



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

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NASHVILLE, TENNESSEE 37243-0057
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M E M O R A N D U M

TO: The Honorable Mark Emkes, Commissioner
 Department of Finance and Administration

FROM: Bill Ketron, Chairman, Fiscal Review Committee BK
 Curtis Johnson, Vice-Chairman, Fiscal Review Committee CJ

DATE: May 24, 2011

SUBJECT: **Contract Comments**
 (Fiscal Review Committee Meeting 5/23/11)

RFS# 318.66-052 (Edison # N/A)

Department: Finance & Administration/Bureau of TennCare

Vendor: AMERIGROUP Tennessee, Inc. (Middle TN)

Summary: The vendor is responsible for physical and behavioral health services for TennCare enrollees in the Middle Tennessee region. The proposed amendment provides language clarifications, requires a fuel price adjustment policy, extends the contract for 3.5 years through December 31, 2014, and increases maximum liability by \$954,457,611.

Current maximum liability: \$3,276,453,258

Proposed maximum liability: \$4,230,910,869

After review, the Fiscal Review Committee voted to approve the contract amendment.

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