



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
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**Sen. Bill Ketron, Chairman**

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Brian Kelsey  
Steve Southerland  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

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**M E M O R A N D U M**

TO: Mike Perry, Chief Procurement Officer  
Department of General Services

FROM: Senator Bill Ketron, Chairman  
Representative Mark White, Vice-Chairman

DATE: October 23, 2013

SUBJECT: **Contract Comments**  
(Fiscal Review Committee Meeting 10/21/13)

BK MW

**RFS# 318.65-00308 (Edison # 25010)**

**Department: Finance and Administration**

**Division: Health Care Finance and Administration/Bureau of TennCare**

**Vendor: Aon Consulting, Inc.**

**Summary: The vendor is responsible for actuarial and rate setting services relevant to TennCare Managed Care Organization participants as well as federally required independent audits of Disproportionate Share Hospital payments. The proposed amendment expands the scope of services; extends current contract an additional year; increases maximum liability by \$1,900,000; and adds the *Federal Funding Accountability and Transparency* language.**

**Current maximum liability: \$6,120,570**

**Proposed maximum liability: \$8,020,570**

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

cc: The Honorable Darin Gordon, Deputy Commissioner