

**CONTRACT #5
RFS 317.86-00110
Edison # 28410**

**Department of Finance and
Administration
Benefits Administration**

**VENDOR:
Magellan Healthcare, Inc.**



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION

312 Rosa L. Parks Avenue
Suite 1900 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
Phone (615) 741-4517 or (866) 576-0029
FAX (615) 253-8556

Larry B. Martin
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Senator Bill Ketron, Chairman, Fiscal Review Committee
Leni Chick, Contract and Audit Coordinator, Fiscal Review Committee

FROM: Laurie Lee 

DATE: January 14, 2015

RE: **Magellan Healthcare, Inc. Amendment # 1, Edison # 28410**

This request for amendment # 1 comes to the Fiscal Review Committee with a March 15, 2015 effective date.

As detailed in the Amendment request accompanying this correspondence, the current contractor, Magellan Healthcare, Inc. has provided the State with both Employee Assistance (EAP) and Behavioral Healthcare Services insurance services for the public sector plans for the past several years. Benefits Administration seeks to accomplish two things with this amendment: (1) update the contract record to reflect Magellan's new legal name, and (2) add funding to cover the remainder of the contract term.

The original contract is included for review. Thank you for your consideration of this request.

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Sylvia Chunn	*Contact Phone:	615-253-8358		
*Presenter's name(s):	Laurie Lee, Executive Director, Benefits Administration				
Edison Contract Number: <i>(if applicable)</i>	28410	RFS Number: <i>(if applicable)</i>	31786-00110		
*Original or Proposed Contract Begin Date:	August 15, 2011	*Current or Proposed End Date:	December 31, 2016		
Current Request Amendment Number: <i>(if applicable)</i>	One (1)				
Proposed Amendment Effective Date: <i>(if applicable)</i>	March 16, 2015				
*Department Submitting:	Finance and Administration				
*Division:	Benefits Administration				
*Date Submitted:	January 14, 2015				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Magellan Healthcare, Inc.				
*Current or Proposed Maximum Liability:	\$31,458,966.00 – proposed (\$30,568,966.00 – current)				
*Estimated Total Spend for Commodities:	\$0.00				
*Current or Proposed Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY: 2012	FY: 2013	FY: 2014	FY: 2015	FY: 2016	FY: 2017
\$3,056,897.00	\$6,113,793.00	\$6,113,793.00	\$6,113,793.00	\$6,113,793.00	\$3,056,897.00
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from Edison)</i>					
FY: 2012	FY: 2013	FY: 2014	FY: 2015 YTD	FY: 2016	FY: 2017
\$3,155,966.43	\$6,269,355.80	\$6,230,340.15	\$3,588,017.10	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Payments to the Contractor are based on health plan membership and employee status, this enrollment total varies monthly. Because funding is based on member premiums and employer funding there is no true surplus.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:					
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			Contract expenditures have exceeded the allocation to date in all fiscal years with the exception of 2012 due to a larger than anticipated program enrollment. Actual membership may vary from the original estimates during the term of each contract, and therefore funding needs may vary. The expenditures for this contract are funded by health		

Supplemental Documentation Required for
Fiscal Review Committee

	<p>plan premiums. Monthly funding of contract expenditures is obtained, on an as needed basis, from each separate plan funds (State Fund 55, Local Education Fund 56, and Local Government Fund 58). Plan fund revenues are obtained primarily from employer and employee premiums, which are annually set by the committees, and utilized for paying all health plan fund expenses (claims, and administrative expenses, etc.), and can only be utilized for that purpose.</p>		
*Contract Funding Source/Amount:			
State:		Federal:	
<i>Interdepartmental:</i>	\$30,568,966.00	<i>Other:</i>	
If " <i>other</i> " please define:			
If " <i>interdepartmental</i> " please define:		Funding is received employer and employee paid premiums.	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>	Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
Method of Original Award: <i>(if applicable)</i>	RFP		
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	<p>\$30,568,966.00 Cost was based on cost proposal of winning Vendor to the State.</p>		
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.			

Magellan

Edison Contract # 28410
Vendor Number 38103
Contract Begin Date 8/15/2011
Contract End Date 12/31/2016

Fiscal Year	Expenditures
2012	3,155,966.43
2013	6,269,355.80
2014	6,230,340.15
YTD 2015	3,588,017.10
Total	\$ 19,243,679.48

Amendment Request

Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agspds.Agspds@tn.gov

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

Request Tracking #	31786-00110	
1. Procuring Agency	Finance and Administration, Benefits Administration	
2. Contractor	Magellan Healthcare, Inc.	
3. Contract #	FA-1236950	
4. Proposed Amendment #	1	
5. Edison ID #	28410	
6. Contract Begin Date	August 15, 2010	
7. Current Contract End Date – with ALL options to extend exercised	December 31, 2016	
8. Proposed Contract End Date – with ALL options to extend exercised	December 31, 2016	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$ 30,568,966.00	
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$ 31,458,966.00	
11. Office for Information Resources Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation Need for the Proposed Amendment	<p>Magellan Healthcare, Inc has changed their name from Magellan Behavioral Health, Inc. to Magellan Healthcare, Inc. – this amendment will document this name change as well as add funding for the remaining contract term.</p>	
15. Name & Address of the Contractor's Principal Owner(s) – NOT required for a TN state education institution	<p>Magellan Healthcare Inc.</p>	

Request Tracking #	31786-00110
2500 Northwinds Parkway, Suite 300 Atlanta, GA 30034	
16. Evidence Contractor's Experience & Length Of Experience Providing the Goods or Services Magellan has been the State's EAP and Behavioral Health service provider for several years to the State's satisfaction. Magellan began providing EAP services in 1973 and managed behavioral health care services in 1985.	
17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives n/a	
18. Justification Without the additional funding the State may not be able to meet it's financial obligation to Magellan for delivery of contract services. In addition the contract record should reflect the new legal name of the State's contracted entity.	
<p>Agency Head Signature and Date – <i>MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented circumstances</i></p> <p style="text-align: center;"><i>Harry B. Martin 8-2</i></p>	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 31786-00110	Edison ID 28410	Contract # FA-12-36950	Amendment # 1		
Contractor Legal Entity Name Magellan Healthcare, Inc.			Edison Vendor ID 38103		
Amendment Purpose & Effect(s) Vendor Name Change, Add funding					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: December 31, 2016			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 890,000.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012			\$3,056,897.00		\$3,056,897.00
2013			\$6,113,793.00		\$6,113,793.00
2014			\$6,113,793.00		\$6,113,793.00
2015			\$6,113,793.00		\$6,113,793.00
2016			\$6,113,793.00		\$6,113,793.00
2017			\$3,946,897.00		\$3,946,897.00
TOTAL:			\$31,458,966.00		\$31,458,966.00
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE</i>		
Speed Chart (optional)		Account Code (optional) 78907000			

**AMENDMENT 1
OF CONTRACT FA-12-36950 EDISON # 28410**

This Amendment is made and entered by and between the State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and the Local Government Insurance Committee hereinafter referred to as the "State" and Magellan Healthcare, Inc., hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract section C.1 is deleted in its entirety and replaced with the following:
 - C.1 Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Thirty-One Million Four Hundred Fifty-Eight Thousand Nine Hundred Sixty-Six Dollars (\$31,458,966.00). The payment rates in Contract Section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor acknowledges that the maximum liability herein may differ, perhaps substantially, from the amount that the State expects to spend for services under this contract. The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Contract Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

2. The following is added as Contract section E.24:
 - E.24. Contractor Name. All references to "Magellan Behavioral Health, Inc" shall be deleted and replaced with "Magellan Healthcare, Inc."

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective March 15, 2015. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

MAGELLAN HEALTHCARE, INC.:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

**STATE OF TENNESSEE,
STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE:**

LARRY B. MARTIN, CHAIRMAN

DATE

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "MAGELLAN BEHAVIORAL HEALTH, INC.", CHANGING ITS NAME FROM "MAGELLAN BEHAVIORAL HEALTH, INC." TO "MAGELLAN HEALTHCARE, INC.", FILED IN THIS OFFICE ON THE SECOND DAY OF JUNE, A.D. 2014, AT 10 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

2980112 8100

140782337

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1415479

DATE: 06-02-14

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF

MAGELLAN BEHAVIORAL HEALTH, INC.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "corporation") is Magellan Behavioral Health, Inc.

2. The certificate of incorporation of the corporation is hereby amended by striking out Article First thereof and by substituting in lieu of said Article the following new Article:

"FIRST: The name of the corporation (hereinafter called the "Corporation") is Magellan Healthcare, Inc."

3. The amendment of the certificate of incorporation herein certified has been duly adopted and written consent has been given in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

Signed on June 2, 2014



Daniel N. Gregoire
Executive Vice President & Secretary



CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Begin Date August 15, 2011	End Date December 31, 2016	Agency Tracking # 31786 - 00110	Edison Record ID 28410
Contractor Legal Entity Name Magellan Behavioral Health, Inc.			Edison Vendor ID 38103

Service Caption (one line only)
Employee Assistance Program (EAP) and Behavioral Health Organization (BHO) services for the State's Public Sector Plans.

Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA #
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Funding — FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012			\$3,056,897.00		\$3,056,897.00
2013			\$6,113,793.00		\$6,113,793.00
2014			\$6,113,793.00		\$6,113,793.00
2015			\$6,113,793.00		\$6,113,793.00
2016			\$6,113,793.00		\$6,113,793.00
2017			\$3,056,897.00		\$3,056,897.00
TOTAL:			\$30,568,966.00		\$30,568,966.00

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Ownership/Control

African American
 Asian
 Hispanic
 Native American
 Female
 Person w/Disability
 Small Business
 Government
 NOT Minority/Disadvantaged
 Other:

Selection Method & Process Summary (mark the correct response to confirm the associated summary)

RFP The procurement process was completed in accordance with the approved RFP document and associated regulations.

Competitive Negotiation The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.

Alternative Competitive Method The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.

Non-Competitive Negotiation The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.

Other The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

Ma By

OCR USE - FA

FA1236950

Speed Chart (optional)	Account Code (optional) CM 78907000	Contract #
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CM
78907000



**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE,
AND
MAGELLAN BEHAVIORAL HEALTH, INC.**

This Contract, by and between the State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and the Local Government Insurance Committee, hereinafter referred to as the "State" and Magellan Behavioral Health, Inc., hereinafter referred to as the "Contractor," is for the provision of Employee Assistance Program (EAP) and Behavioral Health Organization (BHO) services for the State's Public Sector Plans, as further defined in the "SCOPE OF SERVICES."

The Contractor is For-Profit Foreign Corporation.
Contractor Federal Employer Identification, Social Security, or Edison Registration ID # 52-2135463
Contractor Place of Incorporation or Organization: Delaware
Contractor Edison Registration ID # 38103

A. SCOPE OF SERVICES

A.1. General.

- a. The Contractor shall provide all services and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines specified by this Contract.
- b. The Contractor acknowledges the following:
 - (1) Self-funded non-Federal governmental plans may elect to "opt out" of the requirements of the Mental Health Parity and Addiction Equity Act of 2008 (Pub. L. 110-343) and certain other benefit mandates.
 - (2) Benefits Administration implemented the parity requirements for the 2011 plan year, but it retains all rights to exercise its "opt out" election in subsequent plan years in a manner that conforms to the Federal law.
- c. The Contractor shall provide Employee Assistance/Work-Life Services, as defined in Contract Section A.23 (see also Contract Section A.3.). Except as otherwise specified in the Plan Documents (as defined in Contract Section A.23), all State and Higher Education members enrolled in one of the Public Sector Plans, shall have access to a maximum of five Employee Assistance counseling sessions, per separate incident, through the Employee Assistance Program (EAP). All Employee Assistance counseling sessions for these members are provided on a fee for service basis.
- d. Unless otherwise directed by the State, the Contractor shall also provide a maximum of five Employee Assistance counseling sessions, per separate incident, through the EAP to State and Higher Education employees, including eligible dependents, who are eligible for but not enrolled in one of the medical benefit options of the Public Sector Plans. Services for these participants are provided on a fully insured basis.
- e. The Contractor shall provide Employee Assistance/Work-Life services to employees of Local Education and Local Government who are enrolled in one of the medical benefit options, and their dependents meeting the eligibility requirements of the medical benefit option. Dependents



of enrolled members are not required to be enrolled in the medical benefit option to receive these services. All Employee Assistance counseling sessions for enrolled Local Government and Local Education members are provided on a fee for service basis. All Employee Assistance counseling sessions for non enrolled dependents of an enrolled Head of Contract (HOC), are provided on a fully insured basis.

- f. The Contractor shall provide behavioral health services to members, including eligible dependents, who are enrolled in one of the medical benefit options of the Public Sector Plans.

A.2. Implementation.

- a. The Contractor's programs, services, and systems, including but not limited to Employee Assistance/Work-Life and Behavioral Health services, the Contractor's call center, and the Contractor's claims management systems, shall be fully operational on the date specified in Contract Section A.22.1.
- b. The Contractor shall implement the information systems and other processes required to perform all other services described herein. The Contractor shall work with the State to ensure the Contractor satisfies applicable requirements of this Contract, including requirements in the State Plan, Local Education Plan, and Local Government Plan Documents (referred to as the "Plan Documents" and which are located on the State's website at www.tn.gov/finance/ins/publications.html) and State and Federal law.
- c. The Contractor shall have a dedicated full-time implementation team. All of the Contractor's implementation team members shall have participated, as team members, in the implementation of EAP or behavioral health services for at least one other large employer (i.e., an employer plan with at least 50,000 members). The Contractor's implementation team shall include a full-time Account Manager dedicated to this Contract, who shall be the main contact with the State for all of the day-to-day matters relating to the implementation and ongoing operations of this Contract. Also, the Contractor shall assign a Project Coordinator (i) to serve as backup to the Account Manager and (ii) to coordinate activities among the Contractor and the State's existing vendors and all the internal and external participating and affected entities. All implementation team members the Contractor submits to the State for approval in writing shall be available as needed during the implementation but should be dedicated full-time to this project at least two (2) months prior to the go-live date specified in Contract Section A.22. and thirty (30) days after the go-live date. The Account Manager shall be dedicated full-time to this Contract starting thirty (30) days after signing of this Contract and throughout the term of this Contract, subject to change in personnel pursuant to Contract Section A.16.g.
- d. All key Contractor project staff shall attend a project kick-off meeting at the State of Tennessee offices in Nashville, TN within the first twenty-one (21) days after the Contract start date.
- e. The Contractor shall provide a project implementation plan to the State no later than thirty (30) days after the Contract start date. The Contractor shall maintain the plan and update it at least daily. The plan shall be in a Microsoft Excel- or Microsoft Project-formatted file and shall be provided to State staff as it is updated or upon the State's request.
- f. The project implementation plan shall comprehensively detail all aspects of implementation, which includes all tasks with deliverable dates necessary to satisfactorily implement all Employee Assistance/Work-Life and behavioral health services no later than the go-live date specified in Contract Section A.22. The plan shall also include a description of the members on the implementation team and their roles with respect to each item/task/function. The plan shall include a detailed timeline description of all work to be performed both by the Contractor and the State. The implementation plan shall also provide specific details on the following:



- (1) Identification, timing, and assignment of significant responsibilities and tasks;
- (2) Names and titles of key Implementation staff;
- (3) Identification and timing of the State's responsibilities;
- (4) Data requirements (indicate type and format of data required);
- (5) Identification and timing for the testing, acceptance and certification of exchange of data between the Contractor and the State's Edison system and other relevant information systems;
- (6) Identification and timing for testing and certification of claims processing and payment and the reconciliation process;
- (7) Member communications and their timing (consistent with Benefits Administration's communication strategy);
- (8) Schedule of in-person meetings and conference calls with the State;
- (9) Transition requirements with the incumbent EAP/BHO Contractor; and

The Contractor's implementation plan shall require written approval by the State.

- g. The Contractor shall provide for a comprehensive operational readiness review (pre implementation audit) by the State, and/or its authorized representative, at least ninety (90) days prior to the go-live date. Such review by the State, and/or its authorized representative, may include, but not be limited to, an onsite review of the Contractor's operational readiness for all services required in this Contract (e.g., claims processing and payment, member services, training, and website development). The review may also include desk reviews of documentation that includes but is not limited to:
 - (1) Policy and Procedures Manual(s);
 - (2) Call center scripts;
 - (3) Information systems documentation; and
 - (4) The process governing the preparation of any and all deliverables required under this Contract.
- h. At its discretion, the State may conduct an additional, pre-implementation review of the Contractor's progress towards fulfilling the information systems requirements of this Contract. Such review by the State, and/or its authorized representative, may include both onsite and desk reviews, including but not limited to staff interviews, system demonstrations, systems testing, and document review.
- i. During onsite visits as part of readiness review or a pre-implementation review, the Contractor shall provide the State, and/or its authorized representative onsite workspace and access to a telephone, fax, printer, copy machine, and Internet connection. The Contractor's staff members shall be freely available to the State officials to answer questions during these visits.
- j. Unless otherwise directed by the State, the Contractor shall conduct status meetings with the State concerning project development, project implementation and Contractor performance at least twice a week from the start date of this Contract until two (2) weeks prior to the go-live date and daily for the two (2) weeks prior to and the first month following the go-live date.
- k. No later than thirty (30) days post-implementation, the State will complete an Implementation Performance Assessment. The Contractor will provide an assessment tool for the State to complete. This assessment will be used to document the State's satisfaction with the implementation process and identify any necessary corrective action(s). The Contractor shall



comply with all recommendations/requirements made in writing by the State within the timeframes specified by the State.

- i. "Lessons Learned" Debriefing. The Contractor shall conduct a self-assessment regarding implementation of this Contract, prepare a report summarizing its findings, including success, challenges, and lessons learned, and provide an in-person debriefing, with discussion period, to the State. If directed by the State, the Contractor shall hire an independent, disinterested entity or consultant to conduct the assessment and/or facilitate the debriefing. The report shall be provided to the State no later than the date specified in Contract Section A.22., and the debriefing shall be provided at the request of the State.

A.3. Covered Services.

- a. The Contractor shall provide a five (5) session, per separate incident Employee Assistance Program and Behavioral Health services.
- b. The Contractor shall provide Employee Assistance/Work-Life services that shall include the following:
 - (1) Financial counseling;
 - (2) Legal consultation;
 - (3) Child/Elder care assistance;
 - (4) Supervisor support;
 - (5) Critical Incident Stress Management (CISM) services; and
 - (6) Employee and supervisor education and training.
- c. Employee education sessions/topical seminars, manager/supervisor training, critical incident debriefing, employee orientation, and train-the-trainer sessions with State of Tennessee personnel are to be provided via an annual "bank" of 600 hours, available at the discretion of the State. Any unused hours at the end of the year will roll forward to the next year's bank, up to a maximum of 100 hours.
- d. The Contractor shall provide the services in Contract Section A.3.b.(1) through (6) in accordance with the service definitions specified in Contract Attachment D, and the Contractor shall ensure these services are provided by qualified, trained Employee Assistance/Work-Life consultants who meet, at a minimum, the qualifications and licensure/certification specified for each service in Contract Attachment D.
- e. The Contractor shall submit an annual employee and supervisor education and training plan (education and training plan) for prior approval by the State. The Contractor shall submit the education and training plan for the first benefit year under this Contract by the date specified in Contract Section A.22.10.
- f. Members shall access Employee Assistance/Work-Life services in Contract Section A.3.b.(1) through (4) by contacting the Contractor (e.g., by calling the Contractor's toll-free number; see Contract Section A.11.a.) and being referred by the Contractor to an appropriate Employee Assistance/Work-Life consultant. The State shall access CISM services by calling the Contractor. Members shall access employee and supervisor education and training as specified in the annual education and training plan prior approved in writing by the State or shall access courses requested from the Contractor's training catalog (see Contract Section A.12.1.), as specified in the State's request. The State shall provide at least ten (10) business days notice for education/training from the Contractor's training catalog, which is not specified



in the annual education and training plan. The Contractor shall provide behavioral health services in accordance with the Plan Documents, this Contract, and State and Federal law.

- g. The Contractor shall provide Work-Life services using, at a minimum, the following modalities:
- (1) Financial counseling: Telephone;
 - (2) Legal consultation: Telephone, video/web conferencing (as defined in Contract Section A.23.ccc.), and/or in-person at the attorney's office, as selected by the member;
 - (3) Child/elder care assistance: Telephone;
 - (4) Supervisor support: Telephone;
 - (5) CISM services: Telephone and/or in-person at the worksite, as determined by the State in a specific situation; and
 - (6) Employee and supervisor education and training: Video/web conferencing, online via the Contractor's website, and/or in-person as specified in the training schedule prior approved in writing by the State or, for on-demand training, as requested by the State.

A.4. Employee Assistance/Work-Life Consultants.

- a. The Contractor shall employ or contract for appropriately qualified and trained Employee Assistance/Work-Life consultants to provide the services specified in Contract Section A.3.b.
- b. The Contractor shall have a sufficient number of qualified and trained Employee Assistance/Work-Life consultants such that members are able to speak with/be offered an appointment with a qualified and trained consultant within the following timeframes (see Contract Section A.11.d. Call Center):
- (1) Financial counseling: Intake shall be conducted at the time of the member's call/request, and the member shall be offered an appointment with a financial consultant for a time within the next three (3) business days. If the member needs to complete any forms or provide written information prior to talking with a financial consultant, the member shall be offered an appointment for a time within three (3) business days after submitting the required information.
 - (2) Legal consultation: Intake shall be conducted at the time of the member's call/request, and the member shall be offered an appointment with a legal consultant (licensed attorney) for a time within the next three (3) business days. If the member needs to complete any forms or provide written information prior to talking with the attorney, the member shall be offered an appointment for a time within the next three (3) business day after submitting the required information.
 - (3) Child/Elder care assistance: Intake and assistance shall occur at the time of the member's call. If the member needs to complete any forms or provide written information prior to talking with a child/elder care consultant, the member shall be offered an appointment for the next business day after submitting the required information.
 - (4) Supervisor support: Intake and support shall occur at the time of the supervisor's call/request.
 - (5) Critical Incident Stress Management (CISM) services: Intake and services shall occur immediately upon State request.
 - (6) Employee and supervisor education and training: Education and training shall be provided in accordance with the education and training plan prior approved in writing by the State (see Contract Section A.3.d.). Education/training provided from the Contractor's training catalog at the State's request shall be provided on the date



specified by the State, which shall be no earlier than ten (10) business days from the State's request.

- c. Upon the State's request, the Contractor shall, within the timeframe specified by the State, provide in writing any actions it intends to take to correct any deficiencies in access to Employee Assistance/Work-Life services identified by the State.
- d. The Contractor shall exercise due diligence and reasonable care in its selection, training, monitoring, and retention of Employee Assistance/Work-Life consultants.
- e. If the Contractor contracts with any person or organization to provide Employee Assistance/Work-Life services, the Contractor shall comply with the requirements in Contract Section A.15.q.

A.5. Behavioral Health/Employee Assistance Provider Network.

