



**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**

**Senators**

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

**Rep. Mark White, Vice-Chairman**

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Mathew Hill      David Shepard  
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 *BK*  
Representative Mark White, Vice-Chairman *MW*

**DATE:** February 25, 2014

**SUBJECT:** Contract Comments  
(Fiscal Review Committee Meeting 2/24/2014)

**RFS# 318.65-00331 (Edison # 26134)**

**Department: Finance and Administration**

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

**Vendor: Policy Studies, Inc.**

**Summary: The vendor is responsible for support of systems to administer Electronic Health Record (HER) incentive payments under the Medicaid program. The proposed amendment revises the scope of services; extends current contract an additional year; revises term extension language; increases maximum liability by \$3,769,920; and revises payment methodology.**

**Current maximum liability: \$6,914,959**

**Proposed maximum liability: \$10,684,879**

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

cc: The Honorable Darin Gordon, Deputy Commissioner