



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*

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Brenda Gilmore                  David Shepard  
Matthew Hill                        Tim Wirgau  
Charles Sargent, *ex officio*  
Speaker Beth Harwell, *ex officio*

MEMORANDUM

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

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

DATE:                   November 13, 2013

SUBJECT:              **Contract Comments**  
                            (Fiscal Review Committee Meeting 11/12/13)

RFS# 318.66-053 (Edison # 29621)

Department: Finance and Administration

Division: Health Care Finance and 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 East Tennessee. The proposed amendment contains several language updates, clarifications, and deletions; adds payment reform requirements; includes current capitation rates; extends the current contract an additional six months through December 31, 2014; and increases maximum liability by \$505,567,500.

Current maximum liability: \$4,775,434,075

Proposed maximum liability: \$5,281,001,575

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

cc: The Honorable Darin Gordon, Deputy Commissioner