to ensure that LOC criteria were appropriately applied;
- d. Made a final determination of the individual's LOC eligibility as represented by all available information; and
- e. Communicated the final determination to TennCare in the format specified by TennCare, including submission of the assessment and all documentation relied upon in making the determination;

A.5. The Contractor's RN will be available for any clarifications or discussions as needed.

A.6. The Contractor shall record key aspects of assignment logistics in the project database, including but not limited to the following:

- a. Quality RN special instructions to the assessor;
- b. Assigned RN assessor, time/date of referral to assessor, due date, time and date received from assessor;
- c. Location of onsite, likely respondents;
- d. Special circumstances;
- e. Assessor's score on measure of quality of work submitted, and
- f. Time and date of Contractor's Quality RN decision and submission to TennCare.

A.7. The Contractor shall be notified by TennCare should an appeal hearing be scheduled. Within three (3) business days of hearing notice, the Contractor's in-house Quality RN shall prepare and distribute an appeal packet to LTC appeals coordinator. On the day of the hearing, the Quality RN shall be available to participate by phone or in-person testimony. The in-house Quality RN staff shall be experienced in presenting the State's determination at hearing, consistently interpreting LOC criteria, and consistently communicating how the criteria were applied in making the determination.

A.8. The Contractor shall perform the following tasks based on specific timelines as follows:

- a. Within thirty (30) calendar days of contract start date, participate in an initial one day training by TennCare regarding LOC criteria, measurement, interpretation, assessment and appeals processes;
- b. Within twenty (20) calendar days of training by TennCare, submit for TennCare approval an assessment tool;
- c. Within twenty (20) calendar days of approval of the assessment tool, the Contractor shall develop an assessor training and procedure manual to include:
  - (1) Step-by-step protocol review;
  - (2) Cooperative strategies for working with providers;
  - (3) Interview techniques;
  - (4) Record review process;
  - (5) Documentation requirements;
  - (6) Processing requirements;
  - (7) Quality management approach and related expectations; and
  - (8) Medical Eligibility Criteria (Level of Care) Rules 1200-13-01.10
- d. Within twenty (20) calendar days of approval of the assessment tool, the contractor shall:

- (1) Develop a project procedure manual to include procedures associated with receiving, assigning, reviewing, making determinations, and hearing protocols; and
  - (2) Finalize a quality improvement tool and protocol.
- e. Within thirty (30) calendar days of the contract start date, the Contractor shall:
- (1) Create a basic database for tracking project logistics and quality measures to include tracking and storing project logistics, and secure access by assessors to view referral documents and creating billing summaries;
  - (2) Test the data system; and
- f. During the first thirty (30) calendar days of the contract, the Contractor shall complete any updates to RN field staff credentialing, including recruitment if needed, to include:
- (1) Credentialing, reference & background checks, insurance & licensure confirmation;
  - (2) Interviews/review of project expectations;
  - (3) Updating of HIPAA and other assurances;
  - (4) Submission of selected evaluators for TennCare approval, if requested by TennCare, and
  - (5) Issuance of Contractor project contracts to RN independent contractors.
- g. By the end of the first forty (40) calendar days of the contract, the initial RN Field Assessor Training model shall be approved by TennCare and field staff will be instructed review preparatory materials and videos to prepare for training and web based training will be conducted by Contractor's project leaders.
- h. By the end of the 60<sup>th</sup> calendar day of the contract, the Contractor shall have field assessors trained across the State and perform all onsite assessments.

**B. CONTRACT TERM:**

This Contract shall be effective for the period beginning August 1, 2011, and ending on July 31, 2012. 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.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Fifty Thousand Dollars (\$50,000.00). The payment rates in Section C.3 and the Travel Compensation provided in Section C.4 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</b> (per compensable increment)
Development of Onsite Evaluation Tool	\$1,000.00 Upon Completion and Approval by TennCare
Nursing Facility Onsite Evaluation	\$ 335.68/ per Evaluation
Home Based Onsite Evaluation	\$371.72/ per Evaluation
Phone Based Hearing (all activities associated with phone based hearing)	\$147.69/ per Phone Hearing
RN Onsite Hearings (all activities associated when onsite hearings are required; travel to be paid in accordance to Section C.4.)	\$32.00/hour
Overnight Courier Between Contractor and Onsite Evaluator for HIPAA Compliance	Actual Expenditures

C.4. Travel Compensation. Compensation to the Contractor for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time.

The Contractor must include (in addition to other invoice requirements of this Contract) a complete itemization of travel compensation requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."