- a. The Contractor shall provide and maintain a national provider network for this Contract that provides high quality behavioral health and employee assistance services and includes a full spectrum and adequate number of behavioral health providers that provides adequate geographic and service access to members primarily located throughout the State of Tennessee.
- b. The Contractor's behavioral health provider network shall include appropriately licensed and credentialed behavioral health practitioners, including, but not limited to, psychiatrists, including addiction psychiatrists (70% of the Contractor's network psychiatrists shall be board certified), psychiatric nurses, advanced practice registered nurses, psychologists, licensed clinical social workers (LCSWs), licensed marital and family therapists (LMFTs), licensed professional counselors (LPCs), Substance Abuse Professionals (SAPs), and drug and alcohol counselors representative of the culture, race, sex and age of the population to be served. The Contractor's network shall also include a sufficient selection of licensed and credentialed programs and facilities (acute, residential, intensive outpatient, detoxification facilities and other necessary programs and services) in the network to provide access to behavioral health services. The Contractor's network shall include providers with expertise related to domestic violence, sex addiction, eating disorders/body image disorders, and gambling addiction, as well as substance abuse providers that provide detoxification for adolescents.
- c. If a state employee onsite clinic employs or contracts with an employee assistance behavioral health consultant, the Contractor shall include the onsite clinic/behavioral health provider in its provider network, subject to the clinic's/provider's compliance with the Contractor's network provider requirements, which shall be no more stringent than the requirements for a comparable provider. The State shall not require the Contractor to provide or arrange for a behavioral health practitioner to provide services at a state employee onsite clinic.
- d. The Contractor shall ensure that all Employee Assistance network practitioners have knowledge of and training in short term, solution focused therapeutic modalities including cognitive behavioral therapy.
- e. The Contractor's behavioral health provider network shall meet, at minimum, the geographic access standards specified in Contract Attachment B.9., Liquidated Damages.
- f. The Contractor shall maintain a sufficiently extensive and accessible behavioral health provider network such that members are able to receive appointments from a geographically-accessible provider within the following appointment standards Monday through Friday, 7:00 A.M. to 7:00 P.M. Central Time:



- (1) Emergency/crisis service: four (4) hours
 - (2) Urgent visit: twenty-four (24) hours
 - (3) Routine/Initial visit: seventy two (72) hours
- g. The Contractor shall submit a quarterly report to the State regarding appointment standards, including monitoring activities, findings, and corrective actions (see Contract Attachment C., Report # 3).
- h. When requested by the State, the Contractor shall, within the timeframe specified by the State, submit a report to the State identifying any actions it intends to take to correct any access deficiencies identified in reports to the State or otherwise identified by the State (see Contract Attachment C, Report # 5).
- i. As directed and funded by the State, the Contractor shall pay incentive payments, enhanced reimbursement, or per member per month capitation payments to behavioral health providers for specific members based on a disease management flag or other member-specific indicator reported to the Contractor by the State or its authorized representative or to behavioral health providers who are embedded with a primary care provider. (See Contract Section A.14.d.(4) for related member incentives.)
- j. Covered behavioral health services received through network behavioral health providers located in states contiguous to the State of Tennessee shall be consistent with covered behavioral health services provided through network providers located in Tennessee. The Contractor shall include in its provider network behavioral health providers located in the following statistical areas, as defined by the U.S. Office of Management and Budget (OMB):
- Alabama – Huntsville/Decatur Combined Statistical Area and Florence-Muscle Shoals Metropolitan Statistical Area (MSA)
 - Arkansas and Mississippi– Memphis Metropolitan Statistical Area (MSA)
 - Georgia – Chattanooga/Cleveland/Athens Combined Statistical Area
 - Kentucky – Clarksville MSA and Union City, TN - KY Micropolitan Statistical Area
 - North Carolina – Asheville/Brevard Combined Statistical Area
 - Virginia – Johnson City/Kingsport/Bristol Combined Statistical Area
- k. The Contractor shall submit a quarterly network changes update report to the State within five (5) business days of the end of each quarter that includes any changes in the Contractor's behavioral health provider network, including whether a provider is accepting members as new patients (see Contract Attachment C, Report # 4).
- l. Unless otherwise directed by the State, the Contractor shall notify the State in writing of any termination of any network provider of inpatient care (as defined in Contract Section A.23), any network psychiatrist, or any other provider if termination of that provider jeopardizes the Contractor's compliance with the access standards (e.g., geographic access and appointment standards), regardless of whether the termination was initiated by the Contractor or the provider, within one (1) business day of becoming aware of the termination.
- m. For any provider termination, regardless of the type of provider, the Contractor shall provide written notice to the State and members who received treatment from the provider within the previous twelve (12) months. The notice shall include the provider's name and the effective date of the termination and shall offer assistance with finding a new provider, including the option to call the Contractor's toll-free number or access the provider directory on the Contractor's website, as well as with transitioning to a new provider. The Contractor shall mail



the notice to members no less than thirty (30) calendar days prior to the effective date of the termination. The contractor shall notify members within three (3) business days of becoming aware of the provider termination if the termination date is fewer than thirty (30) days away.

- n. The Contractor shall assist members with chronic or acute behavioral health conditions in transitioning to another provider when there is a change in provider that is not initiated by the member. If the change is due to provider termination for any reason other than quality concerns, the Contractor shall provide continuation of the terminated provider for ninety (90) days or until the member can be reasonably transferred to a network provider without disruption of care, whichever is less.
- o. Following review and written approval by the State, the Contractor shall annually update and print EAP brochures. Provider directories of the national EAP and behavioral health network are to be available online. The online directories shall be available by November 1, 2011, or before, and continuously updated throughout the term of this Contract. The Contractor shall be responsible for both the production and distribution of EAP brochures and other similar informational material for members. The provider directory shall include provider name, areas of expertise, sex, race, ethnicity, languages spoken, address, and phone number and shall be organized by county and type of service provided. The Contractor shall, upon the State's request, distribute brochures and other similar informational material to Agency Benefits Coordinators (ABC's) within ten (10) business days of the State's request to provide copies. The Contractor shall be responsible for the printing and distribution of these materials to members and ABC's as described above. The Contractor shall ensure that the member informational material complies with the branding and written materials requirements in Contract Section A.12.
- p. The Contractor shall maintain the capability to respond to inquiries from members concerning participation by providers in the behavioral health network, by service, area of expertise (e.g., whether the provider offers short term, solution focused therapy), the language(s) spoken by the provider, the provider's sex, race, and ethnicity, and the zip codes or counties where the provider renders services. Such capability shall be through the call center (see Contract Section A.11.) and an up-to-date internet-based directory of providers on its website/portal (see Contract Section A.13.) that includes provider search capability deemed acceptable by the State. The internet-based provider directory shall accurately reflect network providers who have joined or ceased participation in the network in the past fifteen (15) calendar days and whether or not the provider is accepting members as new patients. The Contractor shall provide the internet-based provider directory on its website/portal on or before the date specified in Contract Section A.22.62.
- q. The Contractor shall provide the State with GeoNetworks® reports on a semi-annual (twice a year, after the first and third quarters) basis showing service and geographic access to behavioral health providers (see Contract Attachments B.9. and C, Report # 5). For the first report, and subsequent reports if so directed by the State, the Contractor shall submit two versions of the reports; one mapping to all network behavioral health providers and one mapping to network behavioral health providers that are accepting members as new patients. The State shall review the reports and inform the Contractor in writing of any deficiencies. The Contractor shall develop and implement an action plan to correct deficiencies. The State reserves the right to review the action plan and require changes, where appropriate.
- r. The Contractor shall submit to the State an annual behavioral health provider turnover report that includes the Contractor's voluntary and involuntary turnover rate by provider type (see Contract Attachment C, Report # 6).
- s. The Contractor shall exercise due diligence and reasonable care in its selection, credentialing, re-credentialing, monitoring, and retention of each network behavioral health provider. The Contractor shall contract only with providers who are duly licensed to provide applicable



behavioral health services and shall require that all providers maintain all licenses and accreditations in existence at the time of selection as a network provider in order to continue their status as a network provider. The Contractor shall perform on a continuous basis appropriate provider credentialing that assures the quality of network providers. The Contractor's credentialing policies shall include clearly defined and documented procedures for assessing providers' qualifications and practice history. The Contractor shall complete processes necessary to reconfirm the licensure, accreditations, credentials, and standing of network providers no less frequently than every three (3) years. The Contractor's re-credentialing process shall take into consideration the review of historical information on member complaints and satisfaction, participation and adherence to utilization management criteria and procedures, and performance in relation to applicable protocols. The Contractor shall initiate a corrective action plan to address any performance deficiencies.

- t. The Contractor shall maintain face-to-face, telephonic, and written communication with network providers to ensure a high degree of continuity in the provider network and ensure that the providers are familiar with applicable requirements.
- u. The Contractor shall require all network behavioral health providers to file claims associated with their services directly with the Contractor on behalf of members.
- v. As a means to prevent "provider shopping" and mitigate risks relating to fraud, waste, and abuse, the Contractor shall establish a mutually agreeable process with and approved by the State. The Contractor shall maintain the ability, as may be deemed necessary, to "lock in" or otherwise restrict selected members to one or more specific network providers for accessing covered services.
- w. Any pay-for-performance (P4P) arrangements between the Contractor and a network provider must be prior approved in writing by the State if the provider is serving State of Tennessee Group Insurance Program members and program eligible dependants.
- x. The Contractor shall notify the State in writing, in a format prior approved by the State in writing, at least thirty (30) days prior to any increase in any behavioral health provider's payment terms, including but not limited to provider fee schedules, contract rates, other provider payment arrangements, discounts, rebates, refunds, or credits negotiated with the provider. The notice shall include the name of the providers, the provider type, the amount of the increase, and the projected impact of the increase on annual claims payments by the State.
- y. The Contractor shall notify all network behavioral health providers of, and enforce compliance with, all provisions relating to utilization management and other procedures as required for participation in the Contractor's provider network. The Contractor shall hold members harmless and require providers to hold members harmless for provider non-compliance with utilization management procedures.
- z. In no case shall network providers balance bill for covered services. Rather, the member's liability shall be limited to the allowable member cost-sharing.
- aa. If the Contractor is unable to deliver covered behavioral health services through network providers, the Contractor shall arrange and pay for such services to be rendered by out-of-network behavioral health providers. When the Contractor arranges for covered services to be provided through an out-of-network provider, the member's financial liability shall be limited to any cost-sharing that would have applied had the service been rendered by a network provider (e.g., in-network co-insurance percentage and in-network deductible amount). Balance billing is prohibited. The Contractor shall report to the State on a monthly basis all unique care exception requests and whether they were granted or denied (see Contract Attachment C, Report # 7).



- bb. The Contractor shall maintain a national network of Employee Assistance/Work-Life Providers and Behavioral Health providers. The Contractor shall report to the State on a quarterly basis all out-of-service area requests for out-of-state members and whether they were granted or denied (see Contract Attachment C, Report # 8).
- A.6. Utilization Management for Behavioral Health Services.
- a. Unless otherwise directed by the State, the Contractor shall maintain a utilization management function designed to help individual members secure the most appropriate level of care consistent with their behavioral health condition and needs. In carrying out this function, the Contractor shall provide a system for reviewing the appropriateness and medical necessity of inpatient and outpatient behavioral health services and for prior authorizing these services. The Contractor's utilization management program shall, at a minimum, meet Utilization Review Accreditation Commission (URAC)'s most current Health Utilization Management (HUM) standards, regardless of whether the Contractor is currently accredited by URAC (see Contract Section A.8.j.).
- b. The Contractor shall provide both short and long term utilization management services based on evidence-based formal written clinical guidelines utilized by experienced mental health and substance abuse clinicians for the entire term of contract. Should these clinical guidelines be revised, the Contractor shall notify the State thirty (30) days prior to the implementation of any revisions. In addition, the Contractor shall provide a report outlining the impact of the proposed changes on the program. Utilization management shall further consist of the following, when appropriate as determined on a case by case basis:
- (1) Discussions between the Contractor's clinical staff and appropriate combination(s) of: the patient, the patient's family, and the attending provider(s);
 - (2) Development of alternative treatment plans when benefit coverage is no longer available;
 - (3) Consultation and review of all records by board certified specialty matched psychiatric advisors, in cases where peer-to-peer review leads to disagreements regarding medical necessity or appropriateness of care;
 - (4) Provisions for periodic onsite visits by utilization and case management clinical staff to high volume and non-compliant providers, in order to continually improve the efficiency and effectiveness of these services.
- c. The Contractor shall have in place an effective process that identifies and manages members in need of inpatient care (as defined in Contract Section A.23.dd.). This shall include:
- (1) Identification of patients in need of inpatient care for the purpose of reviewing the level of care requested, determining the extent of care required, and identifying appropriate additional or alternative services as needed; this shall include admission review, or the pre-certification/authorization of inpatient care.
 - (2) Concurrent review during the course of a patient's inpatient care stay, where qualified utilization management staff coordinates care with the facility's staff and patients' providers; this shall include review of the continued stay and identification of medical necessity for stays as well as available alternatives.
 - (3) Discharge planning, providing a process by which the Contractor's utilization management staff work with the facility, patient's providers, patient's family, appropriate State vendors (as defined in Contract Section A.23.yy.), and appropriate community resources to coordinate discharge and post-discharge needs of the patient and reduce the likelihood of readmission.



- (4) Retrospective review of emergency inpatient care admissions within twenty-four (24) hours in order to determine medical necessity for the service.
- d. The Contractor shall require prior authorization of all outpatient behavioral health services.
- e. If the Contractor determines that a covered service being provided to a member is no longer medically necessary, but the provider continues to render the service, the provider shall not charge the member for the non-authorized services unless: (a) prior to continuing the service beyond what was authorized by the Contractor, the provider gives the member an individualized notice that clearly states that the member will soon exceed his/her authorized services, provides the estimated cost for services that will not be covered by the Contractor (which shall not exceed the provider's contract rate; see Contract Section A.9.i.), and gives the member the option to continue or discontinue the service; and (b) the notice is signed and dated by the member prior to continuing the service beyond the authorized amount but no more than one week prior to the date of service for which the provider is seeking payment. The Contractor shall develop a notice template, which shall be prior approved by the State, and shall provide copies of the notice template to providers. The Contractor shall submit the notice to the State by the date specified in Contract Attachment A.22.18.
- f. The Contractor shall provide retrospective utilization review to identify provider practice patterns that are inconsistent with accepted clinical protocols, practice and standards. The Contractor shall take corrective action to address identified issues (see Contract Section A.5.s).
- g. The Contractor shall collaborate with the State and its vendors to develop a discharge planning and notification protocol. Consistent with this protocol, the Contractor may ensure that network providers complete a written discharge plan (including, for example, the dates of admission and discharge, follow-up care required, and current medications) prior to the discharge of, at a minimum, any member who is being discharged from inpatient care (as defined in Contract Section A.23.dd.).
- h. The Contractor's utilization management (UM) reviewers shall be appropriately qualified, licensed, and trained behavioral health professionals who are familiar with the terms of the Plan Documents.
- i. Unless otherwise directed by the State, the Contractor shall adhere to the following standards for timeliness of utilization management (UM) decision making:
- (1) For non-urgent pre-certification or prior authorization decisions, the Contractor shall make the decision within fifteen (15) calendar days of receipt of the request;
 - (2) For urgent prior authorization decisions, the Contractor shall make the decision within seventy-two (72) hours of receipt of the request;
 - (3) For urgent pre-certification or concurrent review decisions, the Contractor shall make the decision within twenty-four (24) hours of receipt of the request; and
 - (4) For retroactive decisions, the Contractor shall make the decision within thirty (30) calendar days of receipt of the request.
- j. If the Contractor is missing any information necessary to make a pre-certification, prior authorization, or concurrent review decision, the Contractor shall immediately contact the provider by phone or email to obtain the missing information. If the information is still missing one (1) business day after contacting the provider, the Contractor shall make at least one follow-up contact by phone or email to obtain the missing information.
- k. The Contractor shall have an electronic utilization management system that contains complete (i.e., sufficient to accurately portray the events of the review during an independent medical



audit of the utilization management record) documentation of the review process by capturing administrative and clinical data as well as clinical notes by the UM staff.

- l. The Contractor shall use protocols that are diagnosis/procedure-specific, consistent with efficient medical practices, and that provide qualified reviewers with guidelines regarding the type of care that is indicated during each day of treatment. Psychiatrists and other behavioral health professionals shall be actively involved in the review process in accordance with Industry standards. Any provision of the Plan Documents and any protocol adopted by Benefits Administration shall take precedence over any protocol used by the Contractor.
- m. The Contractor shall maintain a comprehensive internal audit program for utilization management services and shall take prompt corrective action to correct any deficiencies or quality of care issues.
- n. The Contractor shall submit to the State, by the date specified in Contract Section A.22.19., a description of its utilization management program, evaluation methodology, and audit plan. The State reserves the right to review these documents and require changes, where appropriate. The Contractor shall notify the State, in writing, within thirty (30) days of any significant changes to its utilization management program. The State reserves the right to review the change and require changes, where appropriate.
- o. The Contractor shall provide a written report to the State on a quarterly basis regarding the utilization of services and the demonstrated effectiveness of its utilization management program (see Contract Attachment C, Report # 9).
- p. If applicable based on contract award, the Contractor shall transition members receiving services from the incumbent EAP/BHO Contractor, as follows:
 - (1) For members receiving inpatient care (as defined in Contract Section A.23.dd.) as of midnight on December 31, 2011, the incumbent EAP/BHO Contractor shall be responsible for payment of claims and continuation of coverage until the patient is discharged to a different level of care. The Contractor shall coordinate with the incumbent Contractor in identifying these patients and developing a discharge plan.
 - (2) For members authorized to receive inpatient or outpatient behavioral health services on or after January 1, 2012, the Contractor shall be responsible for payments of claims and continuation of coverage for the authorized services, regardless of whether the services are provided by network or out-of-network providers, for the period authorized by the incumbent EAP/BHO or ninety (90) days, whichever is less. However, the Contractor may require prior authorization or concurrent review (as applicable) for continuation of services beyond thirty (30) days. The Contractor shall coordinate with the incumbent Contractor in identifying these members and receiving authorization information.
 - (3) The Contractor shall provide inpatient coverage upon termination of this contract in accordance with Contract Section A.9.cc.

A.7. Specialized Case Management.

- a. The Contractor shall provide specialized case management services through its staff who are experienced Master's or PhD level clinicians with a minimum of five (5) years of experience in mental health and/or substance abuse treatment, including two (2) years with mental health and/or substance abuse case management. The Contractor shall provide appropriate clinical supervision of case managers, including medical review of all alternative treatment plans for specific patients.



- b. At least one specialized case manager acceptable to the State and dedicated to the Public Sector Plans, shall be located in the Nashville, Tennessee vicinity, at a location arranged for and supplied by the Contractor. The State's expectation is for the Nashville vicinity based case manager to be highly knowledgeable about behavioral health resources throughout Tennessee.
- c. Case managers shall provide the following services:
 - (1) Patient advocacy;
 - (2) Clinical coordination of care and services for high risk members requiring or admitted to facility-based care;
 - (3) Telephonic, electronic, and onsite visits, when necessary in order to ensure the quality, effectiveness, and appropriateness of treatment and discharge planning;
 - (4) Consultations with the patient (if clinically appropriate), family and attending provider;
 - (5) Development of alternative treatment plans, where benefit coverage allows flexibility in determining the most clinically appropriate, cost-effective alternative treatment for the member;
 - (6) Participation, as necessary, in the appeals process (see Contract Section A.10.i.); and
 - (7) Coordination of care with medical Third Party Administrator (TPA) providers, Pharmacy Benefit Manager (PBM), Health Management/Wellness Vendor (HMWV), and other appropriate State vendors. (as defined in Contract Section A.23.yy.)
- d. Unless otherwise directed by the State, the Contractor shall identify members for specialized case management through referral (including self-referral), prior authorization, review of medical, behavioral, and pharmacy claims data, and review of other data maintained by the Contractor.
- e. The Contractor shall develop criteria to identify members appropriate for specialized case management, which may include members who have a serious or persistent mental illness or who have had an inpatient admission for a behavioral health condition within the past two (2) years and meet additional criteria, which may include the following:
 - (1) The member is an adolescent;
 - (2) The member has dual diagnoses (mental health and substance abuse);
 - (3) The member has co-occurring (physical health and mental health or substance abuse) disorders;
 - (4) The member had an inpatient readmission within sixty (60) days of discharge;
 - (5) The member had a mental health or substance abuse admission during the previous twelve (12) months;
 - (6) The member is expected to generate \$15,000 or more in claims; or
 - (7) The member is over sixty (60) years of age
- f. The Contractor's specialized case managers shall work with the member, medical TPA providers, primary caregivers, the Health Management/Wellness (HMWV) vendor (as defined in Contract Section A.23.bb.), and other State vendors to coordinate the most appropriate, cost-effective care settings.
- g. The Contractor shall submit a description of its case management program to the State by the date specified in Contract Section A.22.21. The State reserves the right to review the description and require changes. The Contractor shall notify the State, in writing, thirty (30)



days prior to any significant changes to the program. The State reserves the right to review the proposed change(s) and require revisions.

- h. The Contractor shall provide a written report to the State on a quarterly basis regarding the utilization of case management services, including but not limited to the number of hours of case management provided and the number of members receiving case management (see Contract Attachment C).

A.8. Quality Improvement Program.

- a. The Contractor shall maintain a comprehensive quality improvement program that prospectively, concurrently and retrospectively ensures the quality of care provided by network providers as well as the quality of services provided by both network providers and the Contractor.
- b. The Contractor's quality improvement program shall, at a minimum, meet National Committee for Quality Assurance (NCQA)'s quality management and quality improvement (QI) standards as specified in the most recent "Standards and Guidelines for the Accreditation of Managed Behavioral Health Organizations (MBHOs)," regardless of whether the Contractor is currently accredited by NCQA (see Contract Section A.8.J.)
- c. The Contractor shall adopt and implement evidence-based clinical practice guidelines, protocols or pathways incorporating national criteria and local provider input as appropriate. Any provision of the Plan Documents and any guideline, protocol, or pathway adopted by Benefits Administration shall take precedence over any guideline, protocol, or pathway used by the Contractor. The Contractor's website/portal (see Contract Section A.13.) shall contain all such guidelines, protocols, or pathways that are applicable to the Public Sector Plans.
- d. Psychotropic Medication Guidelines.
 - (1) The Contractor shall adopt and implement evidence-based clinical practice guidelines for prescribing and monitoring psychotropic medications and shall review these guidelines on at least an annual basis.
 - (2) The guidelines shall address, at a minimum, drug-drug interactions, excessive/sub-therapeutic dosing, and over/under utilization.
 - (3) The Contractor shall adopt and implement standardized measurement and reporting on network provider prescribing patterns and compliance with the Contractor's guidelines.
 - (4) The Contractor shall conduct an annual performance assessment of network providers' performance measured against the guidelines.
 - (5) The Contractor shall provide the State with an annual report summarizing the Contractor's monitoring activity, findings, best practices, and any corrective action to improve provider compliance with the guidelines (see Contract Attachment C, Report # 11).
- e. Psychotropic Medication Support Program for Prescribers. Unless otherwise directed by the State, the Contractor shall analyze claims data from the Pharmacy Benefits Manager (PBM) (as defined in Contract Section A.23.mm.), provider network information from each medical TPA, as well as other relevant data on a weekly basis to identify physicians (including physicians in the medical TPAs' networks and psychiatrists in the Contractor's network) whose patients have not obtained a therapeutic dosage of psychotropic medication (e.g., a subtherapeutic dose was prescribed or the member did not fill/re-fill a prescription). The Contractor shall have a staff or consulting psychiatrist contact the prescribing physician by telephone with the goal of educating



the physician and maximizing member pharmacotherapy adherence and the sustained use of psychotropic medication for a clinically sufficient duration.

- f. The Contractor shall maintain standards and protocols for tracking all incidents/potential issues with network providers (e.g., member complaints, irregular billing practices, and quality of care issues). In addition to responding to each incident/issue, the Contractor shall initiate a provider review when the number of incidents/issues reaches a threshold defined in advance by the Contractor. The Contractor shall specify the content of this review, which may range from medical chart audits to an outcomes analysis. The Contractor shall submit a quarterly report to the State on its tracking activities and findings. The report shall include the information specified by the State, including but not limited to information on the incidents/issues identified by the Contractor, the Contractor's response to incidents/issues, any provider reviews conducted by the Contractor, and the results of the reviews, including any corrective action. (See Contract Attachment C, Report # 12)
- g. Whenever the Contractor identifies a potential quality of service or quality of care issue, the Contractor shall conduct appropriate follow-up, including taking corrective action as necessary to remedy a deficiency.
- h. Unless otherwise directed by the State, the Contractor shall contract with an NCQA certified vendor to conduct an NCQA endorsed member outcomes survey instrument for the member population. The Contractor shall annually submit to the State within four (4) months of conducting the member survey a report summarizing the methodology and results and identifying any activities the Contractor will/has taken to increase member satisfaction (see Contract Attachment C, Report # 14).
- i. The Contractor shall work with the State to identify three (3) to five (5) topics/areas of focus and determine the appropriate metrics for measuring the Contractor's performance in these areas, including the methodology for each metric. The Contractor shall conduct an annual evaluation of its performance on the specified metrics and shall submit an annual report to the State summarizing the results of the evaluation and identifying any activities the Contractor will/has taken to improve its performance, including any provider interventions (see Contract Attachment C, Report # 13).
- j. The Contractor's managed behavioral health product for this Contract shall be fully accredited by NCQA, and the Contractor's utilization management program for this Contract shall be fully accredited by URAC. If the Contractor meets this requirement as of the start date of this Contract, the Contractor shall maintain such accreditation throughout the period of this Contract. If the Contractor does not currently meet this requirement, the Contractor shall obtain such accreditation by December 31, 2011 (or a later date as specified by the State) and shall maintain it thereafter throughout the period of this Contract. If the Contractor's managed behavioral health product is not NCQA accredited or its utilization management program is not URAC accredited as of the start date of this Contract, the Contractor shall develop and implement a work plan, approved by the State, to obtain the applicable accreditation(s).
- k. The Contractor shall submit to the State any reports e.g., Healthcare Effectiveness Data and Information Set (HEDIS) results that it submits to NCQA or URAC as well as its quality improvement program description, annual QI work plan, and annual QI program evaluation (see Contract Attachment C, Reports # 15, 16 and 17).

