



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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MEMORANDUM

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

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

DATE: October 19, 2011

SUBJECT: **Contract Comments**
 (Fiscal Review Committee Meeting 10/19/11)

BK CJ

RFS# 318.65-00600 (Edison # 2888)

Department: Finance & Administration/Health Care Finance & Adm.

Vendor: Express Scripts, Inc.

Summary: The vendor currently provides pharmacy administrative services for the CoverRX program. The proposed amendment deletes the drug formulary, extends the contract two additional years through December 31, 2013, and increases the maximum liability by \$16,989,900.

Current maximum liability: \$43,000,000

Proposed maximum liability: \$59,986,900

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment with the stipulation that the contract is extended for one year and the increase in maximum liability is reduced to \$8,494,950 resulting in a total maximum liability of \$51,494,950.

cc: The Honorable Darin Gordon, Deputy Commissioner
Ms. Jessica Robertson, Chief Procurement Officer
Mr. Robert Barlow, Director, Office of Contracts Review