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 present said invoices no more often than monthly, with all necessary supporting documentation, to:

Department of Finance and Administration  
 Bureau of TennCare  
 310 Great Circle Road  
 Fiscal – 4 East  
 Nashville, TN 37243

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

- (1) Invoice Number (assigned by the Contractor)
- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name: Long Term Care, Bureau of TennCare, Department of Finance and Administration
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Federal Employer Identification, Social Security, or Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (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
  - v. Total Amount Due for the invoice period

- b. The Contractor understands and agrees that an invoice 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) only be submitted for completed service and shall not include any charge for future work;
- (3) not include sales tax or shipping charges; and
- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment 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. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the

State, 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).

- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- 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 (30) days written notice before the effective termination date. The Contractor shall be entitled to 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, each 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.

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

- 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 handicap or 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 *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, 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 *Tennessee Code Annotated*, Section 12-4-124, *et seq.* 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. 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.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. 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.13. 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.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. 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.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.17. 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.18. 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.19. 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.20. 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:

Deputy Commissioner  
Department of Finance and Administration  
Bureau of TennCare  
310 Great Circle Road  
Nashville TN 37243  
(615) 507-6443 (Phone)  
(615) 253-5607 (FAX)

The Contractor:

Terri Stokes, President  
Ascend Management Innovations, LLC  
227 French Landing Drive, Suite 250  
Nashville, TN 37228  
[tstokes@ascendami.com](mailto:tstokes@ascendami.com)  
(615) 642-6325 (Phone)  
(877) 431-1388 (Toll Free #)  
(615) 730-3441 (FAX)

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, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality

of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.6. HIPAA and HITECH Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH) under the American Recovery and Reinvestment Act of 2009 (ARRA) and their accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and HITECH and their accompanying regulations, and shall comply with all applicable HIPAA and HITECH requirements in the course of this Contract including but not limited to the following:
    1. Compliance with the Privacy Rule, Security Rule, Notification Rule;
    2. The creation of and adherence to sufficient Privacy and Security Safeguards and Policies;
    3. Timely Reporting of Violations in Use and Disclosure of PHI; and
    4. Timely Reporting of Security Incidents.

Failure to comply may result in actual damages that the State incurs as a result of the breach.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and HITECH and their regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA and HITECH.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements as required by HIPAA and HITECH and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA and HITECH.
- E.7. State Ownership of Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, including computer source code, created, designed, developed, derived, documented, installed, or delivered under this Contract subject to the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.
- a. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Contractor Materials"), the Contractor shall retain all right, title and interest in and to such Contractor Materials, and the State shall acquire no right, title or interest in or to such Contractor Materials EXCEPT the Contractor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Contractor Materials reasonably associated with any Work Product provided under the Contract.

- b. The Contractor shall furnish such information and data as the State may request, including but not limited to computer code, that is applicable, essential, fundamental, or intrinsic to any Work Product and Contractor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.
  - c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
  - d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.
- E.8. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.9. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
  - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

- E.10. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

- E.11. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.12. Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.
- E.13. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a. Reporting of Total Compensation of the Contractor's Executives.
  - (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
    - i. 80 percent or more of the Contractor's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

- iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

Executive means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

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

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

- E.14. State and Federal Compliance. The Contractor agrees to comply with all applicable federal and state laws, policies, rules and regulations, consent decrees and court orders, including Constitutional provisions regarding due process and equal protection of the laws and including but not limited to:

- a. Title 42 Code of Federal Regulations (CFR) Chapter IV, Subchapter C (with the exception of those parts waived under the TennCare Section 1115(a) waiver).
- b. Title 45 CFR, Part 74, General Grants Administration Requirements.