A.9. Claims Processing, Payment and Reconciliation

- a. The Contractor shall process all behavioral health claims in strict accordance with the Plan Documents. The Contractor shall not modify covered behavioral health services during the period of this Contract without the prior written approval of the State.



- b. Upon request by the State, the Contractor shall modify its systems and processes to reflect approved plan design changes, including but not limited to changes in covered services, scope of covered services, and cost-sharing, to the Public Sector Plan(s) within sixty (60) days of notification by the State. Should said change(s) not be effective within sixty (60) days, the Contractor shall have until the effective date of the change to modify its systems and processes.
- c. The Contractor shall ensure claims submitted by network providers are paperless for the members. The Contractor's agreement with providers shall require network providers to submit claims directly to the Contractor.
- d. The Contractor shall process claims, either filed directly by members and/or provider(s), in an accurate and timely manner and in accordance with the requirements in Contract Attachment B.21. The Contractor shall submit to the State, at least one (1) month prior to the go-live date, a summary of its methodology for conducting internal claims audits, including audits to determine claims payment and processing accuracy and claims payment turnaround. The State reserves the right to review the methodology and require changes, where appropriate. The Contractor shall notify the State in writing at least thirty (30) days in advance of any significant changes to its methodology. The State reserves the right to review the change and require changes, where appropriate. The Contractor shall submit its audit methodology with each applicable performance measure report (see Contract Attachment B.20., B.21. and B.22. and Contract Attachment C, Reports # 19, 20 and 21).
- e. The Contractor shall confirm eligibility of each member as claims are submitted, on the basis of the enrollment information provided by the State, which applies to the period during which the charges were incurred.
- f. In concert with its claims payment cycle, the Contractor shall provide an electronic remittance advice (RA) to the provider indicating the disposition of every adjudicated claim submitted by providers. The remittance advice shall contain appropriate explanatory remarks related to payment or denial of each claim. If a claim is partially or totally denied due to insufficient information and/or documentation, then the remittance advice shall specify all such information and/or documentation. Providers that do not have the capability of receiving an RA electronically may have one mailed to them.
- g. An incomplete claim may be resubmitted with the information necessary to complete the claim. This resubmission shall constitute a new claim only for the purpose of establishing a timeframe for claims processing and payment.
- h. Explanation of Benefits (EOB)
 - (1) The Contractor shall generate and mail a monthly explanation of benefits (EOB) addressed to each member for whom a provider claim was processed. Contractor shall have a process in place to accept an alternative mailing address from member for the EOB should member have a safety or confidentiality concern. The monthly EOB shall consolidate and itemize in a single EOB the provider claims for services to the member processed by the Contractor in the month. The Contractor shall mail the monthly EOBs within five (5) business days of the last day of the month. The EOB format and text shall be prior approved in writing by the State and shall include but not be limited to the identification number of the head-of-contract (if applicable), the patient name, and for each claim: the date the Contractor received the claim, the date the Contractor adjudicated the claim, the claim number, the date of service, the provider name, the Contractor's contact information, submitted charges, total amount paid by the Contractor to the provider, the amount paid by a second insurance carrier, the amount the member owes the provider (any applicable co-payment/co-insurance and non-covered services), the deductible amount, the co-payment/co-insurance amount, any



non-covered amount, the out-of-pocket amounts paid for the year, how to file an appeal, and a notice that if the member owes any amount, other than applicable cost-sharing, for emergency or urgent care services received from an out-of-network provider, the member should contact the Contractor.

- (2) The Contractor shall also generate and mail an EOB to the member each time the Contractor processes a claim submitted by the member. The Contractor shall mail the EOB within five (5) business days of processing the claim. The EOB format and text shall be prior approved in writing by the State and shall include information similar to the EOB for provider-submitted claims but tailored to member-submitted claims.
- i. If a member receives a covered benefit from a network provider, the provider's contract rate shall be used to determine the member's deductible (if applicable) and any co-insurance amount, and the member shall not be responsible for payment in excess of that amount. In addition, if a member receives a behavioral health service that is a covered benefit from a network provider but the claim for the service is denied as ineligible for payment (e.g., because it was treatment for a pre-existing condition, the service exceeded the applicable service limitation, the service was not medically necessary, or the service was subject to prior authorization and was not approved by the Contractor) the member shall not be responsible for payment to the provider in excess of the provider's contract rate. (See also Contract Sections A.5.z, A.5.aa, and A.5.bb.)
- j. The Contractor shall only pay claims for covered behavioral health services provided to eligible members and provided in accordance with the Contractor's utilization management and other applicable requirements and with the Plan Documents.
- k. The Contractor shall not pay for services that result from a referral prohibited by Section 1877 of the Social Security Act (Limitation on Certain Physician Referrals).
- l. The Contractor shall not pay for preventable events and conditions, e.g., hospital-acquired conditions, identified as non-payable by Medicare. In addition, as directed by the State, the Contractor shall not pay for other preventable events and conditions identified as non-payable by other Federal or state payers
- m. The Contractor shall pay claims for services from out-of-network providers submitted by members by directly reimbursing the provider. However, if the member has already paid said claim, then the Contractor shall reimburse the member directly. In either case the Contractor shall send the member an EOB as required by Contract Section A.9.h.
- n. The Contractor shall pass directly to the State the payment terms the Contractor has negotiated with providers. The Contractor shall not receive any differential between the provider contract rate and the payment funded by the State; the Contractor shall ensure that the State and the member receives the full benefit of any provider payment terms, including but not limited to provider fee schedules, contract rates, other payment arrangements, discounts, rebates, refunds, or credits negotiated by the Contractor. All special pricing considerations and financial incentives shall accrue to the State and members. See also Contract Sections A.5.aa, A.5.bb, and A.9.i.
- o. The Contractor shall ensure any payments funded by the State are accurate and in compliance with the terms of this Contract, including the Liquidated Damages requirements of this Contract (see Contract Attachment B); agreements between the Contractor and providers; and State and Federal laws and regulations.
- p. The State shall have the sole responsibility for and authority to clarify and/or revise the benefits available under the Public Sector Plans. It is understood between the parties that the Public Sector Plans cannot and do not cover all behavioral health situations. In a case where the



benefits are not referenced in the Plan Documents or are not clear, the Contractor shall comply with any applicable policy issued by Benefits Administration to interpret the Plan Documents. If the benefits are not referenced in any policy or are not clear, the Contractor shall utilize its policies in adjudicating claims, and the Contractor shall advise Benefits Administration in writing, as to the difference along with the Contractor's recommendation. Such matters as determined by the State to have a significant impact on administration of plan benefits shall be resolved by the State.

- q. The Contractor shall identify and pursue claims that may be subject to coordination of benefits (COB) in accordance with the regulations promulgated by the Tennessee Department of Commerce and Insurance, Chapter 0780-1-53 Tenn. Comp. R. & Regs. and the Plan Documents. The Contractor shall provide a quarterly report of said activities to the State (see Contract Attachment C, Report # 18).
- r. The Contractor shall notify the State on a weekly basis of receipt of any notices from Medicare that Medicare may have made primary payments for services when it should have been the secondary payer (a Medicare Secondary Payer demand letter). The Contractor shall resolve issues as to whether Medicare is the primary or secondary payer within thirty-one (31) days of receiving the demand letter.
- s. The Contractor shall determine whether eligible expenses are medically necessary.
- t. The Contractor shall have a process in place based on the most appropriate up to date clinical information for determining those procedures and services that are considered experimental/investigative. Unless otherwise directed by the State, the Contractor shall submit to the State, at least one (1) month prior to the go-live date, detailed information on the Contractor's process for determining experimental/investigational procedures and services. The State reserves the right to review the process and require changes, where appropriate. The Contractor shall notify the State, in writing, within thirty (30) days of any significant changes to its process. The State reserves the right to review the change and require changes, where appropriate.
- u. The Contractor shall respond to all requests from the State for paid claims incurred within a specified period of time within seventy-two (72) hours of receiving the request using the template prior approved in writing by the State.
- v. The Contractor shall submit monthly claims reports to the State as provided in Contract Attachment C, including but not limited to a monthly paid claims report, reconciliation report, and recoveries report (see Contract Attachment C, Reports # 19, 20 and 21).
- w. The Contractor's provider agreements shall include the maximum recoupment periods permitted under TCA 56-7-110.
- x. For the payment of all claims under this Contract, the Contractor shall issue payments in the form of checks and/or Automated Clearing House (ACH) electronic funds transfer against the Contractor's own bank account. The Contractor shall maintain security and quality controls over the design, printing and mailing of checks, as well as any fraud prevention feature of checks.
- y. The Contractor acknowledges the State will monitor and age the outstanding check balance, and the Contractor agrees to conduct a review of and/or cancel-reissue stale dated outstanding items on a quarterly basis. In a format mutually agreed to, the Contractor on a daily basis, shall provide a detailed listing of the payment activity, including check serial numbers and ACH payment identifiers, payee names, payment amounts, plan group (State, Local Education and Local Government) and associated claim numbers, balancing to the required funding amount



for that day. Said listing shall enable the State to reconcile the payment detail to the required funding amount, while providing related payment information needed to record the necessary accounting entries by expense classifications. The Contractor shall further provide monthly check Reconciliation Reports that provide detail (check number, issue date, payee name, claim numbers, check amount, paid or cancel date) of all checks issued or cancelled during the month, and detailed listing of outstanding checks at each month-end.

- z. The State will only pay for approved and correctly paid claims, not for rejected, reversed, or duplicate claims. Additional requirements related to payments are listed in Contract Section C.3.
- aa. The Contractor shall issue all related U.S. Internal Revenue Service (IRS) Form 1099 reports, submit required 1099 information directly to the IRS utilizing the Contractor's tax ID number, and shall maintain responsibility in matters relating to such information provided to payees and to the IRS, including the payment of any penalties or fees related to such 1099 reporting.
- bb. Upon termination of this Contract, the Contractor shall be responsible for the processing of all claims incurred for behavioral health services rendered during the term of this Contract with no additional administrative cost to the State. The claims run out period shall extend through the final day of the thirteenth (13th) month following Contract termination. The Contractor shall comply with the audit provisions contained in Contract Section A.20.b.
- cc. Upon termination of this Contract, the Contractor shall continue to provide and pay claims for inpatient care (as defined in Contract Section A.23.dd.) to any member who is receiving inpatient care on the effective date of termination. Said coverage shall discontinue when the member is discharged from inpatient care.
- dd. **Fraud and Abuse**
 - (1) The Contractor shall implement procedures to prevent and detect fraud or abuse by providers or members and shall perform fraud investigations of members and providers, in consultation with the State, for the purpose of recovery of overpayments due to fraud.
 - (2) The Contractor's procedures for preventing and detecting fraud and abuse shall include, at a minimum, claims edits, post-processing review of claims, utilization management, provider profiling and credentialing, and provisions in the Contractor's provider agreement and/or provider manual. The Contractor's claim edits shall include, at minimum, edits to identify upcoding and duplicate claims. The Contractor shall report to the State any provider who violates the Medicare and/or Medicaid fraud and abuse policy, as well as any disciplinary actions taken.
 - (3) In the event the Contractor discovers evidence that an unusual transaction has occurred that merits further investigation, the Contractor shall simultaneously inform Benefits Administration and the Division of State Audit, in the Office of the Comptroller of the Treasury. The State will review the information and inform the Contractor whether it wishes the Contractor to:
 - i Discontinue further investigation if there is insufficient justification; or
 - ii Continue the investigation and report back to Benefits Administration and the Division of State Audit; or
 - iii Continue the investigation with the assistance of the Division of State Audit; or
 - iv Discontinue the investigation and turn the Contractor's findings over to the Division of State Audit for its investigation.



- (4) The Contractor shall submit to the State, by the date specified in Contract Section A.22.38., a description of its fraud and abuse program. The State reserves the right to review the documents and require changes, where appropriate. The Contractor shall notify the State, in writing, within thirty (30) days of any significant changes to its programs related to insurance or provider fraud, abuse, and waste. The State reserves the right to review the change and require changes, where appropriate.
- (5) The Contractor shall provide a written narrative or report to the State on a quarterly basis regarding the effectiveness of the Contractor's fraud and abuse program, including its fraud and abuse detection activities, findings from those activities, follow-up on findings, proposed improvement activities, and any estimated savings to the Public Sector Plans associated with the Contractor's detection of such fraudulent or wasteful activities. (See Contract Attachment C, Report # 22).

A.10. Member Services.

- a. All member services representatives handling calls related to this Contract shall be familiar with the terms and provisions of this Contract and the Plan Documents, including without limitation, eligibility, covered services, excluded services and procedures, deductibles, applicable cost-sharing, including co-payments and co-insurance, out-of-pocket maximums, instructions for completing a claim form, determining the status of claims, how to handle a complaint, and the member appeals process.
- b. The Contractor's member services representatives shall be dedicated to this Contract. If the Contractor receives prior, written approval from the State, then the Contractor may use non-dedicated staff to handle call overflow during peak periods or in the event of unexpected call volume provided the staff members meet the requirements of this Contract.
- c. The Contractor shall have sufficient staff to respond to inquiries, correspondence, complaints, and problems. The Contractor shall not answer technical questions regarding the State's eligibility policy to enroll in the Public Sector Plans (which is governed by Article III of the Plan Documents) and shall refer these questions to Benefits Administration Service Center staff.
- d. The Contractor shall provide appointment scheduling assistance to members who are unable to secure a behavioral health appointment with a geographically-accessible provider within the timeframes specified in Contract Section A.5.f. The State defines "appointment scheduling assistance" to include the following: (1) If the member is unable to secure an appointment with a network provider within a reasonable period of time through the member's own good faith efforts and the member requests the Contractor's assistance, then the Contractor has an affirmative obligation to contact the provider directly to facilitate appointment scheduling; additionally, (2) If a member is unable to locate a network provider who is accepting new patients through the member's own good faith efforts and the member requests the Contractor's assistance, then the Contractor has an affirmative obligation to assist the member in locating such a provider and securing an appointment within the timeframes specified in Contract Section A.5.f. Unless otherwise specified by the State, the Contractor shall inform the member of the availability of the "Take This to Your Behavioral Health Visit" checklists (see Contract Section A.12.m.) on the Contractor's website and offer to email the member the appropriate checklist for his/her appointment(s).
- e. The Contractor shall have and implement procedures for monitoring and ensuring the quality of services provided by its member services representatives. The Contractor shall submit these procedures to the State, for review and approval, by the date specified in Contract Section A.22.40. Such procedures may include but are not limited to the following activities:
 - (1) Auditing calls/correspondence for each member services representative;



- (2) Silent monitoring of calls;
 - (3) Recording calls for quality and training purposes;
 - (4) Skill refresher courses; and
 - (5) Call coaching.
- f. Working in conjunction with the State, the Contractor shall set standards for member services representatives based upon, but not limited to, an evaluation of the following areas: documentation, greeting, courtesy, responsiveness, explanation and guiding techniques, and accuracy. Adherence to the standards shall be measured, monitored and reviewed by the Contractor each month. Unless otherwise directed by the State, the Contractor shall report monthly results to the State (see Contract Attachment C, Report # 23).
- g. The Contractor shall provide a personalized response, in writing, to ninety-five percent (95%) of written (mail or email) inquiries from members concerning requested information, including the status of claims submitted and covered services, within five (5) business days and one hundred percent (100%) within ten (10) business days. The Contractor shall acknowledge receipt of email inquiries within one (1) business day and reply within the same timeframe established for standard mail.
- h. The Contractor shall designate a client service liaison to respond to member-related issues identified by the State. For matters designated as urgent by the State, the Contractor shall contact the member and resolve the issue and then notify the State of the resolution.
- i. **Member Appeals Process**
- (1) The Contractor shall maintain an appeals process by which members may appeal decisions regarding administration of behavioral health services, clinical necessity determinations, and disputes arising from the Contractor's utilization management program.
 - (2) The Contractor shall maintain formal appeal procedures affording both internal and external levels of review. The Contractor shall ensure all procedures comply with State and Federal law, as applicable, including the Patient Protection and Affordable Care Act. Level I and Level II internal reviews shall be conducted by qualified persons or committees designated by the Contractor. Persons making Level I determinations shall not be involved in Level II decisions. Following internal review, an external level of review shall be offered for appeals involving clinical necessity decisions. External review of clinical necessity appeals shall be conducted by random assignment to one of three Independent Review Organizations (IROs) retained by the Contractor. With the prior written approval of the State, additional levels of review may be offered.
 - (3) By the date specified in Contract Section A.22.42., the Contractor shall submit to the State a detailed description of the Contractor's appeals process and procedures along with sample determination letters for all levels of appeal. Determination letters shall clearly explain further appeal rights or next steps in the appeal process. The State reserves the right to review the appeals process and procedures and letters and require changes, where appropriate. Changes required by Federal or State law shall not result in increased costs to the State.
 - (4) The Contractor shall submit quarterly appeals reports with information regarding each appeal filed with the Contractor (see Contract Attachment C, Report # 24).
 - (5) The Contractor shall provide the State with copies of requested appeal files within ten (10) business days of the State's request.



- (6) Any time a member files an appeal, the Contractor shall ensure all records and information related to the appeal are preserved for the greater of (a) one (1) year following the conclusion of the appeal process, including any external appeals (e.g., applicable independent review or civil action) or (b) any longer period required by other provisions of this Contract or State or Federal law.
- (7) The Contractor shall include notification of the member's right to appeal in any member communication regarding benefit coverage decisions, including but not limited to, letters to members and providers, member handbooks, and Explanation of Benefit (EOB) statements. The text and format of this notice is subject to prior written approval from the State.
- (8) The Contractor shall maintain a procedure for resolving complaints informally by phone. Where a complaint cannot be resolved to the member's satisfaction, the Contractor shall advise the member of his/her right to file an appeal and shall provide instructions for doing so.
- (9) The Contractor shall designate the manner by which a member may file an appeal. The Contractor may require the member to submit a written request or to complete and submit a "member appeal form" or other designated form. If form(s) are required, the Contractor shall make such forms available on its website/portal and by mail within five (5) business days upon request of the member.
- (10) The Contractor shall allow a member one hundred and eighty (180) days to initiate a Level I appeal following notice of an adverse determination. Where a Level I determination is unfavorable, the Contractor shall advise the member of their right to initiate a Level II appeal within ninety (90) days of notice of the Level I decision.
- (11) For pre-service internal appeals (Level I and Level II), the Contractor shall complete the review and issue a written decision to all parties involved within thirty (30) days of receipt. For post-service internal appeals (Level I and Level II), the Contractor shall complete the review and issue a written decision to all parties involved within sixty (60) days of receipt. For expedited appeals not involving a third party review the Contractor shall complete the review and issue a written decision to all parties involved within seventy-two (72) hours of receipt. All other expedited appeals shall be completed within seven (7) calendar days. For all external appeals, the Contractor shall ensure that decisions are issued in compliance with applicable State and Federal law. All decision notices shall advise of any further appeal options.
- (12) The Contractor shall have a qualified individual available to provide support to the State in the research and review of appeal issues or complaints, including making copies of appeals files available to the State upon request. The Contractor shall provide the State with timely notice in the event that the State is required to participate in or provide assistance in support of the appeal process.
- (13) To the extent that any foregoing requirements of Contract Section A.11.i. conflict with Section 1001(4), as amended by Section 10101(g), of the Patient Protection and Affordable Care Act (Pub. L. 111-148) or the implementing regulations of these provisions, then (consistent with Contract Section D.16), the Contractor shall immediately consult with the State and adjust its process in order to comply with Federal law.
- (14) Pursuant to Contract Section D.16, the Contractor and the State will jointly work to interpret and implement the requirements of the Patient Protection and Affordable Care Act (PPACA, Pub. L. 111-148), as amended, and implementing regulations.

A.11. Call Center.

- a. The Contractor shall operate a call center that uses a toll-free telephone number dedicated to the Public Sector Plans as the entry point for members contacting the Contractor.



- b. The toll-free telephone number shall be a vanity number prior approved in writing by the State.
- c. The toll-free telephone number shall become the property of the State of Tennessee upon the termination of this Contract. The Contractor shall transfer said number to the State at no cost to the State such that the State or its designee can maintain this same number for continuous, uninterrupted use by members needing assistance with Employee Assistance/Work-Life and Behavioral Health services after the termination of this Contract.
- d. The Contractor's call center shall be open and staffed with trained and qualified member services representatives on the date specified in Contract Section A.22.
- e. Calls to the Contractor's call center seeking Employee Assistance/Work-Life and Behavioral Health services shall be transferred via "warm" (Simultaneous transfer of a telephone call and its associated data from one agent to another agent or supervisor) transfer to qualified and trained consultants as follows:
 - (1) Calls from members requesting Financial Counseling or Legal Consultation (see Contract Section A.3. and Contract Attachment D) shall be transferred to consultants who are appropriately qualified staff and trained in the Contractor's protocols for intake and referral for the applicable Work-Life service. These consultants shall conduct intake and schedule appointments with work-life consultants who meet, at a minimum, the qualifications specified in Contract Attachment D for financial counseling or legal consultation (as applicable).
 - (2) Calls from members seeking child/elder care assistance shall be transferred to a Work-Life consultant who meets, at a minimum, the qualifications specified in Contract Attachment D for child/elder care assistance.
 - (3) Calls from supervisors seeking supervisor support services shall be transferred to the workplace support team, which shall be a dedicated team of work-life consultants who meet, at a minimum, the qualifications specified in Contract Attachment D for supervisor support.
 - (4) Calls from the State seeking Critical Incident Stress Management (CISM) services shall be transferred to consultants who meet, at a minimum, the qualifications specified in Contract Attachment D for CISM Services.
 - (5) Calls from members in crisis (other than a critical incident to be addressed by CISM services) shall be transferred to consultants who are, at minimum, licensed behavioral health professionals (master's level or higher) with experience handling crisis calls and trained in intake and referral of crisis calls. These consultants shall refer members to an appropriate crisis provider within reasonable access to their location.
 - (6) Calls from members seeking non-crisis behavioral health services shall be transferred to consultants who are, at minimum, licensed behavioral health professionals (master's level or higher) and trained in intake and referral for behavioral health, including covered services and the Contractor's online provider directory, eligibility database, and referral protocols. These consultants shall guide the member to the appropriate type and level of care and refer members to a qualified behavioral health provider within reasonable access to their location.
- f. The Contractor shall refer calls seeking member or supervisor education or training to the State.
- g. On every telephone contact with a member, the member services representative shall verify the member's contact information, including home address and phone number. If a member's contact information has changed, the Contractor shall record that information in its systems (in a manner consistent with Contract Section A.17. so as to avoid automatic overwriting by the



daily enrollment update). If the change is to a member's home address or phone number as reflected in the State's enrollment file, the Contractor shall refer the member to their employer to update their address and contact information, send the member a "Notice of Address Change Instructions" within three (3) business days and communicate the updated address information to the State within thirty (30) days.

- h. The Contractor's call center and staff shall be located in the continental United States.
- i. The Contractor's call center shall accept crisis calls twenty-four hours a day, every day of the year. The Contractor's call center shall accept all other calls Monday through Friday for a continuous nine (9) hour period beginning no later than 8:00 a.m. Central Time except on official State Holidays. The Contractor's hours of operations are subject to prior State approval. See Contract Section A.11.w. and A.11.x.
- j. The Contractor's call center shall be equipped with TDD (Telephone Device for the Deaf) in order to serve the hearing impaired population.
- k. The Contractor shall offer and provide oral interpretation services via a telephone interpretation service free of charge to any caller who has limited English proficiency as defined by a caller whose native language is not English and whose difficulty in speaking or understanding English limits their ability to access services. These services shall be available twenty-four (24) hours a day, every day of the year.
- l. The Contractor shall refer calls regarding eligibility or enrollment systems issues to the State.
- m. The Contractor shall have policies and procedures related to the operation of its call center, including scripts and referral protocols. These policies and procedures shall be submitted to the State for review and prior approval on or before the date specified in Contract Section A.22.46.
- n. The Contractor's call center shall meet each of the following performance standards:
 - (1) The Contractor's call center shall answer, by a person, one hundred percent (100%) of calls within three (3) minutes (180 seconds).
 - (2) The Contractor's call center shall maintain an average seconds to answer (ASA) of less than one (1) minute (60 seconds) and after answering the call the Contractor may only put callers on hold in order to (a) make outbound calls as necessary or (b) to research a caller's issue.
 - (3) The Contractor's call center shall maintain a blocked call rate of less than one percent (1%).
 - (4) The Contractor's call center shall maintain an abandoned call rate of not more than three percent (3%).
- o. The Contractor shall calculate each performance measure for three continuous periods of equivalent length during the normal business hours of each business day.
- p. The Contractor shall provide call center statistics related to the performance standards above to the State on a daily basis during the thirty (30) days prior to the go-live date through the sixty (60) days after the go-live date. The Contractor shall also submit, by the first business day of each week, a report with data for the preceding week, and by the fifth business day of the month, a summary report with data for the preceding month. The monthly report shall include weekly and monthly data. (See Contract Attachments B and C.)



