



**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             Ken Yager  
Steve Southerland  
Randy McNally, *ex officio*  
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Pat Marsh                 Tim Wirgau  
Charles Sargent, *ex officio*  
Speaker Beth Harwell, *ex officio*

**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 BK  
MW

DATE:                 December 10, 2014

SUBJECT:            Contract Comments  
                          (Fiscal Review Committee Meeting 12/9/2014)

**RFS# 318.65-00326 (Edison # 24534)**

**Department: Finance and Administration**

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

**Vendor: Health Management Systems, Inc.**

**Summary: The vendor is responsible for third party liability recovery services and assistance to the State in post-payment identification, audit, and recovery of improper Medicaid payments. The proposed amendment extends the current contract an additional year through January 31, 2016.**

**Current maximum liability: \$55,000,000**

**Proposed maximum liability: \$55,000,000**

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

cc: The Honorable Darin Gordon, Deputy Commissioner