- c. All applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 as amended (42 U.S.C. 7401, et seq.).
- d. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations issued pursuant thereto, 45 C.F.R. Part 80.
- e. Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e) in regard to employees or applicants for employment.
- f. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving or benefiting from federal financial assistance, and regulations issued pursuant thereto, 45 C.F.R. Part 84.
- g. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age in programs or activities receiving or benefiting from federal financial assistance.
- h. Omnibus Budget Reconciliation Act of 1981, P.E.. 97-35, which prohibits discrimination on the basis of sex and religion in programs and activities receiving or benefiting from federal financial assistance.
- i. Americans with Disabilities Act of 1990, 42 U.S.C. Section 12101 et seq., and regulations issued pursuant thereto, 28 C.F.R. Parts 35, 36.
- j. Sections 1128 and 1156 of the Social Security Act relating to exclusion of providers for fraudulent or abusive activities involving the Medicare and/or Medicaid program.
- k. Tennessee Consumer Protection Act, T.C.A. Section 47-18-101 et seq.
- l. The CMS waiver and all Special Terms and Conditions which relate to the waiver.
- m. Executive Orders.
- n. The Clinical Laboratory Improvement Act (CLIA) of 1988.
- o. Requests for approval of material modification as provided at TCA 56-32-201 etc. seq.
- p. Title IX of the Education Amendments of 1972 (regarding education programs and activities)
- q. The Rehabilitation Act of 1973
- r. The Balanced Budget Act of 1997 Section 422.208 and 422.210
- s. EEO Provisions
- t. Copeland Anti-Kickback Act
- u. Davis-Bacon Act
- v. Contract Work Hours and Safety Standards
- w. Rights to Inventions Made Under a Contract or Agreement
- x. Byrd Anti-Lobbying Amendment
- y. Debarment and Suspension
- z. The Church Amendments, 42 U.S.C. 300a-7.
- aa. Public Health Service Act (PHS Act) Section 245, 42 U.S.C. 238n.

bb. Weldon Amendment, originally adopted as section 508(d) of the Labor-HHS Division (Division F) of the 2005 Consolidated Appropriations Act, Public Law 108-447, 118 Stat. 2809, 3163 (Dec. 8, 2004), has been readopted (or incorporated by reference) in each subsequent HHS appropriations act. (Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, Public Law 110-329, Div. A, Sec. 101, 122 Stat. 3574, 3575 (Sept. 30, 2008).

cc. Section 1902(a)(68) of the Social Security Act regarding employee education about false claims recovery.

E.15. Offer of Gratuities. By signing this contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the Center for Medicare and Medicaid Services, or any other state or federal agency has or will benefit financially or materially from this Contract. This Contract may be terminated by TennCare as provided in Section D.4, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

E.16. Employees Excluded from Medicare, Medicaid or SCHIP. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare, Medicaid, and/or SCHIP programs pursuant to Sections 1128 of the Social Security Act.

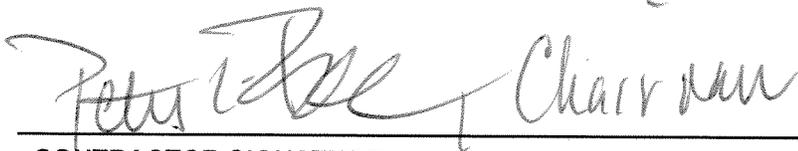
E.17. Tennessee Bureau of Investigation Medicaid Fraud and Abuse Unit (MFCU) and Office of TennCare Inspector General Access to Contractor Records

Pursuant to the Health Insurance Portability and Accountability Act (HIPAA) privacy regulations, MFCU and TennCare OIG shall be health oversight agencies as defined at 45 C.F.R. §§ 164.501 and 164.512(d) and 65 F.R. § 82462. When acting in their respective capacities as health oversight agencies and in compliance with federal regulations, MFCU and TennCare OIG do not need enrollee authorization to obtain enrollee protected health information (PHI). Because MFCU and TennCare OIG will request the information mentioned above for health oversight activities, "minimum necessary" standards do not apply to disclosures to MFCU or TennCare OIG that are required by law. See 45 C.F.R. §§ 164.502(b)(2)(iv), 164.502(b)(2)(v), and 164.512(d).

The Contractor shall immediately report to MFCU all factually based known or suspected fraud, abuse, waste and/or neglect of a provider or Contractor, including, but not limited to, the false or fraudulent filings of claims and/or the acceptance or failure to return money allowed or paid on claims known to be false or fraudulent. The Contractor shall not investigate or resolve the suspicion, knowledge or action and must inform MFCU and must cooperate fully in any investigation by MFCU or subsequent legal action that may result from such an investigation.

IN WITNESS WHEREOF,

ASCEND MANAGEMENT INNOVATIONS, LLC.:

 Chairman

7/13/11

CONTRACTOR SIGNATURE

DATE

FERRI-STOKES, PRESIDENT

PETER C. ROUFOS, CHAIRMAN

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE:

*Mark A. Emkes / sv*

MARK A. EMKES, COMMISSIONER

*7/13/11*

DATE

## ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	FA1236323
CONTRACTOR LEGAL ENTITY NAME:	ASCOND Management INNOVATIONS
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	20-8680273

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.

 Chairman

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.

PETER C. ROUSOS, CHAIRMAN

PRINTED NAME AND TITLE OF SIGNATORY

7/13/11

DATE OF ATTESTATION