- q. The Contractor's call center shall have call management systems and communications infrastructure that can manage the potential call volume and achieve the performance standards described in this Contract.
- r. The Contractor's call management systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes where applicable, in response to program, benefit, or enrollment changes.
- s. The Contractor's call management systems shall be equipped with caller identification. In addition, the Contractor's call center shall adopt caller identification for itself that is prior approved in writing by the State. Testing protocols shall be established by the Contractor at least thirty (30) days prior to go-live date to ensure address descriptors appear consistent on land and cellular telephone lines.
- t. The Contractor's call management systems shall provide greeting messaging when necessary. The Contractor may play music and/or messages prior approved by the State for the callers while they are on hold and shall play messages as directed by the State. The Contractor shall not play advertising or informational messages for callers while they are on hold unless prior approved in writing by the State (or the State directs the Contractor to play certain messages). Additionally, the Contractor's systems shall provide a message that notifies callers that calls are being recorded and may be monitored by the Contractor for quality control purposes.
- u. The Contractor's call management system shall record and index at least a statistically valid sample of calls. The index shall include the phone number of the caller, the caller's name, the date/time of the call, and the staff member who handled the call. The Contractor shall be able to provide a full recording of each call upon the State's request. The Contractor shall have policies and procedures related to providing State access to recorded calls, including who can request and who can approve access to a recorded call. These policies and procedures shall be submitted to the State for review and prior approval on or before the date specified in Contract Section A.22.49.
- v. The Contractor's call management systems shall facilitate the processing of all calls received and assign incoming calls to available call center staff in an efficient manner. The system shall transfer calls to other telephone lines as necessary and appropriate, including transfers to other vendors (e.g., a medical TPA, the PBM, or the HMW vendor).
- w. The Contractor may use an automated interactive voice response (IVR) system for managing inbound calls, provided that the caller always has the ability to leave the IVR system and wait in queue in order to speak directly with a live-voice call center staff member rather than continue through additional prompts. The Contractor shall not have more than one level of menu choices (limited to five (5) options) unless prior approved in writing by the State, and the first option shall be for crisis/emergency calls. The Contractor's decision tree and menu are subject to State review and prior written approval.
- x. For non-crisis calls the Contractor shall inform callers of their likely wait times (based on real-time information, including call volume and member services representative availability) as they enter the queue. The Contractor shall also provide a "dial back" option that allows callers to receive a call back from the next available member services representative as applicable. Note that calls receiving a call back pursuant to this provision are not counted as "abandoned." All crisis calls shall be answered within sixty (60) seconds.
- y. The Contractor shall have the ability to make outbound calls without interrupting the ability of callers to continue to access the call center.



- z. The Contractor shall have the ability to allow third parties (the State or its authorized representative) to monitor recorded calls from a remote location. The Contractor shall have the ability to provide a random sample of de-identified (recordings of interactions that have been stripped of identifying information) calls to the State on a monthly basis.
- aa. The call management system shall enable the logging of all calls, including:
 - (1) The caller's identifying information (e.g., employee ID);
 - (2) The call date and time;
 - (3) The reason for the call (including a reason code using a coding scheme prior approved by the State in writing);
 - (4) The member services representative that handled the call;
 - (5) The length of call; and
 - (6) The resolution of the call (including a resolution code using a coding scheme prior approved by the State in writing) (and if unresolved, the action taken and follow up steps required).

Additionally, the call management systems shall maintain a history of correspondence and call transactions for performance management, quality management and audit purposes. This history shall contain the actual information, a date/time stamp that corresponds to when the transaction took place, the origin of the transaction (e.g., the State and/or one of its authorized representatives or the member), and the member services representative that processed the transaction. Related correspondence and calls shall be indexed and properly recorded such that they can be treated in reporting and analysis as part of a distinct transaction.

A.12. Member Information and Communication.

- a. The Contractor shall, in consultation with and following written approval by the State, conduct member information and communication, including development of information and communication materials (hereinafter member materials).
- b. Unless otherwise specified in this Contract, the Contractor shall be responsible for all costs related to the design, development, mailing, if applicable, and revision of all member materials that are required to be produced under the terms of this Contract.
- c. Unless otherwise directed by the State, the Contractor shall obtain approval in writing from the State prior to using or distributing any member materials.
- d. General Requirements for Member Materials
 - (1) The Contractor shall ensure that all member materials are consistent with the State's creative plan and communication framework for "ParTNers for Health".
 - (2) All materials shall be cobranded to reflect the State's "ParTNers for Health" brand and the vendor's brand. With respect to pre-printed, large-volume stock materials, the Contractor shall also include the "ParTNers for Health" logo and receive prior approval from the State.
 - (3) The Contractor shall have the exclusive responsibility to write, edit, and arrange for clearance of materials (such as securing full time use of a stock photograph used in brochures for perpetuity) for any and all member materials developed under this Contract within the applicable timeframe.
 - (4) The Contractor shall ensure that its member materials are culturally sensitive and professional in content, appearance, and design.



- (5) The Contractor shall prominently display the Contractor's call center telephone number and website address in large, bolded typeface on all member materials.
- (6) The Contractor shall, to the extent practicable, use relatively large and legible fonts in its member materials. Additionally, the Contractor shall make maximum use of graphics to communicate key messages to populations with limited literacy or limited English proficiency.
- (7) Unless otherwise prior approved in writing by the State, the Contractor shall design all member materials at the sixth (6.0) grade reading level or lower using the Flesch-Kincaid Index or other suitable metric that the State prior approves in writing. The Contractor shall evaluate materials using the entire text of the materials (except return addresses). When submitting draft materials to the State for approval, the Contractor shall provide a reading level analysis and certification of the reading level of each piece of material.
- (8) As part of its submission of draft material to the State for approval, the Contractor shall specify whether the material will be sent by email or regular mail. The State shall have exclusive responsibility for sending mass-distribution emails and determining the frequency and scheduling. If the use of regular mail is prior approved by the State for a member communication beyond those communications listed in Contract Section A.5.o., the State shall pay the cost of postage, printing and production costs of such mailings pursuant to Contract Section C.3.f. The Contractor shall use first class rate for all mailings, unless otherwise directed or prior approved in writing by the State. The Contractor may use bulk mail and medical mail rates, if prior approved in writing by the State.
- (9) The Contractor shall provide electronic templates of all finalized member materials in a format that the State can easily alter, edit, revise, and update. Absent gross negligence or malfeasance by the Contractor, the Contractor has no liability for errors on other deliverables that the State did not find or correct before giving final approval for the individual materials. However, the Contractor shall produce and distribute corrected versions of the individual materials at the State's direction. Costs incurred by the Contractor for producing and mailing corrected versions of materials as directed by the State shall be paid by the State pursuant to Contract Section C.3.f.
- (10) The Contractor covenants that all materials distributed to members and prepared or produced by the Contractor shall be accurate in all material respects.
- (11) The Contractor shall ensure that up-to-date versions of all printed member materials can be downloaded from its website/portal.
- (12) The Contractor shall develop, design, print, and distribute all descriptive brochures, letters and administrative forms pertaining to or sent to members. The number of plan descriptive brochures to be printed shall be in sufficient quantities for the State's members and shall be mailed to requesting organizations or members' homes. The cost of designing, printing, and distributing brochures and administrative forms shall be the responsibility of the Contractor.

e. Quarterly Thematic Messaging.

- (1) The Contractor shall collaborate with the State and other State vendors in an iterative process to identify the theme(s) and potential messaging for quarterly messaging to members. The themes and potential messaging shall be consistent with the State's communication framework for the Public Sector Plans. After the theme(s) and potential messaging has been identified, the Contractor shall develop and submit draft messaging to the State for review and approval.
- (2) Unless otherwise directed by the State, the messaging shall include:



- i Monthly Work-Life and behavioral health messages that focus on a specific condition or service. These messages will be provided to all members and shall provide action steps and practical tips as to how members can take steps for themselves as well as support families, friends and co-workers who might have the condition or need the service in question; and
 - ii Periodic, population-based messages.
 - (3) With the submission of the draft messaging the Contractor shall include a description of when email will be used and when postcards or other print media (as specified by the State) will be employed.
 - (4) The Contractor shall submit the messaging for the first messaging of the 2012 plan year to the State, for review and approval, by the date specified in Contract Section A.22.50.
 - (5) The Contractor shall provide the text for work-life and behavioral health messages that will be sent via email to the State in HTML and plain text.
 - (6) Consistent with Contract Section A.12.d. above, the State shall be responsible for sending e-mails, and the State shall pay the at cost postage, printing, and production costs for postcards (see also Contract Section C.3.f.).
- f. Welcome Letter. Unless otherwise directed by the State, the Contractor shall prepare and mail a welcome letter to all members no later than twenty-one (21) days prior to the go-live date. Thereafter, all members enrolled during the 2012 plan year shall receive a welcome letter within ten (10) days of the Contractor's receipt of their enrollment information. There shall be one welcome letter tailored to members who are enrolled in one of the medical benefit options of the Public Sector Plans and one tailored to members who are not enrolled in one of the medical benefit options of the Public Sector Plans. Each welcome letter shall include, at a minimum, a description of available services, the Contractor's website address, the toll-free number for the Contractor's call center, and a refrigerator magnet or other marketing engagement item approved in advance by the State. The welcome letters and magnet must be prior approved in writing by the State and shall be submitted for State approval by the date specified in Contract Section A.22.51. and A.22.52. The Contractor shall pay the cost of printing and mailing welcome letters and magnet or other marketing engagement item approved in advance by the state.
- g. Orientation Online Video for Members. The Contractor shall write and professionally produce an online video to orient members to EAP/Work-Life services, (see Contract Section A.3.b.), and other behavioral health services available to eligible members. The online video shall be no longer than thirty (30) minutes. The Contractor shall review and revise the online video as necessary, but no less frequently than annually. The Contractor shall provide access to the online video on its website so members can view the video and shall provide hard copies of the video to the State upon request. The Contractor shall pay the costs of producing such hard copies. The Contractor shall submit the initial online video to the State, for review and approval, by the date specified in Contract Section A.22.53.
- h. Orientation Online Video for Supervisors. The Contractor shall write and professionally produce a online video to orient supervisors to EAP/Work-Life services, workplace support services, and management tools available on their website (see Contract Section A.3.b.), and other behavioral health services available to eligible members. The online video shall be no longer than thirty (30) minutes. The Contractor shall review and revise the online video as necessary, but no less frequently than annually. The Contractor shall provide access to the video on its website so that supervisors can view the online video online and shall provide hard copies of the video to the State upon request. The Contractor shall pay the costs of producing such copies. The Contractor shall submit the initial online video to the State, for review and approval, by the date specified in Contract Section A.22.54.



- i. Awareness and Support Materials for Supervisors.
- (1) Unless otherwise directed by the State, the Contractor shall develop at least one (1) electronic media piece each quarter that specifically targets supervisors. The goal of such media pieces is to increase awareness of and referrals to the Contractor. Such media pieces shall be consistent with the thematic messaging described in Contract Section A.12.e.
 - (2) Unless otherwise directed by the State, the Contractor shall develop and produce a bi-monthly (six times per year) customized newsletter for supervisors that focuses on tools and resources available to supervisors. At the State's direction, the Contractor shall substitute another marketing piece for the newsletter.
 - (3) Upon State approval of the materials described in (1) or (2) above, the Contractor shall provide the final version(s) in electronic format to the State for the State to distribute via email. The Contractor shall post the materials on its website and email them to supervisors upon request.
- j. Member Newsletter.
- (1) The Contractor shall develop six (6) times per year (bimonthly), beginning in January of 2012, customized member newsletter. At the direction of the State, articles may include, for example, information to educate members about the services available from the Contractor, how those services might benefit members, information and education on specific conditions or topics consistent with the quarterly thematic messaging (see Contract Section A.12.e), and news and upcoming events. At the State's direction, the Contractor shall substitute other marketing pieces for the newsletters.
 - (2) The Contractor shall work collaboratively with the State and its vendors (e.g., medical TPAs, the HMW vendor, and the PBM) to identify key topics for the newsletters/marketing pieces to be prepared by the Contractor.
 - (3) Upon State approval of the articles/marketing pieces, the Contractor shall provide the final newsletters/marketing pieces in electronic format to the State for the State to distribute via email. The Contractor shall post the final newsletters/marketing pieces on its website.
- k. Supervisor Manual. The Contractor shall develop and produce a supervisor manual. The supervisor manual shall be a support tool for supervisors to manage performance and behavior and mitigate risk. The supervisor manual shall include, for example, information on the Work-Life services available from the Contractor and how members can access them, tips for identifying when an employee may be having a work-life problem and how the Workplace Support Team can help the supervisor address the potential problem, guidelines for documenting potential problems, tips for addressing the potential problem directly with the employee, how to refer employees to the Contractor and the types of referral, guidance on preventing workplace violence, and the types of training available for both members and supervisors and how to request training. The Contractor shall review and revise the Supervisor Manual as necessary, but no less frequently than annually. Upon State approval of the supervisor manual, including updates, the Contractor shall post the supervisor manual on its website. The Contractor shall be responsible for the provision and distribution of hard copies of the Supervisor Manual at any supervisor training and upon State request. The Contractor shall submit the initial supervisor manual to the State, for review and approval, by the date specified in Contract Section A.22.58.
- l. Training Catalog. The Contractor shall develop and maintain a training catalog that lists the courses provided by the Contractor and that are available to the State upon request. The catalog shall include at least fifty (50) courses on multiple topics. The Contractor shall offer the



courses in-person, via telephone/web conferencing, and online. The Contractor shall review and revise the training catalog as necessary, but no less frequently than annually. The Contractor shall submit the initial training catalog to the State, for review and approval, by the date specified in Contract Section A.22.59.

- m. The Contractor shall develop "Take This to Your Behavioral Health Visit" checklists for members to use for appointments with behavioral health practitioners. These checklists shall vary by age group, sex, and general type of visit (e.g., medication monitoring, addiction counseling) and shall include, but not be limited, to items to bring to the appointment, what to expect during the appointment, and questions to ask the provider. These checklists shall be available on the Contractor's member website/portal and, pursuant to Contract Section A.10.d., shall be emailed to members who receive appointment scheduling assistance. The Contractor shall submit draft checklists, for review and approval by the State, by the date specified in Contract Section A.22.60.
- n. On an annual basis, at least two (2) months prior to the State's Annual Enrollment Transfer Period or Open Enrollment Period (whichever is applicable in that year), the Contractor shall provide to the State, in both hard copy and electronic format, information requested by the State, which shall include but not be limited to the toll-free call center number, website/portal address, website/portal logon information, a confidentiality statement, procedures for accessing services, and other updates and/or changes that may be helpful to potential members.
- o. At the State's request, the Contractor shall notify members, in writing, of any benefit changes no less than thirty (30) days prior to the implementation of the change. At cost Postage and production costs incurred by the Contractor, which are the direct result of communications requested by the State for benefit changes that have been initiated by the State, shall be paid by the State pursuant to Contract Section C.3.f.
- p. Unless otherwise directed by the State, the Contractor shall print and distribute any mass mailings developed by the State within seven (7) business days of receiving the text from the State. The State shall pay for printing and mailing these materials pursuant to Contract Section C.3.f.

A.13. Website/Portal.

- a. The Contractor shall maintain an easy-to-use, streamlined, readable on a variety of mobile devices, and interactive website/portal dedicated to and customized for this Contract.
- b. The website/portal shall be fully operational, with the exception of member data/Protected Health Information, on or before the date specified in Contract Section A.22.62.
- c. The design of the website/portal, inclusive of the site map, page layout, color/font scheme and branding, static content and any documents that can be accessed via or downloaded from the website/portal, must be prior approved in writing by the State and shall be consistent with the State's creative plan and communication strategy for "Partners for Health". Additionally, the Contractor shall obtain prior, written approval from the State for any links from the site to an external (governmental and non-governmental) website/portal or webpage.
- d. The Contractor shall review and update the website/portal as necessary, but no less frequently than monthly.
- e. The Contractor shall update content and/or documents posted to or accessed via the website/portal within five (5) business days of the State's approval of changes to said content and/or documents.



- f. In association with the State's Annual Enrollment Transfer Period or Open Enrollment Period (whichever is applicable in that year), the Contractor shall provide all information pertinent to each new plan year on the website/portal by the first day of said period.
- g. The Contractor shall submit to the State a website/portal design specifications document, inclusive of a comprehensive site map, page design documentation including "screenshots" of all pages, all links to external sites (governmental and non-governmental) and all static content and documents associated with release #1 of the website/portal for review and approval by the date specified in Contract Section A.22.63.
- h. The Contractor shall host the website/portal on a non-governmental server, which shall be located within the United States.
- i. The Contractor shall ensure that the website/portal meets all of the capacity, availability, performance and security requirements outlined in Contract Sections A.17., A.18. and A.19.
- j. The Contractor's domain name shall be specific to the Public Sector Plans. The Contractor shall obtain and pay the cost of the domain name for the website/portal. The Contractor shall transfer ownership of the domain name to the State upon termination of this Contract without delay and at no cost to the State.
- k. To ensure accessibility among persons with a disability, the Contractor's member website/portal shall comply with Section 508 of the Rehabilitation Act of 1973 (29 USC Section 794d) and implementing regulations at 36 CFR 1194 Parts A-D.
- l. The website/portal shall be "Bobby-approved" (as defined in Contract Section A.23.k.).
- m. The Contractor shall collaborate with the State and its HM/W vendor to "virtually" integrate the Contractor's website/portal with the website/portal developed by the HM/W vendor for the Public Sector Plans and minimize duplication between the two websites/portals.
- n. If directed by the State, the Contractor's website/portal will be integrated to the website/portal of the State and/or its vendor, and the Contractor shall conform to the applicable State or vendor standard for website structure, design/layout, navigation and usability.
- o. At a minimum the Contractor's website/portal for this Contract shall include:
 - (1) An easy-to-navigate home page;
 - (2) General information about Employee Assistance/Work-Life services and behavioral health services;
 - (3) Frequently asked questions (FAQs) with answers;
 - (4) Quarterly thematic messaging (see Contract Section A.12.e);
 - (5) Orientation for members (see Contract Section A.12.g.);
 - (6) Member newsletters/marketing pieces (see Contract Section A.12.j);
 - (7) Up-to-date internet-based directory of behavioral health providers (see Contract Section A.5.p.);
 - (8) Written tips to help members select a provider, including potential questions to ask the provider and how to evaluate the provider's responses;
 - (9) "Take This to Your Behavioral Health Visit" checklists (see Contract Section A.12.m.);
 - (10) Legal forms (including but not limited to wills, advance directives, and durable power of attorney for health care) that are legally valid in Tennessee; the website shall allow



- members to complete, save to a disk, and print the completed forms an unlimited number of times;
- (11) Links to appropriate public and private child/elder care online resources;
 - (12) Self-assessments and tests related to Employee Assistance/Work-Life or behavioral health services, including personal results;
 - (13) Community forums and other social networking features;
 - (14) Reliable and valid information resources on Employee Assistance /Work-Life and behavioral health topics;
 - (15) Evidence-based practice guidelines, protocols, or pathways applicable to this Contract;
 - (16) Provider quality comparative information;
 - (17) Appeals forms (if applicable);
 - (18) Claim forms;
 - (19) Information about the explanation of benefits (EOB), including a sample form with an explanation of each item;
 - (20) A member-specific portal that members can access securely and confidentially via specific member accounts and in which members can obtain information on eligibility and coverage, including cost-sharing requirements, submit and track claims online, and obtain prior authorization for Employee Assistance/Work-Life routine outpatient behavioral health visits;
 - (21) A web page specific to supervisors, which shall include, at a minimum, the following:
 - i Orientation for supervisors (see Contract Section A.12.h.);
 - ii Awareness media pieces for supervisors (see Contract Section A.12.i.);
 - iii Supervisor newsletters and alternative marketing materials (see Contract Section A.12.i.);
 - iv The supervisor manual (see Contract Section A.12.k.);
 - v The member and supervisor education and training schedule;
 - vi The Contractor's training catalog (see Contract Section A.12.l.); and
 - vii Other resources for supervisors.
 - (22) A secure vehicle through which members can post questions to the Contractor, and the Contractor can answer said question (the Contractor shall respond within the timeframe specified in Contract Section A.10.g. for email inquiries); and
 - (23) Contact information, including mail, email, toll-free call center number, and fax number for the Contractor.

A.14 Coordination and Collaboration.

- a. The Contractor shall coordinate with all other approved State vendors, including but not limited to the PBM, the medical TPAs, and the HMW vendor as necessary to ensure that members receive appropriate services. This coordination shall include, but is not limited to making referrals, providing information, exchanging data, and attending and participating in meetings.
- b. The Contractor is responsible for coordinating with the PBM and the State as necessary to ensure that members receive appropriate outpatient behavioral health pharmacy services. Coordination by the Contractor shall include the following:



- (1) Accepting and maintaining prescription drug data from the PBM in a manner and format and at a frequency specified by the State.
 - (2) Intervening with individual network providers, as identified by the Contractor, the PBM, the HM/W vendor, or the State, (1) whose prescribing practices appear to be operating outside industry or peer norms as defined by the State, (2) are non-compliant as it relates to adherence to the State's formulary and/or generic prescribing patterns, and/or (3) who are failing to follow required prior authorization processes and procedures. The goal of these interventions shall be to improve prescribing practices by the identified network provider. Interventions shall be individualized and face-to-face. As appropriate, the intervention may be a team effort that involves representatives from the Contractor, the PBM, the medical TPA, and/or the HM/W vendor.
- c. The Contractor is responsible for working directly with the medical TPAs. Coordination by the Contractor shall include the following:
- (1) Provision of information for the medical TPA to include in the member handbook and the member identification card, including Employee Assistance/Work-Life and behavioral health services information, the Contractor's toll-free telephone number, hours of operation, and website address.
 - (2) Provision of behavioral health benefit information for the medical TPA to include in Annual Enrollment Transfer Period or Open Enrollment Period (whichever is applicable in that year) for distribution to members. Such materials shall include network lists, website information, toll-free call center number, policies and procedures, confidentiality statement and other updates and/or changes that may be helpful to the State's members.
 - (3) Coordinating benefits administration with each medical TPA in order to ensure the proper determination of responsibility as well as the efficient and timely processing of claims, the adequate capture of data, and timely medical record request responses. The Contractor shall work with each medical TPA in order to appropriately manage split claims.
 - (4) Provision of claims data on a daily basis, or more frequently if requested by the State, using the agreed upon format and methodology. The medical TPAs will use this information to, among other functions, track a member's deductible and out-of-pocket expenses and subrogate behavioral health claims.
 - (5) Accepting and maintaining data, including claims data, from each medical TPA in a manner and format and at a frequency specified by the State.
 - (6) Working with each medical TPA in order to appropriately manage patients with co-occurring behavioral health and medical conditions, including co-management to include consultations when necessary between the clinical staff of the Contractor and the medical TPAs.
 - (7) Analyzing claims data from the medical TPAs and PBM and using other information to identify providers in each medical TPA's network that need additional education regarding prescribing patterns and clinical interventions/treatment for behavioral health conditions (except as provided in Contract Section A.8.). Each medical TPA shall be responsible for educating its providers.
 - (8) Participating as applicable in the medical TPA's discharge activities for individual members who have both medical and behavioral health needs.
 - (9) Collaborating with the State and other stakeholders to identify the appropriate depression screening and referral protocols in primary care environments.



