



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

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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: Senator Bill Ketron, Chairman *BK*
Representative Curtis Johnson, Vice-Chairman *CJ*

DATE: November 16, 2011

SUBJECT: **Contract Comments**
(Fiscal Review Committee Meeting 11/15/11)

RFS# 318.66-055-08 (Edison # N/A)

Department: Finance & Administration/Bureau of TennCare

Vendor: Volunteer State Health Plan, Inc.

Summary: The vendor is responsible for medical and behavioral health services for TennCare enrollees in West Tennessee. The proposed amendment implements Program Integrity and CHOICES updates, HIPAA/HITECH clarifications, extends contract through June 30, 2013, adds language to permit an 8-year contract, and increases maximum liability by \$989,429,200.

Current maximum liability: \$2,164,232,600

Proposed maximum liability: \$3,150,661,800

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

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