



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

Sen. Bill Ketron, Chairman

Senators

Douglas Henry
Brian Kelsey
Eric Stewart
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Reginald Tate
Ken Yager

Rep. Curtis Johnson, Vice-Chairman

Representatives

Tommie Brown
Jim Coley
Charles Curtiss
Johnny Shaw
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

David Shepard
Tony Shipley
Curry Todd
Mark White

M E M O R A N D U M

TO: Jessica Robertson, Chief Procurement Officer
Department of General Services

FROM: Senator Bill Ketron, Chairman
Representative Curtis Johnson, Vice-Chairman

BK CJ

DATE: November 27, 2012

SUBJECT: **Contract Comments**
(Fiscal Review Committee Meeting 11/26/12)

RFS# 318.66-00026 (Edison # 29635)

Department: Finance and Administration

Division: Health Care Finance and Administration/Bureau of TennCare

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

Summary: The vendor is responsible for TennCare-covered services for children in state custody and high-risk individuals, and provides a safety net for other TennCare MCO's statewide. The proposed amendment provides critical updates and clarifications to ensure optimal performance; extends current contract 18 months; updates capitation rates; and increases maximum liability by \$443,906,600.

Current maximum liability: \$2,718,803,706

Proposed maximum liability: \$3,162,710,306

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

cc: The Honorable Darin Gordon, Deputy Commissioner