- (10) Other activities necessary for the appropriate coordination of benefits and claims payment of medical and behavioral health benefits.
- d. Except as provided in Contract Section A.7., the Contractor is not responsible for providing health management and wellness services; however, the Contractor shall coordinate with the HM/W vendor. Coordination by the Contractor shall include the following:
- (1) If a member meets State-approved criteria for referral to the HM/W vendor's disease management (DM) program for depression, the Contractor shall refer the member to the HM/W vendor. This referral shall include providing member contact information to the HM/W vendor. The Contractor shall coordinate services for members receiving DM services for depression with the HM/W vendor. If a member eligible for DM services for depression also has a current or past diagnosis indicating that the member has serious or persistent mental illness or if the member has had an inpatient admission for a behavioral health condition within the past two (2) years, the Contractor shall consult with the HM/W vendor regarding whether the Contractor's case management program may be more appropriate. If the Contractor and the HM/W vendor agree that the Contractor's case management is more appropriate, then the HM/W vendor shall not be responsible for providing DM services for depression to that member.
 - (2) The Contractor shall provide inpatient discharge planning information regarding specific members to the HM/W vendor using the process prior approved by the State (see Contract Section A.6.g.).
 - (3) The Contractor's facility discharge planning process shall include, as appropriate for a particular member, coordination with the State's HM/W vendor to provide health management services (e.g., case management and/or disease management services). The discharge plan shall identify the post-discharge care that the Contractor will provide and the services that will be provided by the HM/W vendor (e.g., diabetes disease management for a member with schizophrenia and diabetes).
 - (4) As directed by the State, the Contractor shall implement cost-sharing incentives (e.g., lower rates of co-insurance, provision of co-payments in lieu of co-insurance, waiver of or provision of lower deductible amounts) for members engaged in disease management and other programs as reported to the Contractor by the State or the HM/W vendor.
- e. Meetings with Other Vendors
- (1) The Contractor shall attend the annual State-sponsored vendor summit with representatives from the State, the medical TPAs, the PBM, and the HM/W vendors. The purpose of the vendor summit is to identify issues, develop solutions, share information, leverage resources, and discuss and develop policies and procedures as necessary to ensure collaboration among vendors and the State.
 - (2) Unless otherwise directed by the State, qualified members of the Contractor's clinical staff shall participate in weekly conference calls with the medical TPAs, the PBM, and the HM/W vendors to address issues or concerns regarding individual members, particularly members with complex needs. In preparation for each call, the Contractor shall identify members and their issues/concerns, provide applicable documentation, including clinical information to the appropriate vendors, and develop recommendations for resolving the issue/concern. A medical TPA, the PBM, the HM/W vendor, and/or the State may also identify members, and the Contractor shall develop draft recommendations for resolving the issue/concern if applicable.
 - (3) Unless otherwise directed by the State, qualified members of the Contractor's staff shall participate in monthly conference calls with the State and representatives from the medical TPAs, the HM/W vendor, and/or the PBM.



- (4) Unless otherwise directed by the State, qualified members of the Contractor's staff shall participate in quarterly meetings with the State and representatives from the medical TPAs, the HM/W vendor, and the PBM, to improve coordination of their services to members.

f. Transition of Services at Conclusion of Contract to Other Vendors

The Contractor shall provide the service of transitioning all existing services awarded under this contract to the next awarded contract holder at no additional cost to the State. A written transition plan shall be provided to the State within nine (9) months prior to the end of the current Contract.

A.15. Administrative Services.

- a. The State shall determine all policies and benefits related to the Public Sector Plans. Should the Contractor have a question on policy determinations, benefits, or operating guidelines required for proper performance of the Contractor's responsibilities, the Contractor shall request a determination in writing. The State will then respond in writing making a determination within thirty (30) calendar days. The Contractor shall then act in accordance with such policy determinations and/or operating guidelines.
- b. The Contractor, upon request by the State, shall review and comment on proposed revisions to the benefits in the Public Sector Plans. When so requested, the Contractor shall comment in regard to:
 - (1) Industry practices;
 - (2) The overall cost impact to the Public Sector Plans;
 - (3) Any cost impact to the Contractor's fee;
 - (4) Impact upon the Contractor's performance;
 - (5) Necessary changes in the Contractor's reporting requirements; and/or
 - (6) System changes.
- c. The Contractor shall provide advice and assistance with regard to questions regarding effective dates, covered services, premiums, cost-sharing and cessation of coverage as requested by the State, members, and providers.
- d. The Contractor shall serve as a subject-matter resource by responding to specific inquiries from and by providing information to the State on emerging best practices and applicable existing and proposed Federal and State laws and regulations that affect Work-Life and/or behavioral health services.
- e. The Contractor shall respond to all inquiries in writing from the State within seven (7) calendar days after receipt of said inquiry. In cases where additional information to answer the State's inquiry is required, the Contractor shall notify the State immediately as to when the response can be furnished to the State. For matters designated as urgent by the State, the Contractor shall provide a response to the State within four (4) hours during normal business hours. During non-business hours the Contractor shall provide a response to urgent matters to the State within twenty-four (24) hours. Staff members, from the applicable business unit, with final decision making authority shall provide responses.
- f. To maintain the privacy of personal health information, the Contractor shall provide to the State a method of securing email for daily communications between the State and the Contractor. An



ongoing issues log with a system for tracking resolution shall be sent to the State on a weekly basis, and more often if requested.

- g. The Contractor shall attend ongoing monthly operational meetings according to the State-specified schedule. If necessary, the State may require more frequent meetings. Such meetings shall be either by phone or onsite at the offices of the State of Tennessee in Nashville, TN, as determined by the State, and shall include the Account Manager and appropriate staff. Any costs incurred by the Contractor as a result of a meeting with the State shall be the responsibility of the Contractor. Refer to Contract Section C.4.
- h. The Contractor, at the request of either party, shall meet with representatives of the State periodically, but no less than quarterly, to discuss any problems and/or progress on matters outlined by the State. The Contractor shall have in attendance the staff requested by the State, which may include a Program Director and representatives from the Contractor's organizational units required to respond to topics indicated by the State. The Contractor shall provide information to the State concerning its efforts to develop cost containment mechanisms and improve administrative activities, as well as trends in the provision of covered services. The Contractor shall provide advice, assistance and information to the State regarding applicable existing and proposed Federal and State laws and regulations affecting the Public Sector Plans. The Contractor shall also provide information to the State regarding the administration of the benefit, internal procedures for billing and reconciliation of transactions, the provision of Work-Life and/or behavioral health services, and other administrative matters. These meetings will take place at the State of Tennessee offices in Nashville, TN. However, at its discretion, the State may allow the Contractor to participate in such meetings by teleconference.
- i. The Contractor shall be responsible for preparing the agendas for and taking minutes during all meetings with the State, including meetings with non-State attendees. The Contractor shall submit the proposed agenda to the State at least forty-eight (48) hours prior to the meeting for State review and proposed changes. After all meetings the Contractor shall prepare meeting minutes, which shall include specific information on required action items with responsible parties assigned to said action items. After approval of the minutes by the State, the Contractor shall distribute meeting minutes to all key Contractor project staff and meeting attendees.
- j. The Contractor's Account Manager shall attend each meeting of the State's EAP Advisory Council, which meets on at least a quarterly basis.
- k. The Contractor shall be responsible for conducting four (4) seminars per year, each of which shall be approximately one (1)-hour in length, on topics to be determined in collaboration with the State. The audience shall be other Public Sector Plan representatives, State staff, and other appropriate individuals as determined and requested by the State.
- l. The Contractor shall not modify the services or benefits provided to members during the period of this Contract without the prior written consent of the State.
- m. The Contractor shall refer all media and legislative inquiries to Benefits Administration, which will have the sole and exclusive responsibility to respond to all such queries. However, the Contractor shall respond directly to audit requests from the Comptroller, to audit requests from divisions within the Department of Finance & Administration, and to subpoenas; in all such instances, the Contractor shall copy Benefits Administration on all correspondence.
- n. The Contractor shall ensure the U.S. Postal Service returns all undeliverable mail and mail forwarding information to the Contractor, not to the State. Unless otherwise directed by the State, for all mailing materials, the Contractor shall use the "Address Service Requested" endorsement as described in Section 507.1.5 of the U.S. Postal Service's Domestic Mail Manual (DMM).



- o. The Contractor shall review all returned mail from any mailings to members or providers to determine if the member or provider has moved, if the Contractor has the wrong address, and/or if the member or provider is communicating other contact information to the Contractor or to the State. If the U.S. Postal Service indicates that a new address is available, the Contractor shall send the member a "Notice of Address Change Instructions" within three (3) business days and communicate the updated address information to the State within thirty (30) days. The Notice of Address Change Instructions shall be prior approved by the State in writing. Unless otherwise directed by the State, the Notice of Address Change Instructions shall explain to members that they need to contact their employer to update their address and contact information. The Contractor shall track returned mail and shall report monthly to the State the number of pieces of returned mail, the reason the mail was returned and action taken by the Contractor. The Contractor shall include in this report a list of all members whose mail was undeliverable due to an incorrect address provided by the State. (See Contract Attachment C, Report # 25)
- p. Unless prior approved in writing by the State and in compliance with State and Federal law, the Contractor shall not use information gained through this Contract, including but not limited to utilization and pricing information, in marketing or expanding non-State business relationships or for any pecuniary gain.
- q. The Contractor shall not subcontract with any person or organization to provide any of the services to be performed under this Contract without obtaining the prior written approval of the State (see Contract Section D.5.). The Contractor shall not subcontract with any person or organization to meet the requirements in Contract Sections A.6., A.7., A.9., or A.11. The Contractor shall monitor any subcontractor's performance consistent with the requirements of this Contract on an ongoing basis and take any necessary corrective action to address any identified issues. Upon the State's request, the Contractor shall, within the timeframe specified by the State, provide a report that documents its monitoring activities, findings, and any corrective actions.

A.16. Staffing.

- a. The Contractor shall provide and maintain qualified staff at a level that enables the Contractor to meet the requirements of this Contract. The Contractor shall ensure all persons, including independent contractors, subcontractors and consultants assigned by it to perform under the Contract, shall have the experience and credentials necessary (i.e., licensed, and bonded, as required) to perform the work required herein. In addition, the Contractor shall ensure all persons assigned by it to perform work under the Contract shall be fully qualified to perform the services required herein. The Contractor shall include a similar provision in any contract with any subcontractor selected to perform work hereunder.
- b. For its work under this Contract, the Contractor shall not use any person or organization on the U.S. Department of Health and Human Services' Office of Inspector General (OIG) exclusions list unless the Contractor receives prior, written approval from the State.
- c. The Contractor shall ensure all staff members receive initial and ongoing training regarding all applicable requirements of this Contract and the Public Sector Plans. The Contractor shall ensure staff members who provide services under this Contract have received comprehensive orientation and training regarding their functions, are knowledgeable about the Contractor's operations relating to the Public Sector Plans, and are knowledgeable about their functions and how those functions relate to the requirements of this Contract.
- d. The Contractor shall have on staff sufficient qualified, licensed and trained behavioral health professionals whose primary duties are to conduct medical necessity reviews of claims, including review of complex or questionable claims.



- e. The Contractor shall have on staff sufficient qualified, licensed and trained behavioral health professionals whose primary duties are to perform utilization management services.
- f. The Contractor shall have an ongoing dedicated, full-time Account Team approved by the State that can provide daily operational support as well as strategic planning and analysis. All members of the Account Team shall have previous experience administering EAP/Work-Life or behavioral health services for large employers (over 50,000 members). The Account Team shall be available for consultation with the State during the hours of 8:00 a.m. to 4:30 p.m. Central Time, Monday through Friday, as required to fulfill the scope of services specified in this Contract. The Account Manager shall also be available via cell phone and email after hours, including weekends.
- g. Consistent with Contract Section A.2.c., the Account Team shall include a dedicated full time Account Manager located in Nashville, Tennessee. Unless otherwise directed by the State, the dedicated Account Manager shall have had at least three (3) years of experience as an Account Manager for an EAP/BHO contract with at least 50,000 members. The Account Manager shall have the responsibility and authority to manage the entire range of services specified in this Contract and shall respond promptly to changes in benefit plan design, changes in claims processing procedures, or general administrative problems identified by the State. At a minimum, the Account Manager shall meet in person with the State once a month and more often if required by the State. At its discretion, the State may approve the Contractor to participate in such meetings by teleconference.
- h. Consistent with Contract Section A.7.b., the Contractor shall have at least one full-time specialized case manager dedicated to the Public Sector Plans and located in Nashville, Tennessee.
- i. The Contractor shall have at least one Employee Assistance consultant dedicated to coordinating services to members who are in safety sensitive jobs and violated an applicable drug and alcohol policy. These consultants shall be appropriately qualified, licensed, and trained and shall be familiar with and shall comply with applicable Federal and State law and policy regarding alcohol and substance abuse by individuals in safety sensitive jobs. These consultants shall ensure that members have access to Substance Abuse Professionals (SAPs) for services that must be provided by a SAP, as specified in State or Federal law or policy (e.g., evaluating the employee and making recommendations for treatment, follow-up drug and/or alcohol testing, whether the employee can return to safety-sensitive duties, and aftercare (continuing education and/or treatment needed after return to safety-sensitive duties). These consultants shall also facilitate the member's access to appropriate network providers to receive the treatment recommended by the SAP and shall monitor members for one year after they return to work. This monitoring shall include entering into a verbal agreement with the member to call the Employee Assistance consultant at a specified frequency (once or twice a month) for a thirty (30) minute "check in" session. If the member does not comply with the verbal agreement, the consultant shall notify the member's supervisor.
- j. The Contractor shall survey the key State staff at Benefits Administration annually in January to determine the State's satisfaction with the Account Team and the Contractor's overall performance, report the results of the survey to the State (see Contract Attachment C, Report # 26), and meet with the State to review the results and discuss any follow-up actions.
- k. The Contractor agrees that the State may approve or disapprove the staff assigned to this Contract prior to the proposed assignment. The State may also direct the Contractor to replace staff members providing core services as the State deems necessary and appropriate. The decision of the State on these matters shall not be subject to appeal.
- l. The Contractor shall not change any key personnel commitments unless requested by the State or prior approved by the State in writing. The Contractor shall notify the State at least



fifteen (15) business days in advance, or as soon as the information is available, of proposed changes and shall submit justification (Including proposed substitutions) in sufficient detail regarding education and experience equal to previous staff to the State to evaluate the impact upon the Contract. The decision of the State on these matters shall not be subject to appeal.

- m. If any key position becomes vacant, the Contractor shall immediately provide a temporary replacement and shall provide a permanent replacement with commensurate experience and required professional credentials within sixty (60) days of the vacancy unless the State grants an exception to this requirement in writing. Refer to Contract Attachment B.

A.17. Information Systems.

a. Claims Management System

- (1) The Contractor shall operate a claims management system that tracks accumulations toward deductibles, tracks co-payments and co-insurance amounts and appropriately links claim history, enrollment information, call center, provider network, and utilization management information. This shall include the daily electronic exchange of member-level deductible and maximum out-of-pocket accumulator data with each of the medical TPAs.
- (2) Unless and until a lower threshold is specified by the State, the claims management system shall automatically calculate payment amounts for ninety-five percent (95%) of clean claims, i.e., without recourse to manual or other calculation methods external to the system.
- (3) The Contractor's claims management system shall be able to receive and process (i.e., without subsequent data entry) practitioner and facility claim submissions electronically.
- (4) The Contractor's claims management system shall retain claim history on-line for at least two (2) years. (This does not limit the Contractor's obligations to retain all records in accordance with Contract Section D.9.)
- (5) The Contractor shall test the accuracy of automated features of the claims management system (e.g., deductible calculation) at least twice a year as part of its internal audit program.

b. Clinical Edit Software

The Contractor shall use a clinical edit software program that automatically evaluates all claims for medical bills involving the use of current ICD-9 (International Classification of Diseases, 9th Edition/Revision) and CPT/ (Current Procedural Terminology) HCPCS (Healthcare Common Procedure Coding System.) codes. Clinical claim review software shall be updated no less than once every year, and all changes and new codes shall be incorporated by the Contractor within thirty (30) days of the change becoming effective

c. Pricing of Provider Network Claims

The Contractor's claims management system shall automatically price network claims using current network provider rate information. The claims management system shall store network provider information to determine provider status and reimbursement for claims from network providers. Network provider rate information shall be updated in the claims management system according to the following standards:

- (1) 90% of network providers shall be updated within fifteen (15) days of the execution of the provider agreement.



- (2) 100% of network providers shall be updated within thirty (30) days of the execution of the provider agreement.

d. Call Center Systems Access

The Contractor's call center staff shall have access to claims management and other systems as necessary to respond to calls.

- e. The Contractor's systems shall have the capability of adapting to any future changes necessary as a result of modifications to the design of the Public Sector Plans or this Contract and its requirements, including e.g., data collection, records and reporting based upon unique identifiers to track services and expenditures across population types/demographic groups, regions/parts of the state. The systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes, e.g., in response to changes in Contract requirements or increases in enrollment estimates. The Contractor's system architecture shall facilitate rapid application of the more common changes that can occur in the Contractor's operation, including but not limited to:

- (1) Changes in payment methodology;
- (2) Provider reimbursement terms;
- (3) Changes in service authorization and utilization management criteria;
- (4) Changes in program management rules, e.g. eligibility for certain services; and
- (5) Standardized contact/event/service codes.

- f. The Contractor shall ensure that its electronic data processing (EDP) and electronic data interchange (EDI) environments (both hardware and software), data security, and internal controls meet all applicable Federal and State standards, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. Said standards shall include but not be limited to the requirements specified under each of the following HIPAA subsections:

- (1) Electronic Transactions and Code Sets
- (2) Privacy
- (3) Security
- (4) National Provider Identifier (NPI)
- (5) National Employer Identifier
- (6) National Individual Identifier
- (7) Claims attachments
- (8) National Health Plan Identifier
- (9) Enforcement

Unless the State prior approves in writing the Contractor's use of alternate mitigating controls, the Contractor shall use Federal Information Processing Standards (FIPS) 140-2 compliant technologies to encrypt all Protected Health Information (PHI) in motion and/or rest, including back-up media.

- g. All Contractor systems shall maintain linkages and head-of-contract-dependent (e.g., spouse to spouse and parent to child) relationships between initial and related subsequent interactions/transactions/events/activities. Additionally, when the Contractor houses indexed images of documents used by members, providers and subcontractors to transact with the



Contractor, the Contractor shall ensure that these documents maintain logical relationships to certain key data such as member identification and provider/subcontractor identification numbers. The Contractor shall also ensure that records associated with a common event, transaction or customer service issue have a common index that facilitates search, retrieval and analysis of related activities, e.g., interactions with a particular member about the same matter/problem/issue.

h. Upon the State's request, the Contractor shall be able to generate a listing of all members and providers that were sent a particular document, the date and time that the document was generated, and the date and time that it was sent to particular members or providers or groups thereof. The Contractor shall also be able to generate a sample of said document.

i. Retention and Accessibility of Information

- (1) The Contractor shall provide and maintain a comprehensive information retention plan that is in compliance with State and Federal requirements.
- (2) The Contractor shall maintain information on-line for a minimum of three (3) years, based on the last date of update activity, and update detailed and summary history data monthly for up to three (3) years to reflect adjustments.
- (3) The Contractor shall provide within three (3) business days turnaround or better on requests for access to information that is between three (3) years and six (6) years old. Such requests for information shall be made by the State or its authorized designee.
- (4) If an audit or administrative, civil or criminal investigation or prosecution is in progress or audit findings or administrative, civil or criminal investigations or prosecutions are unresolved, information shall be kept in electronic form until all tasks or proceedings are completed.

j. Information Ownership. All information, whether data or documents, and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior written consent of the State.

k. System Availability, Business Continuity and Disaster Recovery (BC-DR)

- (1) The Contractor shall ensure that critical member, provider and other web-accessible and/or telephone-based functionality and information including the website/portal described in Contract Section A.13. (to be agreed to by the State and the Contractor) are available to the applicable system users twenty-four (24) hours a day, seven (7) days a week, except during periods of scheduled system unavailability agreed upon by the State and the Contractor. Unavailability caused by events outside of the Contractor's span of control is outside of the scope of this requirement. Refer to Contract Section D.15. Any scheduled maintenance shall occur between the hours of midnight and 5:00 a.m. Central Time and shall be scheduled in advance with notification on the member website/portal. The Contractor shall make efforts to minimize any down-time between 5:00 a.m. and 12:00 a.m. Central Time. Unavailability caused by events outside the Contractor's span of control is outside the scope of this requirement. Refer to Contract Section D.15.
- (2) The Contractor shall ensure that the systems within its span of control that support its data exchanges with the State and the State's vendors are available and operational according to the specifications and schedule associated with each exchange.
- (3) Regardless of the architecture of its systems, the Contractor shall develop and be continually ready to invoke a business continuity and disaster recovery (BC-DR) plan.



The BC-DR plan shall encompass all information systems supporting this Contract. At a minimum the Contractor's BC-DR plan shall address the following scenarios:

- i Central and/or satellite data processing, telecommunications, print and mailing facilities and functions therein, hardware and software are destroyed or damaged;
 - ii System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage;
 - iii System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of data maintained in a live or archival system; and
 - iv System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system.
- (4) The Contractor shall provide the State results of its most recent test of its BC-DR plan at least one (1) month prior to the go-live date.
 - (5) The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore system functions. The Contractor shall submit an annual BC-DR Results Report to the State (see Contract Attachment C, Report # 27).
 - (6) In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall submit to the State a corrective action plan that describes how the failure will be resolved. The Contractor shall deliver the corrective action plan within ten (10) business days of the conclusion of the test.
 - (7) In the event of a declared major failure or disaster, as defined in the Contractor's BC-DR plan, the Contractor's critical functionality as discussed in Contract Section A.17.k.(1) shall be restored within seventy-two (72) hours of the failure's or disaster's occurrence.
 - (8) The Contractor shall maintain a duplicate set of all records relating to this Program in electronic medium, usable by the State and the Contractor for the purpose of disaster recovery or data restoration. Such duplicate records are to be stored at a secure fire, flood, and theft-protected facility located away from the storage location of the originals. The Contractor shall update duplicate records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation. At the termination of this Contract, the Contractor shall convey the original and the duplicate records medium and the information they contain to the State on or before the date of termination.
- i. Prior to implementing any major modification to or replacement of the Contractor's core information systems functionality and/or associated operating environment, the Contractor shall notify the State in writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or modification: (a) would affect the Contractor's ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users, members and providers; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of the Plan Documents and/or this Contract; or (d) would materially reduce the benefits payable or services provided to the average member. If so directed by the State, the Contractor shall discuss the proposed change with the State/its designee prior to



implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.

m. System and Information Security and Access Management Requirements

- (1) The Contractor's systems shall employ an access management function that restricts access to varying hierarchical levels of system functionality and information. The access management function shall:
 - i Restrict access to information on a "least privilege" basis, e.g., users permitted inquiry privileges only shall not be permitted to modify information;
 - ii Restrict access to specific system functions and information based on an individual user profile, including inquiry only capabilities and the ability to create, change or delete certain data (global access to all functions shall be restricted to specified staff jointly agreed to by the State and the Contractor);
 - iii Restrict unsuccessful attempts to access system functions to three (3), with a system function that automatically prevents further access attempts and records these occurrences; and
 - iv Ensure that authentication credentials are not passed in clear text or otherwise displayed or presented.
- (2) The Contractor shall make system information available to duly authorized representatives of the State and other State and Federal agencies to evaluate, through inspections or other means, the quality, appropriateness and timeliness of services performed.
- (3) The Contractor's systems shall contain controls to maintain information integrity. These controls shall be in place at all appropriate points of processing. The controls shall be tested in periodic and spot audits following a methodology to be developed jointly by and mutually agreed upon by the Contractor and the State.
- (4) Audit trails shall be incorporated into all systems to allow information on source data files and documents to be traced through the processing stages to the point where the information is finally recorded. The audit trails shall:
 - i Contain a unique log-on or terminal ID, the date, and time of any create/modify/delete action and, if applicable, the ID of the system job that effected the action;
 - ii Have the date and identification "stamp" displayed on any on-line inquiry;
 - iii Have the ability to trace data from the final place of recording back to its source data file and/or document;
 - iv Be supported by listings, transaction reports, update reports, transaction logs, or error logs; and
 - v Facilitate batch audits as well as auditing of individual records.
- (5) The Contractor's systems shall have inherent functionality that prevents the alteration of finalized records.
- (6) The Contractor shall provide for the physical safeguarding of its data processing facilities and the systems and information housed therein. The Contractor shall provide the State with access to data facilities upon request. The physical security provisions shall be in effect for the life of this Contract.
- (7) The Contractor shall restrict perimeter access to equipment sites, processing areas, and storage areas through a card key or other comparable system, as well as provide



- accountability control to record access attempts, including attempts of unauthorized access
- (8) The Contractor shall include physical security features designed to safeguard processor site(s) through required provision of fire retardant capabilities, as well as smoke and electrical alarms, monitored by security personnel.
 - (9) The Contractor shall put in place procedures, measures and technical security to prohibit unauthorized access to the regions of the data communications network inside of the Contractor's span of control.
 - (10) Unless the State prior-approves in writing the Contractor's use of alternate mitigating controls, the Contractor shall use Federal Information Processing Standard (FIPS) 140-2 compliant technologies to encrypt all PHI in motion or rest, including back-up media.
 - (11) The Contractor shall commission through an independent source approved by the State a security risk assessment at least annually and communicate the results to the State as part of an information security plan provided prior to the start date of operations. The risk assessment shall also be made available to appropriate State Federal agencies. At a minimum the assessment shall contain the following: identification of loss risk events/ vulnerabilities; analysis of the probability of loss risk and frequency of events; estimation of the impact of said events; identification and discussion of options for mitigating identified risks; cost-benefit analysis of options; recommended options and action plan for their implementation. The assessment shall be conducted in accordance with the following: requirements for administrative, physical, and technical safeguards to protect health data (45 CFR §§164.304 - 318); rules for conducting risk analysis and risk management activities (45 CFR §164.308); requirements for security awareness training (45 CFR §164.308(a)(5)); requirements for entities to have security incident identification, response, mitigation and documentation procedures (45 CFR §164.308(a)(6)).

A.18. Data Integration and Technical Requirements

- a. The Contractor shall maintain an electronic data interface with the State's Edison System for the purpose of processing State member enrollment information. The Contractor shall be responsible for providing and installing the hardware and software necessary. When the Contractor requires the exchange of Protected Health Information (PHI) with the State of Tennessee, the State requires the use of second level authentication. This is accomplished using the State's standard software product, which supports Public Key Infrastructure (PKI). The Contractor shall design a solution, in coordination with the State, to connect to the State's Secure File Transfer Protocol (SFTP) server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor shall, with adequate notice, cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.
- b. Notwithstanding the requirement to maintain enrollment data, the Contractor shall not perform changes to enrollment data without the State's approval. This prohibition shall include, but not necessarily be limited to: initiation, termination, and/or changes of coverage.
- c. At least two (2) months prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the eligibility/enrollment file from the State.



- d. At least one (1) month prior to the go-live date, the Contractor shall load, test, verify and make available online for use the State's eligibility/enrollment information. The Contractor shall certify, in writing, to the State that the Contractor understands and can fully accept and utilize the eligibility/enrollment files as provided by the State.
- e. The Contractor shall maintain, in its systems, in-force enrollment records of members.
 - (1) Daily Enrollment Update: To ensure that the State's enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium daily enrollment files from the State, in the State's Edison 834 file format. Files will include full population records for all members and will be in the format of ANSI ASC X12.84, Benefit Enrollment and Maintenance (834), version 004010X095A1, with several fields customized by the State.
 - (2) The Contractor shall complete and submit to the State a Daily File Transmission Statistics Report within twenty-four (24) hours of receipt of the file. The Contractor shall submit this report via email to designated State staff. (See Contract Attachment C, Report # 28)
 - (3) The Contractor and/or its subcontractors, as applicable, shall post ninety-eight percent (98%) of electronically transmitted enrollment updates within one (1) business day of receipt of the daily file and one hundred percent (100%) shall be posted within three (3) business days of receipt of the daily file.
 - (4) The Contractor and/or its subcontractors, as applicable, shall resolve all discrepancies identified by the processing of the enrollment file within five (5) business days of receipt of the file from the State. The State and the Contractor shall work to develop a process for responding to invalid or non-processed records.
 - (5) State Enrollment Data Match: Upon request by the State, not to exceed two (2) times annually, the Contractor shall submit to the State, in a secure manner, its full file of members, by which the State may conduct a data match against the State's Edison database. The purpose of this data match will be to determine the extent to which the Contractor is maintaining its database of members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.
- f. CMS Data Match: The Contractor shall enter into an agreement with the Centers for Medicare and Medicaid Services (CMS) providing for a data match, no less frequent than quarterly, of Contractor's full file of members against CMS Medicare files for purpose of determining the primary payer. Furthermore, the data match shall generate a report of all Medicare enrollees identified. Such report shall be submitted to the State as specified in Contract Attachment C, Report # 29.
- g. The Contractor shall reconcile, within ten (10) business days of receipt, payment information provided by the State. Upon identification of any discrepancies, the Contractor shall immediately advise the State.
- h. The Contractor shall establish and maintain systems and processes to receive and provide all appropriate and relevant data from entities and vendors providing services to members, including vendors under contract with the State (e.g., the PBM, medical TPAs, and HM/W vendor) and integrate such data into Contractor's systems and processes as appropriate.
- i. The Contractor shall transmit claims data and EAP session data for members, including their eligible dependents, who are enrolled with one of the medical benefit options of the Public Sector Plans to the State's current health care decision support system (DSS) vendor and, if directed by the State, to the Department of Finance and Administration, Office for Information Resources in the format required by the State, or in a mutually agreed upon format. The data



feed(s) shall be provided at no additional charge to the State. The Contractor shall submit a test claims and EAP session data file to the State's DSS vendor at least (2) months prior to the go live date. The Contractor shall transmit the claims data, via a mutually agreed upon secure methodology, no later than fifteen (15) days following the end of each calendar month, or more frequently as directed by the State, until all claims incurred during the period of this Contract have been paid. The Contractor shall ensure that all claims processed for payment, have valid provider identifications, complete ICD-9 and CPT-4/HCPCS codes (and when applicable, updated versions), and other identifying variables as contained in the DSS Vendor File Format. (Please refer to Attachment B.18. and B.19. and RFP # 31786 – 00110, Appendix 7.12).

The Contractor shall also transmit Employee Assistance counseling session data to the State's current DDS vendor in a format approved by the State, or in a mutually agreed upon format. The data feed(s) shall be provided at no additional charge to the State. The Contractor shall transmit the data, via a mutually agreed upon secure methodology, no later than fifteen (15) days following the end of each calendar month, or more frequently as directed by the State. The Contractor shall ensure the data includes all of the variables as contained in the file layout approved by the State. Data provided to the DSS vendor shall meet the quality standards detailed in the Liquidated Damages Contract Section of this Contract (Contract Attachment B) as determined by the State's DSS vendor.

- j. The Contractor shall adhere to the additional requirements related to the State's DSS vendor listed in Contract Section C.3.d. and C.3.f.(3).
- k. Claims data provided to the DSS vendor shall meet the quality standards detailed in the Liquidated Damages section of this Contract (Contract Attachment B) as determined by the State's DSS vendor.
- l. The Contractor shall transmit de-identified claims data for members who are not enrolled with one of the medical benefit options of the Public Sector Plans to the State in a mutually agreed upon format. The data feed(s) shall be provided at no additional charge to the State. The Contractor shall transmit the claims data, via a mutually agreed upon secure methodology, no later than fifteen (15) days following the end of each calendar month, or more frequently as directed by the State, until all claims incurred during the period of this Contract have been paid. The Contractor shall ensure that all claims processed for payment have valid provider identifications, complete ICD-9 and CPT-4/HCPCS codes (and when applicable, updated versions), and other identifying variables as mutually agreed upon.
- m. The Contractor shall provide transmittal of claims data via secure medium to any additional third parties including the State's HM/W vendor, medical TPAs, or others as identified by the State.
- n. To the extent that the Contractor receives electronic lab results for laboratory tests performed by network providers, the Contractor shall transmit these lab results for members, including their eligible dependents, who are enrolled with one of the medical benefit options of the Public Sector Plans to the State's DSS vendor in a mutually agreed upon format. The Contractor shall transmit the data, via a mutually agreed upon secure methodology, no later than fifteen (15) days following the end of each calendar month or more frequently as directed by the State.
- o. The Contractor shall provide utilization data for Work-Life services in a mutually agreed upon format and using a mutually agreed upon methodology on a monthly basis (see Contract Attachment C, Report # 30). This data shall include, by Work-Life service, the number of units provided, by member (without identifying information other than whether the member or head-of-contract is enrolled with one of the medical benefit options of the Public Sector Plans).



- p. The Contractor shall load all current prior authorizations and related data that exist for current members from the incumbent EAP/BHO Contractor no later than one (1) month prior to the go-live date and update/refresh the data, as specified by the State, until go-live.
- q. Unless otherwise directed by the State, the Contractor shall accept at least one (1) year of historical data from the incumbent EAP/BHO Contractor. This includes, but is not limited to, claims history (with proprietary pricing and discount information redacted), provider data, member data, and prior authorization data.
- r. By the start of systems testing activities with the State, the Contractor's systems shall be able to transmit, receive and process data in HIPAA-compliant or agency-specific methods and formats where applicable. Any State-specific methods and formats not otherwise specified in this Contract and associated references and attachments will be detailed in documents that will be provided to the Contractor within thirty (30) days of Contract execution.
- s. The Contractor's systems shall conform to future Federal and State standards for data exchange by the standard's effective date.
- t. The Contractor shall partner with the State in the management of current and future data exchange formats and methods and in the development and implementation planning of future data exchange methods not specific to HIPAA or other Federal effort.
- u. The Contractor's system(s) shall possess mailing address standardization functionality in accordance with U.S. Postal Service conventions.
- v. Within sixty (60) days of notice of termination of this Contract, the Contractor shall transfer to the State all required data and records necessary to administer the plan(s)/program(s), subject to State and Federal confidentiality requirements. The transfer shall be made electronically via secure medium, in a file format to be determined based on the mutual agreement between the State and the Contractor.

A.19. Privacy & Confidentiality.

- a. The Contractor shall develop, adopt, and implement standards, which are, at a minimum, compliant with the HIPAA statute and the HIPAA privacy and security rules in 45 CFR Part 164, to safeguard the privacy and confidentiality of all Protected Health Information (PHI) about members. For example, the Contractor shall ensure it does not have completed forms containing PHI sitting in public view, left in unsecured boxes or files, or left unattended in any off-site location (e.g., in an automobile). The Contractor's procedures shall include but not be limited to safeguarding the identity of members as members of a Public Sector Plan and preventing the unauthorized disclosure of PHI. The Contractor shall comply with the HIPAA amendments in the American Recovery and Reinvestment Act, Public Law 111-5, the HITECH Act, and any implementing regulations when they become effective.
- b. The Contractor shall not use or further disclose protected health information (PHI) other than as permitted or required by HIPAA and the Business Associate Agreement; or as required by law. Use of PHI for payment, treatment, or health care operations may include disclosure only as permitted by HIPAA, including when such information is strictly necessary to resolve the issue or concern under discussion and the person has adequate permission or legal authority to review such information. In the absence of exigent circumstances, the Contractor shall not disclose any member's PHI to another business associate or other entity for pecuniary gain unless the State specifically prior authorizes such disclosure in writing. Additionally, the Contractor shall not use member identified or non-aggregated Information for advertising, marketing, promotion or any activity intended to influence sales or market share of any product or service



- c. The Contractor shall use appropriate safeguards to prevent the unauthorized use or disclosure of the PHI. The Contractor shall report to the State any unauthorized use or disclosure of the PHI.
- d. The Contractor shall mitigate, to the extent practicable, any harmful effect known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the Federal privacy rule.
- e. The Contractor shall provide access to PHI in a "designated record set" in order to meet the requirements under 45 CFR §164.524.
- f. The Contractor shall make any amendment(s) to PHI in a "designated record set" pursuant to 45 CFR §164.526.
- g. The Contractor shall document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.
- h. The Contractor shall (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits, (ii) report to the State any security incident (within the meaning of 45 CFR § 164.304) of which the Contractor becomes aware, and (iii) ensure that any agent of the Contractor, including any subcontractor, agrees to the same restrictions and conditions that apply to the Contractor with respect to such information. This report shall be generated and provided to the State within five (5) business days of a security incident.
- i. The Contractor shall comply with all privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health (HITECH) Act.
- j. The Contractor shall have full financial responsibility for any penalties, fines, or other payments imposed or required as a result of the Contractor's non-compliance with or violation of HIPAA or HITECH requirements, and the Contractor shall indemnify the State with respect to any such penalties, fines, or payments.
- k. The Contractor shall assure all Contractor staff is trained in all HIPAA requirements, as applicable.

A.20. State Audits.

- a. Notwithstanding Contract Section D.9., and with provision by the State of thirty (30) days notice and the execution of any applicable third party confidentiality agreement(s), the State and/or its authorized representative has the right to examine and audit the Contractor services and pricing to ensure compliance with all applicable requirements. For the purpose of this requirement, the term, "Contractor," shall include its parent organization, affiliates, subsidiaries, subcontractors, and providers.
- b. The Contractor shall provide access, at any time during the period of this Contract and for three (3) years after final contract payment (longer if required by law), to the State and/or its authorized representative to examine and audit the services, payments, and pricing provided under this Contract. The State reserves the right to request that documentation be provided for review at the authorized representative's location, the State's location, or at the Contractor's corporate site.



- c. The Contractor shall, at its own cost, provide the State and/or its authorized representative with prompt and complete access to any data, documents, access to systems, and other information necessary to ensure the Contractor is complying with all requirements of this Contract.
- d. The Contractor shall provide reasonable cooperation with requests for information, which includes but is not limited to the timing of the audit, deliverables, data/information requests and the Contractor's response time to the State's questions during and after the process. The Contractor shall also provide a response to all "findings" received within thirty (30) days, or at a later date if mutually determined to be more reasonable based on the number and type of findings.
- e. The State shall not be responsible for time or any costs incurred by the Contractor in association with an audit including, but not limited to, the costs associated with providing data, reports, documentation, systems access, or space.
- f. If the outcome of the audit results in an amount due to the State one hundred percent (100%) of the payment of such settlement shall be made by the Contractor within thirty (30) days of the Contractor's receipt of the final audit report. The Contractor shall also pay the State interest on the overcharge by multiplying the amount of the overcharge by the Tennessee State Pooled Investment Fund's Gross Total Portfolio Average Earnings Rate for the month(s) in the overcharge period, times the number of days in the overcharge period(s), divided by 365 days/year. Any amount due the State which is not paid by the Contractor within thirty (30) days of the Contractor's receipt of the final audit report shall be subject to a compounding interest penalty of one percent (1%) per month. Once an audit report is issued the Contractor shall have an opportunity to comment on any findings in the report. If the Contractor disagrees with a finding resulting in a payment to the State, the State will review the Contractor's comments, but if the State retains the original audit findings the Contractor shall be responsible for any payment to the State.

A.21. Reporting.

- a. The Contractor shall submit reports in a mutually agreeable electronic format (e.g., Microsoft Word or Microsoft Excel), of the type, at the frequency, and containing the detail described in Contract Attachment C. Reporting shall continue for the twelve (12) month period following termination of this Contract.
- b. The Contractor shall provide the State access to an ad-hoc reporting liaison to assist in the development of reports that cannot be generated using the Contractor's standard reporting package. The Contractor shall deliver such reports to the State within five (5) business days of the State's request. If requested by the State, the Contractor shall deliver up to five (5) reports annually deemed as "urgent" by the State within two (2) business days. All ad-hoc reports shall be provided at no additional cost to the State.
- c. Within thirty (30) days of the contract start date, the Contractor shall provide the State the most recent copy of the Contractor's SAS 70 report as well as the SAS 70 Type II report for any subcontractor processing claims that represent more than twenty percent (20%) of behavioral health claim expenses for members. Thereafter, a copy of this report(s) shall be provided to the State upon request.
- d. The Contractor shall ensure reports submitted by the Contractor to the State meet the following standards:
 - (1) The Contractor shall verify the accuracy and completeness of data and other information in reports submitted.



- (2) The Contractor shall ensure delivery of reports or other required data on or before scheduled due dates.
- (3) Reports or other required data shall conform to the State's defined written standards.
- (4) All required information shall be fully disclosed in a manner that is responsive and with no material omission.
- (5) Each report shall be accompanied by a brief narrative that describes the content of the report and highlights salient findings of the report.
- (6) As applicable, the Contractor shall analyze the reports for any early patterns of change, identified trend, or outlier (catastrophic case) and shall submit a written summary with the report including such analysis and interpretation of findings. At a minimum, such analysis shall include the identification of change(s), the potential reasons for change(s), and the proposed action(s).
- (7) The Contractor shall notify the State regarding any significant changes in its ability to collect information relative to required data or reports.
- (8) The submission of late, inaccurate or otherwise incomplete reports shall be considered failure to report within the specified timeframe (see Contract Attachment B.25.).
- (9) State requirements regarding reports, report content and frequency of submission may change during the period of the Contract. The Contractor shall have at least forty-five (45) days to comply with changes specified in writing by the State.

A.22. Due Dates for Project Deliverables/Milestones.

Unless otherwise specified in writing by the State, the Contractor shall adhere to the following schedule for the deliverables and milestones for which it is responsible under this Contract. Unless otherwise specified in this Contract or specified in writing by the State, the Contractor shall submit one electronic copy of each deliverable in MS Word or MS Excel.

Deliverable/Milestone:	Contract Reference(s):	Deliverable Due Dates:
Implementation		
1. Programs, services, and systems are fully operational	A.2.a	December 1, 2011
2. Go-live	A.2.c	January 1, 2012
3. Kick-off meeting for all key Contractor staff	A.2.d	Within 21 days after Contract signing date
4. Implementation plan	A.2.e	30 days after Contract start date, or before
5. State readiness review	A.2.g	October 1, 2011, or before
6. Bi-weekly status meetings	A.2.j	Contract start date through December 16, 2011
7. Daily status meetings	A.2.j	December 19, 2011 through February 1, 2012
8. Implementation performance assessment	A.2.k	January 31, 2012, or before
9. "Lessons learned" report	A.2.l	March 31, 2012, or before
Covered Services		



Deliverable/Milestone:	Contract Reference(s):	Deliverable Due Dates:
10. Employee and supervisor education and training plan	A.3.e	October 15, 2011 or before and then annually
Behavioral Health Provider Network		
11. Quarterly Appointment Standards Report	A.5.g and Attachment C	Quarterly after go-live
12. Quarterly Network Changes Update Report	A.5.k and Attachment C	Within five (5) business days of the end of each quarter
13. Online Provider directories	A.5.o	November 1, 2011, or before, and then continuously updated
14. GeoNetworks® Report	A.5.q and Attachment C	Semi-annually after the 1 st and 3 rd calendar quarters starting with a submission for the 2 nd and 3 rd calendar quarters after go-live
15. Annual Provider Turnover Report	A.5.r and Attachment C	Annually
16. Monthly Unique Care Exception Report	A.5.aa and Attachment C	Monthly after go-live
17. Quarterly Out-of-Service Area Report	A.5.bb and Attachment C	Quarterly after go-live
Utilization Management for Behavioral Health Services		
18. Notice template with information for members prior to provider continuing services that are no longer medically necessary	A.6.e	October 1, 2011, or before
19. Description of UM program, evaluation methodology, and audit program	A.6.n	October 1, 2011, or before
20. Quarterly Utilization and Practice Report	A.6.o and Attachment C	Quarterly after go-live
Specialized Case Management		
21. Description of case management program	A.7.g	October 1, 2011, or before
22. Quarterly Case Management Report	A.7.h	Quarterly after go-live
Quality Improvement Program		
23. Psychotropic Medication Guidelines Report	A.8.d and Attachment C	Annually on the date agreed to by the State
24. Quarterly Report on Provider Incidents/Potential Issues	A.8.f and Attachment C	Quarterly after go-live
25. Member Outcomes Survey Report	A.8.h and Attachment C	Annually within four (4) months of conducting the member outcomes survey



Deliverable/Milestone:	Contract Reference(s):	Deliverable Due Dates:
26. Performance Evaluation Report	A.8.i and Attachment C	Annually
27. Accreditation schedule (if not accredited per Contract Section A.8.l)	A.8.j	December 31, 2011, or before
28. NCQA Reports	A.8.k and Attachment C	Annually on the date agreed to by the State
29. NCQA QI Documents	A.8.k and Attachment C	Annually on the date agreed to by the State
30. URAC Reports	A.8.k and Attachment C	Annually on the date agreed to by the State
Claims Processing, Payment and Reconciliation		
31. Methodology for internal claims audits	A.9.d	December 1, 2011, or before
32. EOB format and text	A.9.h	November 15, 2011, or before
33. Quarterly COB Report	A.9.q and Attachment C	Quarterly after go-live
34. Description of process for determining experimental/investigational procedures and services	A.9.t	December 1, 2011, or before
35. Monthly Paid Claims Report	A.9.v and Attachment C	Monthly after go-live
36. Monthly Reconciliation Report	A.9.v and Attachment C	Monthly after go-live
37. Monthly Recoveries Report	A.9.v and Attachment C	Monthly after go-live
38. Description of fraud and abuse program	A.9.dd.(4)	October 1, 2011, or before
39. Quarterly Fraud and Abuse Report	A.9.dd.(5) and Attachment C	Quarterly after go-live
Member Services		
40. Procedures for monitoring and ensuring quality of services provided by member services staff	A.10.e	September 1, 2011
41. Adherence to Customer Satisfaction Standards Report	A.10.f and Attachment C	Monthly after go-live
42. Description of member appeals process and procedures and sample determination letters	A.10.i (3)	December 1, 2011, or before
43. Quarterly Appeals Reports	A.10.i (4) and Attachment C	Quarterly after go-live
Call Center		
44. Vanity number	A.11.b	October 1, 2011



Deliverable/Milestone:	Contract Reference(s):	Deliverable Due Dates:
45. Call center open	A.11.d	December 1, 2011
46. Call center operations policies and procedures	A.11.m	September 1, 2011
47. Call center statistics	A.11.p, Attachment B, and Attachment C	Daily from December 1, 2011 through February 29, 2012; weekly starting December 5, 2011, and monthly starting January 5, 2012
48. Caller ID	A.11.s	December 1, 2011
49. Policies and procedures regarding access to recorded calls	A.11.u	December 1, 2011
Member Information and Communication		
50. Quarterly thematic messaging	A.12.e.(4)	November 1, 2011 and then quarterly
51. Initial welcome letters	A.12.f	Draft to State November 1, 2011; to members by December 11, 2011
52. Ongoing welcome letters for 2012 plan year	A.12.f	Within 10 days of receipt of enrollment information during the 2012 plan year
53. Orientation Online Video for members	A.12.g	November 1, 2011 and then at least annually
54. Orientation Online Video for supervisors	A.12.h	November 1, 2011 and then at least annually
55. Quarterly awareness materials for supervisors	A.12.i.(1)	November 15, 2011 for January 2012 and then quarterly
56. Supervisor newsletter or substitute marketing piece	A.12.i.(2)	November 15, 2011 for January 2012 issue and then every other month
57. Articles for member newsletter	A.12.j.(1)	November 15, 2011 for January 2012 issue and then every three months (for quarterly newsletter)
58. Supervisor manual	A.12.k	November 1, 2011 and then at least annually
59. Training Catalog	A.12.l	December 1, 2011 and then at least annually
60. "Take this to your behavioral health visit" checklists	A.12.m	November 15, 2011
61. Materials for the annual enrollment transfer period or open enrollment period (whichever is applicable that year)	A.12.n	Annually two (2) months before the annual transfer period or open enrollment period
Website/portal		
62. Website/portal go-live	A.13.b	December 1, 2011, or before
63. State review of website/portal and all materials on website/portal associated with release # 1	A.13.g	November 1, 2011, or before
Coordination and Collaboration		
64. State-sponsored vendor summit	A.14.e.(1)	Annual; date TBD by State



Deliverable/Milestone:	Contract Reference(s):	Deliverable Due Dates:
66. Weekly conference calls with medical TPAs, PBM and HM/W vendors	A.14.e.(2)	Weekly after go-live
66. Monthly conference calls with State, medical TPAs, PBM and HM/W vendors	A.14 e.(3)	Monthly after go-live
67. Quarterly Meetings with State, medical TPAs, PBM and HM/W vendors	A.14.e.(4)	Quarterly after go-live
68. Transition to potential other vendor	A.14.f.	Due on or before March 31, 2016.
Administrative Services		
69. Monthly operational meetings	A.15.g	Monthly after go-live
70. Quarterly meetings with the State	A.15.h	Quarterly after go-live
71. Meetings of the State's EAP Advisory Council	A.15.j	At least quarterly after go-live
72. Seminars	A.15.k	Dates TBD by State
73. Notice of address change Instructions	A.15.o	December 1, 2011
74. Undeliverable Mail Report	A.15.o. and Attachment C	Monthly after go-live
Staffing		
75. Account Team satisfaction survey	A.16.j	Annually in January
76. Account Team Satisfaction Survey Report	A.16.j and Attachment C	Annually
Information Systems		
77. Business Continuity/Disaster Recovery (BC-DR) Test Results	A.17.k.(4)	December 1, 2011
78. BC-DR Results Report	A.17.k.(5) and Attachment C	December 1, 2011 and then annually in January beginning 2013
79. Duplicate data processing records	A.17.k.(8)	On or before the date of contract termination
Data Integration & Technical Requirements		
80. Completion of eligibility file testing	A.18.c	November 1, 2011, or before
81. Edison system interface/Eligibility file acceptance	A.18.d	December 1, 2011, or before
82. Daily enrollment update	A.18.e.(1)	Daily after December 1, 2011
83. Daily File Transmission Statistics Report	A.18.e.(2) and Attachment C	Within 24 hours of receipt of file
84. State enrollment data match	A.18.e.(5)	Up to two (2) times annually, as requested by the State
85. Quarterly CMS Data Match and Report	A.18.f and Attachment C	Quarterly after go-live
86. Completion of testing files from other vendors	A.18.h	November 1, 2011, or before



Deliverable/Milestone:	Contract Reference(s):	Deliverable Due Dates:
87. Interface with other vendors/file acceptance	A.18.h	December 1, 2011
88. File acceptance from other vendors	A.18.h	Daily, unless otherwise directed by the State
89. Send test claims file to DSS Vendor	A.18.i	November 1, 2011 or before
90. Claims data transmission to DSS vendor	A.18.i	15 days following the end of each calendar month
91. De-identified claims transmission to the State	A.18.l	15 days following the end of each calendar month
92. Claims data transmission to third parties	A.18.m	Daily, unless otherwise directed by the State
93. Electronic lab results transmission to DSS vendor	A.18.n	15 days following the end of each calendar month
94. Work-Life utilization data	A.18.o and Attachment C	15 days following the end of each calendar month
95. Load current prior authorizations and related data	A.18.p	December 1, 2011, or before
96. Transmission of data and records to State	A.18.v	Within 60 days of notice of termination
Reporting & Systems Access		
97. Reports specified in Contract Attachment C	A.21.a and Contract Attachment C	As specified in Contract Attachment C
98. SAS 70 report(s)	A.21.c	Within thirty (30) days of the contract start date

A.23. Definitions.

- a. **Abandoned Call:** A call in which the caller elects an option and is either not permitted access to that option or disconnects from the system.
- b. **Affiliate:** A business organization or entity that, directly or indirectly, is owned or controlled by the Contractor, or owns or controls the Contractor, or is under common ownership or control with the Contractor.
- c. **Agency Benefits Coordinator (ABC):** An Agency Benefits Coordinator serves as the liaison between the Public Sector Plans and members.
- d. **Average Seconds to Answer (ASA):** The mean time between (a) the moment at which a caller to the Contractor's call center first hears an introductory greeting and enters the queue and (b) the time at which a member services representative at the call center answers the call. For this definition, the term "answer" shall mean begin an uninterrupted dialogue with the caller. If a staff member asks the caller to hold during the first sixty (60) seconds of the dialogue, the Contractor shall not consider the call to be "answered" for purposes of this definition until the member services representative returns to the caller and begins an uninterrupted dialogue. If a caller requested a returned call using the dial-back feature described in Contract Section A.11, the ASA shall be defined as the time between (a) the moment at which a caller to the



Contractor's call center first hears an introductory greeting and enters the queue and (b) the time of the returned call (regardless of whether the member answered).

- e. **Balance Billing:** Seeking payment from a member for any charged amount(s) over and above the allowable amount or contract rates.
- f. **Benefits Administration:** The division of the Tennessee Department of Finance & Administration that administers the Public Sector Plans and the Cover Tennessee programs.
- g. **Behavioral Health Provider Network:** Includes both employee assistance and behavioral health providers.
- h. **Behavioral Health Services:** Mental health and substance abuse services.
- i. **BHO:** Behavioral Health Organization.
- j. **Blocked Call:** A call that cannot be connected immediately because no circuit is available at the time the call arrives or the telephone system is programmed to block calls from entering the queue when the queue backs up behind a defined threshold.
- k. **Bobby-approved:** Standards for website accessibility in keeping with Americans with Disabilities Act of 1990, Public Law 101-336, (as amended) and implementing regulations and other national standardization criteria. For more information refer to: <http://www.accessible.org/bobby-approved.html>.
- l. **Business Days:** Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Government Holidays are excluded.
- m. **Calendar Days:** All seven days of the week.
- n. **CFR:** Code of Federal Regulations.
- o. **Clean Claim:** A claim received by the Contractor for adjudication, and which requires no further information, adjustment, or alteration by the provider in order to be processed and paid by the Contractor. In addition to the provider, this includes information, adjustment, or alteration by the member, the subscriber, third-party payers (e.g., Medicare), and/or plan sponsor.
- p. **Co-insurance:** That percentage of the charge for a behavioral health or medical service provided to a member that is the responsibility of the member.
- q. **Co-payment:** That portion of the charge (flat dollar amount) for each behavioral health or medical service provided to a member that is the responsibility of the member.
- r. **Day(s):** Calendar day(s) unless otherwise specified in the Contract.
- s. **Deductible:** The amount specified in the Plan Documents that must be paid by each member prior to payment of any covered behavioral health services by the Contractor.
- t. **Denied Claim:** A claim that is not paid for reasons such as eligibility and coverage rules.
- u. **DSS:** A decision support system, which is a database and query tool.
- v. **EAP:** Employee Assistance Program. Up to five (5) counseling sessions (5 visit model), per separate incident.



- w. **EAP Session Data:** Data collected from EAP encounter that is transmitted to DSS vendor, allowing the State to obtain a complete longitudinal view of members' claim experience. At a minimum, data shall include all of the variables contained in the file layout approved by the State.
- x. **Employee Training:** Workshops and training to engage employee awareness and utilization of the employee assistance program. Seminars on promotion and prevention, supervisory training, employee orientations, and other training requests.
- y. **Head-of-Contract:** Eligible employee, retiree, or individual qualified under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) (not including dependents) who is enrolled in one the medical benefit options of the Public Sector Plans.
- z. **HIPAA:** Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and implementing regulations.
- aa. **HITECH:** Health Information Technology for Economic and Clinical Health Act Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5 (Feb. 17, 2009) and implementing regulations.
- bb. **HMW Vendor:** The contractor providing health management and wellness services, including lifestyle management, disease management, and possibly case management services, to the Public Sector Plans.
- cc. **Information System(s):** A combination of computing and telecommunications hardware and software that is used in: (a) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of Information, i.e., structured data (which may include digitized audio and video) and documents as well as non-digitized audio and video; and/or (b) the processing of information and non-digitized audio and video for the purposes of enabling and/or facilitating a business process or related transaction.
- dd. **Inpatient Care:** Inpatient behavioral health services, including hospital services, residential treatment services, partial hospitalization services, and intensive outpatient therapy.
- ee. **Lock-in:** An action by the Contractor to limit the number or subset of providers from which a member can seek covered services so as to prevent "provider shopping" and mitigate risks of fraud and abuse.
- ff. **Medical TPA:** A contractor providing one of the medical benefit options of the Public Sector Plans.
- gg. **Member:** Any person enrolled in one of the Public Sector Plans, this includes the Head of Contract and enrolled dependents.
- hh. **National Provider Identification Number (NPI):** A 10-position, intelligence-free numeric identifier (10-digit number). The numbers do not carry other information about health care providers, such as the state in which they live or their medical specialty.
- ii. **Network Provider:** A provider that has a provider agreement with the Contractor to provide services according to specific terms and rates.
- jj. **Out-of-Network:** The services received and the reimbursement level available when provided by providers that do not have a provider agreement with the Contractor to provide services according to specific terms and rates.



- kk. Out-of-Pocket Expenses: The sum of any deductibles, co-payments or co-insurance required of, or incurred by, enrolled members for any covered benefit.
- ll. Paid Claim: A claim that meets all coverage criteria of the Public Sector Plans and is paid by the Contractor and submitted to the State for reimbursement.
- mm. PBM: The contractor providing pharmacy benefits management services to the Public Sector Plans.
- nn. PEPM: Per employee per month. For purposes of this definition, "employee" is any person who is enrolled in one of the medical benefit options of the Public Sector Plan and is also a head-of-contract as defined in Contract Section A.23.
- oo. Plan Documents: The State Plan, Local Education Plan, and Local Government Plan Documents, which are located on the State's website at www.tn.gov/finance/ins/publications.html and which govern coverage of services and eligibility under each plan.
- pp. Plan year: The twelve-month period that commences at the time at which a member's annual benefit elections take effect. Currently, the State's plan year is coterminous with the calendar year.
- qq. Protected Health Information (PHI): As defined in the HIPAA Privacy Rule, 45 CFR § 160.103.
- rr. Public Sector Plans: Refers to all benefit options sponsored by the State, Local Government, and Local Education Insurance Committees, including the Standard Preferred Provider Organization (PPO), the Partnership PPO, and any other benefit options specified by the State.
- ss. RFP: Request for Proposals.
- tt. Span of Control: Information systems and telecommunications capabilities that the Contractor itself operates or for which it is otherwise legally responsible according to this Contract. The Contractor's span of control also includes systems and telecommunications capabilities outsourced by the Contractor.
- uu. Spouse: Legally married spouse, as of date of marriage as defined in Chapter 3 of Title 36, *Tennessee Code Annotated*.
- vv. State: The State of Tennessee.
- ww. State, Local Government, and Local Education Insurance Committees: Policy making bodies for the State, Local Government, and Local Education plans established under *Tennessee Code Annotated* 8-27-101, 8-27-207, and 8-27-301 respectively.
- xx. State Government Holidays: Days on which official holidays and commemorations as defined in *Tennessee Code Annotated* 15-1-101 et seq. are observed.
- yy. State Vendor: A vendor contracted by the State to provide services to the Public Sector Plans, including but not limited to the HMMW vendor, the medical TPAs, and the PBM.
- zz. Subcontract: An agreement entered into by the Contractor with any other organization or person who agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract, when the intent of such an agreement is to delegate the responsibility for any major service or group of services required by this Contract.



- aaa. Subcontractor: Any organization or person who provides any function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract.
- bbb. Telecommunication Device for the Deaf (TDD): Special telephone devices with keyboard attachments for use by individuals with hearing impairments who are unable to use conventional phones. Also known as TTY.
- ccc. Video/Web Conferencing: A real-time transmission of audio and video signals between two people in different locations for the purpose of communication.
- ddd. Work-Life Services: The services described in Contract Section A.3.b. and Contract Attachment D, including but not limited to financial counseling, legal consultation, child/elder care assistance, supervisor support, critical incident stress management services, and employee and supervisor education and training services.
- eee. Workplace Support Team: Dedicated team of licensed, Masters level behavioral health professionals devoted to supporting supervisors with coaching related to people management skills, leadership development, and other management duties.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning August 15, 2011, and ending on December 31, 2016. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Thirty Million Five Hundred Sixty-Eight Thousand Nine Hundred Sixty-Six Dollars (\$30,568,966.00). The payment rates in Contract Section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor acknowledges that the maximum liability herein may differ, perhaps substantially, from the amount that the State expects to spend for services under this contract. The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Contract Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology herein for service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Contract Section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Contract Section A.
 - b. The Contractor shall be compensated based upon the following payment rates:



	FEE PER EMPLOYEE PER MONTH (PEPM) BY CONTRACT PERIOD			
	January 1 – December 31, 2012	January 1 – December 31, 2013	January 1 – December 31, 2014	January 1 – December 31, 2015 January 1 – December 31, 2016
Rates for services/benefits for employees that do not participate in the medical program, but will be covered in the EAP*				
Fully Insured Components for Active Employees, COBRAs and their dependents				
EAP Program Cost Fully Insured for 5-visit model	\$ 1.22 PEPM	\$ 1.22 PEPM	\$ 1.22 PEPM	\$ 1.22 PEPM
Work-Life Program Cost (fully insured)	\$ 0.20 PEPM	\$ 0.20 PEPM	\$ 0.20 PEPM	\$ 0.20 PEPM
Additional Services (fully insured)***	\$0.06 PEPM	\$0.06 PEPM	\$0.06 PEPM	\$0.06 PEPM
Rates for services/benefits for the self-funded program membership (currently approximately 145,000 contracts)				
Administrative Fee Components for Services for Active Employees, COBRAs and their dependents				
Basic Services**	\$ 0.94 PEPM	\$ 0.94 PEPM	\$ 0.94 PEPM	\$ 0.94 PEPM
Utilization review and care management	\$ 2.47 PEPM	\$ 2.47 PEPM	\$ 2.47 PEPM	\$ 2.47 PEPM
Total Administrative Fee (sum of Basic Services and Utilization review and care management fees above)	\$ 3.41 PEPM	\$ 3.41 PEPM	\$ 3.41 PEPM	\$ 3.41 PEPM
Work-Life Program Cost (fully insured)	\$ 0.20 PEPM	\$ 0.20 PEPM	\$ 0.20 PEPM	\$ 0.20 PEPM
Additional Services (fully insured)***	\$0.06 PEPM	\$0.06 PEPM	\$0.06 PEPM	\$0.06 PEPM

* There are currently approximately 7,000 State and Higher Education employees that waive medical coverage and therefore would be provided EAP services, which includes both the five (5) visit EAP model and Work-Life Program, on a fully insured basis. Non enrolled dependents of an enrolled Head of Contract (HOC) for Local Education and Local Government are also eligible for five (5) EAP sessions on a fully insured basis.

** Basic Services include: BHO and EAP claims processing/member services, claims fiduciary, administration/banking, account management/reporting (standard and ad hoc), member communication materials, quality management, and the administrative support for the five (5) EAP sessions. These services are to be provided on an Administrative Services Only (ASO) basis for the membership currently enrolled in the medical plans (approximately 145,000 contracts).

*** Additional Services include: Employee education sessions/topical seminars, manager/supervisor training, critical incident debriefing and employee orientation. These services are to be provided via an annual "bank" of 600 hours that is available at the discretion of the State. Any unused hours at the end of the year will roll forward to the next year's bank, up to a maximum of 100 hours.



The Contractor shall be paid based on enrollment counts calculated by the State's Enterprise Resource Planning (ERP) solution, otherwise known as Edison. Payments to the Contractor will commence with a payment to the Contractor for services provided as of January 1, 2012 and continue through the payment for services to December 31, 2016. Payments to the Contractor will be limited to services provided during these sixty (60) months.

- c. **Claims Payments.** The State will fund the Contractor for the total issue amount of the claims payments, net of cancellations, voids or other payment credit adjustments. Unless otherwise mutually agreed in writing by the parties, the Contractor shall notify the State of the funding amount required and the State will fund the Contractor weekly, provided that the Contractor's payment process includes timely settlement of ACH transactions. As the parties shall mutually agree in writing, the transfer of said funding to the Contractor for claims payments shall be effected weekly by either ACH debit from the Contractor to a designated State bank account; or wire transfer of funds to the Contractor's designated bank account.
 - (1) The Contractor acknowledges and agrees that since the State intends to fund payments at the time of issuance, the State will not maintain a separate bank account or an escrow account with the Contractor or to otherwise pre-fund an account.
 - (2) The State reserves the right to review documentation either before or after the transfer of funding for claims payments and, as the State may deem appropriate, to adjust the funding amount to be transferred or withhold the amount of any overpaid funding from another funding transfer.
 - (3) The Contractor acknowledges that funding for Claims Payments shall be adjusted in full consideration of the Contract Scope of Service requirement that the Contractor shall identify and pursue claims that may be subject to coordination of benefits (COB); see Contract Section A.9.h.
- d. The Contractor shall be responsible for the fee charged by the DSS vendor to develop, test and implement conversion programs for the Contractor's claims data. Furthermore, the Contractor shall pay during the period of this Contract all applicable fees as assessed by the State's DSS. The Contractor shall be responsible for all applicable fees related to Contractor data quality errors, Contractor negligence, or changes made at the Contractor's request. Pursuant to Contract Section C.3.f, the State will reimburse the Contractor for all other applicable fees, including but not limited to fees related to data format changes at the State's request or to comply with new regulations.
- e. If member materials containing an error were approved by the State in writing and the error was detected after the materials were mailed, pursuant to Contract Section C.3.f, the State will reimburse the Contractor the production and postage cost of mailing the corrected version.
- f. The State shall reimburse the Contractor for the following, selected actual costs in the performance of this Contract upon the Contractor providing documentation of actual costs incurred as required by the State.
 - (1) **Postage.** In a situation where unanticipated plan modifications would require notification to plan members that is not detailed in the terms and conditions of this Contract, the State may request the Contractor to produce and mail such notification to plan members. In such extreme situations, The State shall reimburse the Contractor only for the actual cost of postage for mailing materials produced at the specific direction of the State and authorized by the State.



- (2) **Printing / Production.** The State shall reimburse the Contractor an amount equal to the actual net cost of document printing / production or producing hard copies of online videos as required and authorized by the State and as detailed in Contract Section A and Contract Section C.3.f.(1) above.

Notwithstanding the foregoing, the State retains the right to authorize the Contractor to deliver a product to be printed, approve and accept the product but not use the Contractor to print the material. In those situations, the State shall have the discretion to use other printing and production services at its disposal.

- (3) **DSS Vendor Fees.** The State will not reimburse the Contractor for the fee charged to develop, test, and implement conversion programs or for any fees related to Contractor data quality errors, Contractor negligence, or changes made at the Contractor's request. The State will reimburse all other applicable fees charged by the DSS vendor, including but not limited to fees related to data format changes at the State's request or to comply with new regulations.

C.4. **Travel Compensation.** The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. **Monthly Payment to the Contractor**

The State will provide the Contractor the enrollment counts for the State, Local Education, and Local Government Plans on a monthly basis. The enrollment figures for the following month's payment shall be the enrollment count on the last day of the prior month and shall be calculated through the State's Enterprise Resource Planning (ERP) solution, otherwise known as Edison. The first payment under this contract to the vendor shall be made during the month of January 2012 based on enrollment counts as of December 31, 2011 for the January 2012 month of coverage.

C.6. **Payment to Contractor.** A payment by the State shall not prejudice the State's right to object to or question any payment or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount paid.

C.7. **Payment Reductions.** The Contractor's payment shall be subject to reduction for amounts included in any payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. **Deductions.** The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. **Prerequisite Documentation.** The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must



agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least sixty (60) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to terminate the Contract and withhold payments in excess of fair compensation for completed services.
- a. The State will provide notification of termination for cause in writing. This notice will: (1) specify in reasonable detail the nature of the breach; (2) provide the Contractor with an opportunity to cure, which must be requested in writing no less than 10 days from the date of the Termination Notice; and (3) shall specify the effective date of termination in the event the Contractor fails to correct the breach. The Contractor must present the State with a written request detailing the efforts it will take to resolve the problem and the time period for such resolution. This opportunity to "cure" shall not apply to circumstances in which the Contractor intentionally withholds its services or otherwise refuses to perform. The State will not consider a request to cure contract performance where there have been repeated problems with respect to identical or similar issues, or if a cure period would cause a delay that would impair the effectiveness of State operations. In circumstances where an opportunity to cure is not available, termination will be effective immediately.
 - b. Notwithstanding the foregoing, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.



D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Contract Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tennessee Code Annotated, Section 12-4-124, *et seq.* for acts



or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.

- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.

- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.



- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Marlene D. Alvarez, Procurement & Contracting Manager
Tennessee Department of Finance & Administration
Benefits Administration Division
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, Suite 2600
Nashville, Tennessee 37243
Telephone Number: 615.253.8358
Fax Number: 615.253.8556
Marlene.alvarez@tn.gov



The Contractor:

Kory J. Krucher, Ph.D., Regional Director of Account Management
Magellan Behavioral Health, Inc.
2500 Northwinds Parkway, Suite 300
Atlanta, Georgia, 30004
Telephone Number: 678-319-3812
FAX Number: 770-753-2295
kjkrucher@magellanhealth.com

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
 - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
 - (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
 - (4) Professional Malpractice Liability with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.



- b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.6. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.7. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- d. The Contractor shall reimburse the State and hold it harmless for all claims, liabilities, costs, and damages caused by violations of HIPAA and its implementing regulations by the Contractor. This includes, but is not limited to, any civil penalties assessed against the State and the costs of providing notice under 45 CFR 164.400 et seq and Tennessee



Code Annotated Section 47-18-2107. Contractor will cooperate with the State in providing notice of the violation as required by applicable law.

- E. 8. State Ownership of Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, including computer source code, created, designed, developed, derived, documented, installed, or delivered under this Contract subject to the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.
- a. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Contractor Materials"), the Contractor shall retain all right, title and interest in and to such Contractor Materials, and the State shall acquire no right, title or interest in or to such Contractor Materials EXCEPT the Contractor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Contractor Materials reasonably associated with any Work Product provided under the Contract.
 - b. The Contractor shall furnish such information and data as the State may request, including but not limited to computer code, that is applicable, essential, fundamental, or intrinsic to any Work Product and Contractor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.
 - c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
 - d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.
- E. 9. Competitive Procurements. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or contracted services. Such procurements shall be made on a competitive basis, where practical. The Contractor shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Contract. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification, approved by the Commissioner of Finance and Administration, for such decision and non-competitive procurement.
- E. 10. Competitive Procurements. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or contracted services. Such procurements shall be made on a competitive basis, where practical. The Contractor shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Contract. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification, approved by the Commissioner of Finance and Administration, for such decision and non-competitive procurement.
- E. 11. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the



Contractor shall be responsible to the State for the residual value of the property at the time of loss.

E.12. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
- b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
- d. any technical specifications provided to proposers during the procurement process to award this Contract;
- e. the Contractor's proposal seeking this Contract.

E.13. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.14. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP # 31786 - 00110 (Attachment 6.2, Section B.15.) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and



persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

- E.15. Limitation of Liability. The parties agree that the Contractor's liability under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Contract Section C.1. and as may be amended, PROVIDED THAT in no event shall this Contract Section limit the liability of the Contractor for intentional torts, criminal acts, or fraudulent conduct.
- E.16. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.17. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:
- failure to perform in accordance with any term or provision of the Contract;
 - partial performance of any term or provision of the Contract;
 - any act prohibited or restricted by the Contract, or
 - violation of any warranty.

For purposes of this Contract, these items shall hereinafter be referred to as a "Breach."

- a. Contractor Breach— The State shall notify Contractor in writing of a Breach.
- (1) In event of a Breach by Contractor, the State shall have available the remedy of Actual Damages and any other remedy available at law or equity.
 - (2) Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages as detailed in Contract Attachment B. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced Contract Attachment B and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in



addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

The State may conduct "secret shopper" and other monitoring activities during the operation of this Contract. The State may also assess liquidated damages for breaches of contract that it discovers during these and other activities as detailed in Contract Attachment B.

- (3) Partial Default— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. The Notice of Partial Default and termination of services associated with the Breach shall advise the Contractor whether the State will provide an opportunity to cure. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken.

- (4) Contract Termination— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this



Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover

The Termination Notice must (1) specify in reasonable detail the nature of the Breach; (2) provide Contractor with an opportunity to cure, which shall be no less than 30 days from the date of the Termination Notice; (3) shall specify the effective date of termination in the event Contractor fails to correct the Breach. The Contractor shall present the State with a written request detailing the efforts it will take to resolve the problem. This opportunity to "cure" shall not apply to circumstances in which the Contractor intentionally withholds its services or otherwise refuses to perform. The State will not consider a request to cure contract performance where there have been repeated problems with respect to identical or similar issues, or if a cure period would cause a delay that would impair the effectiveness of State operations.

- b. State Breach— In the event of a Breach of Contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of Contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.

- E.18. Unencumbered Personnel. All persons assigned by the Contractor to perform services for the State under this Contract, whether they are employees, agents, subcontractors, or principals of the Contractor, shall not be subject to any employment contract or restrictive covenant provisions which would preclude those persons from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State. If the Contractor provides the State with the services of any person subject to a restrictive covenant or contractual provision in violation of this provision, any such restrictive covenant or contractual provision will be void and unenforceable, and the Contractor will pay the State and any person involved all of its expenses, including attorneys fees, caused by attempts to enforce such provisions.
- E.19. Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.
- E.20. Overpayments. The Contractor shall have responsibility for overpayments to its providers resulting from the negligent, reckless, or willful acts or omissions of the Contractor, its officers, agents or employees, regardless of whether or not such overpayments can be recovered by the Contractor. The Contractor shall repay the State the amount of any such overpayment within thirty (30) calendar days of discovery of the overpayment. Overpayments due to provider fraud or



fraud of any other type, other than fraud by employees or agents of the Contractor, will not be considered overpayments for purposes of this Section. The Contractor shall assist in identifying fraud and make reasonable efforts, in consultation with the State, to recover overpayments due to fraud.

- E.21. Third Party Beneficiary. This Contract has been entered into solely for the benefit of the State and the Contractor and is not intended to create any legal, equitable, or beneficial interest in any third party or to vest in any third party any interest as to enforcement or performance.
- E.22. Confidential and Proprietary Information The State agrees to protect, to the fullest extent permitted by state law, the confidentiality of information expressly identified by the Contractor as confidential and proprietary, including information that would allow a person to obtain unauthorized access to confidential information or to electronic information processing systems owned by or licensed to the State.
- E.23. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, et. seq., shall be printed pursuant to this contract unless a printing authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).

IN WITNESS WHEREOF,

MAGELLAN BEHAVIORAL HEALTH, INC.:

8/31/2011

CONTRACTOR SIGNATURE

DATE

RENE LERER Chairman and CEO

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

STATE OF TENNESSEE,
STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE:

9-6-11

MARK A. EMKES, CHAIRMAN

MDA

DATE



CONTRACT ATTACHMENT A

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	Edison # 28410
CONTRACTOR LEGAL ENTITY NAME:	Magellan Behavioral Health, Inc.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	52-2135463

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

RENE LERER Chairman and CEO

PRINTED NAME AND TITLE OF SIGNATORY

August 31, 2011

DATE OF ATTESTATION



CONTRACT ATTACHMENT B

LIQUIDATED DAMAGES

The Contractor shall pay to the State the indicated total dollar assessment upon notification by the State that an amount is due, through the period of this Contract.

As prior approved by the State in writing performance guarantees shall be measured specific to the Public Sector Plans or on the Contractor's book of business.

1. Edison System Interface and Eligibility Set-Up	
Guarantee	The Contractor's interface with the Edison System, including loading, testing, and verification of eligibility information, shall be fully operational by the date specified in Contract Section A.22.
Assessment	Ten thousand dollars (\$10,000) per day, for every day beyond the deadline that the interface is not fully operational. One hundred fifty thousand dollar (\$150,000) maximum.
Measurement	Measured and reported beginning the day after the date specified in Contract Section A.22 and continuing – as necessary – until the interface is fully operational. (Reconciled upon final recognition of operational status.)
2. Program Go-Live Date	
Guarantee	The Contractor's program for the Public Sector Plans, including the provision of covered services and the performance of administrative services, including but not limited to establishment of a provider network, utilization management, claims processing, member services, call center, website/portal, and information systems, shall be fully operational on the go-live date specified in Contract Section A.22.
Assessment	Fifty thousand dollars (\$50,000) for every day beyond the deadline that the program is not fully operational. Five hundred thousand dollar (\$500,000) maximum.
Measurement	Measured and reported no later than three (3) months after the go-live date.
3. Plan Design	
Guarantee	The Contractor shall correctly adjudicate claims in accordance with the plan design/Plan Documents as required in Contract Sections A.2.f. and A.9.
Assessment	One thousand dollars (\$1,000) per occurrence (defined as an individual claim) if the standard is not met plus the actual costs incurred of the incorrectly-processed claim. Fifty thousand dollar (\$50,000) annual maximum (which excludes the actual costs incurred for incorrectly-processed claims, which shall not be subject to a cap).
Measurement	Measured, reported, and reconciled after each occurrence.
4. Plan Changes	
Guarantee	The Contractor shall correctly implement any plan design changes within sixty (60) days of written notification from the State as required in Contract Section A.9.
Assessment	Five thousand dollars (\$5,000) per day if the standard is not met. One hundred thousand dollar (\$100,000) annual maximum. The State will not assess liquidated damages pursuant to both this guarantee and the guarantee related to Plan Design for the same deficiency.
Measurement	Measured and reported after each occurrence.



5. Maximum Seconds to Answer	
Guarantee	The Contractor's call center shall answer, by a person, one hundred percent (100%) of calls within three (3) minutes (180 seconds), as required in Contract Section A.11.n.(1).
Assessment	Five hundred dollars (\$500) for each second above the threshold during each period on any single day. One hundred and fifty thousand dollar (\$150,000) annual maximum. The State may reduce the assessment in the event the Contractor provides a corrective action plan (CAP) that is accepted by the State.
Measurement	The Contractor shall calculate the number of instances during each period (see Contract Section A.11) during which a caller's time-to-answer exceeds this threshold. Based on Contractor's internal telephone support system reports. Measured and reported on a daily basis during the thirty (30) days prior to the go-live date through sixty (60) days after the go-live date, weekly, and monthly. Please note that the monthly report shall include rates for each day as well as averages for days of week, time of day, each week, and each month.
6. Reading Level	
Guarantee	The Contractor shall provide to the State a draft of all member communications with an accurate Flesch-Kincaid reading level analysis that indicates that the materials are at or lower than the 6.0 reading level. (See Contract Section A.12.d.(7)).
Assessment	One thousand dollars (\$1,000) for each occurrence in which the standard is not met. An occurrence shall be defined as the initial submission to the State of the draft member communication for approval.
Measurement	Measured and reported after each occurrence.
7. Expedited Appeal Decisions	
Guarantee	One hundred percent (100%) of expedited appeals, not involving a third party review, shall be decided within seventy-two (72) hours as required in Contract Section A.10.i.(11). In the event that the Contractor requires an external medical consultation, the timeframe shall be extended from seventy-two (72) hours to seven (7) calendar days.
Assessment	One thousand dollars (\$1,000) for each instance that the Contractor exceeds the standard. Fifty thousand dollar (\$50,000) annual maximum.
Measurement	Measured, reported, and reconciled quarterly.
8. Member Notice of Provider Termination	
Guarantee	The Contractor shall provide written notice to members regarding terminated providers, as specified in Contract Section A.5.m
Assessment	Three thousand dollars (\$3,000) per occurrence (defined as each provider termination) if the standard is not met. Sixty thousand dollar (\$60,000) annual maximum.
Measurement	Measured and reported after each occurrence.



9. Provider Network Accessibility		
Guarantee	As measured by the GeoNetworks® Provider & Facility Network Accessibility Analysis, the Contractor's provider network shall assure that 95% of all members shall have the Access Standard indicated	
Definition	Provider Type	Access Standard (Urban, Suburban, and Rural)
	Outpatient Behavioral Health Network Providers	2 providers within 10 miles 2 providers within 15 miles 2 providers within 30 miles
	Inpatient Behavioral Health Network Providers	2 providers within 20 miles 2 providers within 30 miles 2 providers within 40 miles
	Psychiatrists (board certified and non-board certified and Advanced Practice Register Nurses refer to Contract Section) Note: 70% of the Contractor's network psychiatrists shall be board certified per Contract Section A.5.b.	2 psychiatrists within 10 miles 2 psychiatrists within 15 miles 2 psychiatrists within 30 miles
Assessment	<p>One hundred thousand dollars (\$100,000) if any of the above listed standards is not met, either individually or in combination. The State may waive the assessment if the Contractor provides sufficient documentation to demonstrate that the deficiency is attributable to a lack of providers practicing in the area. The State may reduce the assessment in the event the Contractor provides a corrective action plan (CAP) that is accepted by the State.</p> <p>For purposes of measuring compliance with the access standards delineated in this liquidated damage, the Contractor shall provide the State with a GeoAccess report of provider access for urban, suburban, and rural areas. Unless otherwise directed by the State, the Contractor shall use GeoAccess' default definitions for urban, suburban, and rural areas. At the Contractor's request, the State may also approve other methodologies, including but not limited to (a) the current GeoAccess standards; (b) the most recent version of the rural-urban commuting area (RUCA) codes as defined by the U.S. Bureau of the Census and the U.S. Department of Agriculture Economic Research Service; (c) the ZIP code approximation of the RUCA codes; (d) the current definition of "rural areas" used by the U.S. Department of Health and Human Services Office of Rural Health Policy; or (e) the most recent definitions of Office of Management and Budget (OMB) with respect to county-level metropolitan and micropolitan areas.</p>	
Measurement	Compliance report is the semi-annual GeoNetworks Analysis submitted by the Contractor. Measured, reported and reconciled semi-annually.	
10. Appointment Scheduling Assistance		
Guarantee	The Contractor shall assist members to secure a timely appointment within the timeframes specified in Contract Section A 5.f.	
Assessment	One thousand dollars (\$1,000) for occurrence, including Secret Shopper occurrences identified by the State or its authorized agent, in which the Contractor does not provide the appointment scheduling assistance required in Contract Section A.5. Fifty thousand dollar (\$50,000) annual maximum.	
Measurement	Measured and reported after each occurrence.	



11. Appointment Standards	
Guarantee	Ninety percent (90%) of all behavioral health appointments shall meet the timeframes specified in Contract Section A.5.f.
Assessment	Five thousand dollars (\$5,000) for each type of appointment for which less than ninety percent (90%) of appointments meet the timeframes specified in Contract Section A.5. The State may reduce the assessment in the event the Contractor provides a corrective action plan (CAP) that is accepted by the State. Fifty thousand dollar (\$50,000) annual maximum.
Measurement	Measured, reported, and reconciled quarterly.
12. Missing Authorization Information	
Guarantee	As specified in Contract Section A.6.j., the Contractor shall immediately contact the provider by phone or email to obtain any missing information necessary to make a pre-certification, prior authorization, or concurrent review decision
Assessment	One thousand dollars (\$1,000) for each pre-certification, prior authorization, or concurrent review decision that was not made within the timeframes specified in Contract Section A.6 and was missing information necessary to make the decision. Fifty thousand dollar (\$50,000) annual maximum.
Measurement	Measured, reported, and reconciled quarterly.
13. Utilization Management Decisions	
Guarantee	The Contractor shall complete ninety-seven percent (97%) of all pre-certifications, prior authorizations, and concurrent review decisions within the timeframes specified in Contract Section A.6.i.
Assessment	Ten thousand dollars (\$10,000) for each timeframe for which the standard is not met. Fifty thousand dollar (\$50,000) annual maximum.
Measurement	Measured, reported, and reconciled quarterly.
14. Eligibility Posting	
Guarantee	Ninety-eight percent (98%) of electronically transmitted enrollment updates shall be posted within one (1) business day after receipt in specified format and one hundred percent (100%) posted within three (3) business days, as required in Contract Section A.18.e.(3).
Assessment	One thousand dollars (\$1,000) per day for the first (1 st) and second (2 nd) business days out of compliance; two thousand dollars (\$2,000) per business day thereafter. Twenty-five thousand dollar (\$25,000) annual maximum.
Measurement	Measured and reported weekly; reconciled annually.
15. Initial Data Loading	
Guarantee	All data required for implementation other than member eligibility data, as described in Contract Sections A.2. and A.18, shall be loaded correctly.
Assessment	Twenty-five thousand dollars (\$25,000) if the standard is not met.
Measurement	Measured at thirty days before go-live date.



16. Ongoing Data Loading		
Guarantee	All data required for operations other than member eligibility data shall be loaded correctly.	
Assessment	One thousand dollars (\$1,000) per day for the first (1 st) and second (2 nd) business days out of compliance; two thousand dollars (\$2,000) per business day thereafter. Twenty-five thousand dollar (\$25,000) annual maximum.	
Measurement	Measured and reported quarterly; reconciled annually.	
17. Enrollment Data Match		
Guarantee	The Contractor shall submit an Enrollment Data Match, not to exceed two (2) times annually, in an agreed upon format, within fourteen (14) calendar days of the request from the State, as required in Contract Section A.18.e.(5).	
Assessment	Ten thousand dollars (\$10,000) for each instance that the standard is not met.	
Measurement	Measured, reported, and reconciled annually but reported twenty (20) days following the update.	
18. Claims Data Quality		
Guarantee	As measured by the State's DSS vendor, the Contractor's BHO and EAP data submission to said vendor shall meet the following Data Quality measures.	
Definition	Measure	Benchmark
	Gender	Data missing for <=/ (less than or equal to) .5% of claims
	Social Security Number or other personal identifier(s) as directed by the State	Data missing for <=/ (less than or equal to) .5% of claims
	Date of birth	Data missing for <=/ .5% of claims
	Outpatient diagnosis coding	Data invalid or missing for <=/ .5% of outpatient claims
	Outpatient provider type missing	Data missing for <=/ .5% of outpatient claims
	Provider ID missing	Data missing for <=/ .5% of claims
Assessment	Ten thousand dollars (\$10,000) if any of the above listed standards is not met, either individually or in combination. Quarterly Guarantee. The State may reduce the assessment in the event the Contractor provides a corrective action plan (CAP) that is accepted by the State	
Measurement	Measured and reported by the State's DSS vendor monthly; reconciled annually.	



19. Claims Data Submission	
Guarantee	The Contractor shall submit claims data to the State's DSS vendor no later than fifteen (15) days following the end of each calendar month, or more frequently as directed by the State (see Contract Section A.18.i.).
Assessment	Five thousand dollars (\$5,000) per day for the first and second business days out of compliance; ten thousand dollars (\$10,000) per business day thereafter. One hundred thousand dollar (\$100,000) quarterly maximum.
Measurement	Measured, reported, and reconciled monthly.
20. Claims Payment Accuracy	
Guarantee	Claims payment accuracy shall be ninety-eight percent (98%) or higher.
Assessment	Fifty thousand dollars (\$50,000) for each full percentage point below ninety-eight percent (98%) for each contracted quarter.
Measurement	Quarterly internal audit performed by the Contractor on a statistically valid sample. Measured and reported quarterly; reconciled annually.
21. Claims Processing Accuracy	
Guarantee	Claims processing accuracy shall be ninety-seven percent (97%) or higher.
Assessment	Fifty thousand dollars (\$50,000) for each full percentage point below ninety-seven percent (97%), for each contracted quarter.
Measurement	Quarterly internal audit performed by the Contractor on a statistically valid sample. Measured and reported quarterly; reconciled annually.
22. Claims Payment Turnaround	
Guarantee	The Contractor shall reimburse network providers within fourteen (14) calendar days for ninety percent (90%) of clean claims and within thirty (30) calendar days for ninety-six percent (96%) of all claims.
Assessment	<u>Non-Investigated Claims (clean)</u> : Ten thousand dollars (\$10,000) for each full percentage point below the required minimum standard of ninety percent (90%) within fourteen (14) days. <u>All Claims</u> : Fifteen thousand dollars (\$15,000) for each full percentage point below the required minimum standard of ninety-six percent (96%) within thirty (30) days.
Measurement	Quarterly internal audit performed by the Contractor on a statistically valid sample. Measured and reported quarterly; reconciled annually.
23. Medicare Secondary Payer Notice	
Guarantee	The Contractor shall notify the State on a weekly basis of receipt on any notices from Medicare that Medicare may have made primary payments for services when it should have been a secondary payer (a Medicare Secondary Payer (MSP) demand letter), as specified in Contract Section A.9.r.
Assessment	Five hundred dollars (\$500) for every day beyond the specified timeframe that the Contractor does not notify the State. Twenty thousand dollar (\$20,000) annual maximum.
Measurement	Measured, reported, and reconciled after each occurrence



24. Key Staff Vacancies	
Guarantee	As required in Contract Section A.16.m., if any key position becomes vacant, the Contractor shall employ an adequate permanent replacement within sixty (60) days of the vacancy unless the State grants an exception to this requirement.
Assessment	Five thousand dollars (\$5,000) for each week beyond sixty (60) days that the vacancy is not filled. Fifty thousand dollar (\$50,000) annual maximum
Measurement	Measured, reported, and reconciled annually.
25. Reporting	
Guarantee	The Contractor shall distribute to the State all reports required in Contract Sections A.1. through A.22. and Contract Attachment C within the timeframe specified in the Contract.
Assessment	Five thousand dollars (\$5,000) for each report not delivered to the State within the timeframe specified in the Contract. One hundred thousand dollar (\$100,000) annual maximum.
Measurement	Measured, reported, and reconciled after each occurrence.
26. Accreditation	
Guarantee	The Contractor shall be NCOA accredited for its behavioral health product and URAC accredited for its UM program as specified in Contract Section A.8.j.
Assessment	One hundred thousand dollars (\$100,000) if the standard is not met.
Measurement	Copy of completed survey and final report.
27. Authorization of Member Communications	
Guarantee	The Contractor shall not distribute any materials to members prior to receiving the express, written authorization by the State for the use of such materials.
Assessment	Ten thousand dollars (\$10,000) for each instance that the standard is not met (i.e., in which the Contractor distributes unauthorized materials to members). The assessment will be per occurrence or bulk mailing rather than per each mailed or distributed piece of information. One hundred thousand dollar (\$100,000) annual maximum.
Measurement	The State will notify the Contractor of any such occurrence. Any amounts due for the Contractor's noncompliance with this pre-approval provision shall be paid annually upon request by the State.
28. Privacy and Security of Protected Health Information	
Guarantee	In accordance with Contract Section E.7., the Contractor shall not violate the Privacy and Security Rules (45 CFR Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 as amended by Public Law 111-5, Division A, Title XIII (the HITECH Act).



Assessment	Two thousand five hundred dollars (\$2,500) for the first violation, five thousand dollars (\$5,000) for the second violation and ten thousand dollars (\$10,000) for the third and any additional violations with a maximum cap at one hundred thousand dollars (\$100,000) annually. The assessment will be imposed on a per incident basis meaning regardless of how many members are impacted and the assessment will be levied on the graduated basis detailed above.
Measurement	Measured, reported, and reconciled per occurrence.



CONTRACT ATTACHMENT C

REPORTING REQUIREMENTS

As required by this Contract, the Contractor shall submit reports to the State. Reports shall be submitted electronically, in the format specified by the State, and shall be of the type and at the frequency indicated below. The State reserves the right to modify reporting requirements as deemed necessary to monitor the Public Sector Plans. The State will provide the Contractor with at least ninety (90) days notice prior to implementation of a report modification.

Unless otherwise directed by the State, the Contractor shall submit reports as follows:

- A. Weekly reports shall be submitted by Tuesday of the following week;
- B. Monthly reports shall be submitted by the 15th of the following month;
- C. Quarterly reports shall be submitted by the 20th of the following month;
- D. Semi-Annual Reports shall be submitted by the 20th of the following month;
- E. Annual reports shall be submitted within sixty (60) days after the end of the calendar year.

Unless prior approved in writing by the State, each report shall be specific to the Public Sector Plans (not the Contractor's book of business).

Reports shall include:

1. **Performance Tracking**, as detailed at Contract Attachment B (each component to be submitted at the frequency indicated in Contract Attachment B), submitted by secure email using the template prior approved in writing by the State, which shall include:
 - a. Status report narrative
 - b. Detail report on each performance measure
2. **Employee Assistance/Work-Life Outreach/Education Report**, submitted quarterly by secure email using the template prior approved in writing by the State
3. **Quarterly Appointment Standards Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
4. **Quarterly Network Changes Update Report**, submitted quarterly by secure email in Excel by the 5th business day of the end of the quarter using the template prior approved in writing by the State.
5. **GeoNetworks® Report**, submitted semi-annually after the 1st and 3rd quarters by secure email using the template prior approved in writing by the State
6. **Annual Provider Turnover Report**, submitted annually by the 15th business day of the end of the year using the template prior approved in writing by the State.
7. **Monthly Unique Care Exception Report**, submitted monthly by secure email using the template prior approved in writing by the State.
8. **Quarterly Out-of-Service Area Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
9. **Quarterly Utilization and Practice Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
10. **Quarterly Case Management Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
11. **Psychotropic Medication Guidelines Report**, submitted annually using the template prior approved in writing by the State.



12. **Quarterly Report on Provider Incidents/Potential Issues**, submitted quarterly by secure email using the template prior approved in writing by the State.
13. **Performance Evaluation Report**, submitted annually using the template prior approved in writing by the State.
14. **Member Survey Report**, submitted annually by secure email using the template prior approved in writing by the State.
15. **NCQA Reports**, submitted by email within the timeframe and using the template prior approved in writing by the State.
16. **NCQA QI Documents**, including QI program description, annual QI work plan, and annual QI program evaluation, submitted by email within the timeframe and using the template prior approved in writing by the State.
17. **URAC Reports**, submitted by email within the timeframe and using the template prior approved in writing by the State.
18. **Quarterly Coordination of Benefits Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
19. **Monthly Paid Claims Report**, submitted monthly by secure email in Excel using the template prior approved in writing by the State.
20. **Monthly Reconciliation Report**, submitted monthly by secure email in Excel using the template prior approved in writing by the State.
21. **Monthly Recoveries Report**, submitted monthly by secure email in Excel using the template prior approved in writing by the State.
22. **Quarterly Fraud and Abuse Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
23. **Adherence to Customer Satisfaction Standards Report**, submitted monthly by email using the template prior approved in writing by the State.
24. **Quarterly Appeals Report**, submitted quarterly by secure email in Excel using the template prior approved in writing by the State.
25. **Undeliverable Mail Report**, submitted monthly by email using the template prior approved in writing by the State.
26. **Account Team Satisfaction Survey Report**, submitted annually using the template prior approved in writing by the State.
27. **BC-DR Results Report**, submitted annually by email using the template prior approved in writing by the State.
28. **Daily File Transmission Statistics Report**, submitted by secure email within twenty-four (24) hours of receipt of the file using the template prior approved in writing by the State.
29. **Quarterly CMS Data Match Report**, submitted quarterly by secure email in Excel using the template prior approved in writing by the State.
30. **Employee Assistance/Work-Life Utilization and Outcomes Report**, submitted monthly by secure email using the template prior approved in writing by the State. Additionally, the Contractor shall provide utilization data specifically for EAP participants who are not enrolled in a medical plan, yet eligible for EAP services.
31. **Other Reports**, as specified in this Contract and using templates prior approved in writing by the State.

QUALIFICATIONS AND SERVICE DEFINITIONS FOR EMPLOYEE ASSISTANCE/WORK-LIFE SERVICES

Work-Life Service	Minimum Consultant Qualifications	Service Definition	Additional Requirements, Limits, or Exclusions
<p>Financial Counseling</p>	<p>Appropriately certified as prior approved in writing by the State</p>	<p>Assistance and advice regarding financial issues such as budget planning, debt management, credit counseling, college planning, retirement planning, and limited assistance and advice regarding tax issues</p>	<p>Financial consultants shall make members aware of the State's optional retirement plan vendor (e.g., TCRS, 401(K), and 457); if the member is not a state employee, the financial consultant should refer the member to the member's HR representative for recommendations regarding additional resources</p>
<p>Legal Consultation</p>	<p>Attorney licensed in the State of Tennessee who is a member of his/her local bar association, has been in practice for at least five (5) years, is in good standing with any applicable state or local authority, and has professional liability insurance in the amount of at least \$200,000</p>	<p>Consultation on any legal issue except as otherwise excluded</p>	<p>Limit: One free hour per separate subject, per calendar year; twenty-five percent (25%) discount for ongoing legal services Exclusions: Advice on issues relating to the member's job or business concerns or any matter that is frivolous, harassing, or otherwise would be a violation of ethical rules</p>
<p>Child/Elder Care Assistance</p>	<p>Certified geriatric case manager or licensed behavioral health professional</p>	<p>Assistance with child and elder care issues, including but not limited to identification of child/elder care needs, assistance formulating a strategy to move forward, assistance in locating child/elder care vendors, referral to a local certified case manager for elder issues, ensuring that the member receives a timely appointment with a local certified case manager, and working with the case manager to ensure a seamless integration of services</p>	
<p>Supervisor Support</p>	<p>CEAP or LEAP who is a licensed behavioral health professional with a master's level or above behavioral health license</p>	<p>Consultation and support regarding a specific employee or general workplace performance issues including strategies for performance improvement and risk management</p>	<p>N/A</p>





Work-Life Service Critical Incident Stress Management (CISM) Services	Minimum Consultant Qualifications	Service Definition	Additional Requirements, Limits, or Exclusions
	<p>Licensed behavioral health professional with a master's level or above behavioral health license with a current certificate of specialized training from the International Critical Incident Stress Foundation (ICISF)</p>	<p>A comprehensive, integrative, multi component crisis intervention system that provides interventions from the pre-crisis phase through the acute crisis phase and into the post-crisis phase that can be applied to individuals, small groups, large groups, families, organizations, and even communities. The core components of CISM are:</p> <ol style="list-style-type: none"> 1. Defusing. This is a 3-phase, structured small group discussion provided within hours of a crisis for purposes of assessment, triaging, and acute symptom mitigation; 2. Critical Incident Stress Debriefing (CISD). This refers to the "Mitchell model" (Mitchell and Every, 1996) 7-phase, structured group discussion, usually provided 1 to 10 days post crisis, and designed to mitigate acute symptoms, assess the need for follow-up, and if possible provide a sense of post-crisis psychological closure; 3. One-on-one crisis intervention/counseling or psychological support throughout the full range of the crisis spectrum; and 4. Follow-up and referral mechanisms for assessment and treatment, if necessary <p>Training to promote employee and supervisor awareness and utilization of Work-Life services, including seminars on promotion and prevention, supervisor training, employee orientations, and workshops</p>	<p>N/A</p>
<p>Employee and Supervisor Education and Training</p>	<p>For education and training related to behavioral health, a licensed behavioral health professional with a master's level or above behavioral health license; for education and training regarding financial issues, appropriately certified as prior approved in writing by the State; for education and training regarding legal issues, meeting the requirements for legal consultation</p>	<p>The Contractor shall provide training as specified in the annual training plan prior approved in writing by the State and shall also provide, upon State request, any training listed in the Contractor's EAP training catalog (see Contract Section A.12) 600 hours of training and/or other like services as requested by the State</p>	