

CONTRACT #7
RFS # 339.01-10311
Edison # 21444

**Department of Mental Health
and Substance Abuse Services**

VENDOR:
Ascend Management
Innovations, LLC



STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
601 MAINSTREAM DRIVE
NASHVILLE, TENNESSEE 37243-0675

BILL HASLAM
GOVERNOR

E. DOUGLAS VARNEY
COMMISSIONER

TO: Fiscal Review Committee
FROM: Dennis Temple, Director of PASRR
DATE: February 2, 2015
SUBJECT: Amendment Two to the Pre-Admission Screening and Resident Review Program (PASRR) Contract (Edison #21444; Contract FA1132301)

The subject Contract is between the Department of Mental Health and Substance Abuse Services and Ascend Management Innovations, LLC. The purpose of the Contract is to conduct the federally-mandated Pre-Admission Screening and Resident Review (PASRR) program, a federal program originating from the 1987 Nursing Home Reform Act, part of the Omnibus Budget Reconciliation Act of 1987 (Title IV, Subtitle C of Public Law 100-203 (Medicare, Medicaid, and Other Health-Related Programs/Nursing Home Reform). This amendment increases maximum liability of this contract by \$6.1 million and extends the contract term for an additional year.

The subject Contract was awarded through the Request for Proposal (RFP) process for the term July 1, 2010 through June 30, 2015. Due to the high referral rate, it is expected that the current contract amount of \$12,235,809 will be expended as of April 30, 2015. The increased number of referrals can be attributed to a broader population to be screened, the aging population of the US including the State of Tennessee and an enhanced awareness of PASRR requirement and mental illness within the medical community. To cover the costs of these additional referrals for the current contract term the amendment adds \$1.1 million to the contract maximum liability.

An additional issue for this contract is that the US Center for Medicare and Medicaid Services (CMS) is presently making a change in emphasis in the enforcement of the law. Until this work is accomplished it will be difficult to develop an RFP for these services. The state believes it would be in the best interest of the program and our residents to continue with the present PASRR contractor until the changes in the program are known. Extending the current contract for an additional year should allow sufficient time for CMS to implement the requirements and parameters of the program thereby enabling the department to develop a coherent RFP. The cost of this additional year under the current contract is \$5.0 million.

The following required FRC documentation is attached:

1. Amendment Request and Rule Exception Request;
2. Fiscal Review Committee (FRC) Supplemental Documentation;
3. Supplemental Support Documentation (Edison report of expenditures)
4. Proposed Amendment Two and Contract Summary Sheet;
5. Approved Amendment One and Contract Amendment Summary Sheet; and
5. Approved Original Contract and Contract Summary Sheet.

If additional information is needed, please let us know. Thank you.

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Dennis Temple or Sandra Braber-Grove	*Contact Phone:	615-253-5558 or 615-532-6520		
*Presenter's name(s):	Gene Wood; Sandra Braber-Grove				
Edison Contract Number: <i>(if applicable)</i>	21444	RFS Number: <i>(if applicable)</i>	N/A		
*Original or Proposed Contract Begin Date:	July 1, 2010	*Current or Proposed End Date:	Current: June 30, 2015; Proposed: June 30, 2016		
Current Request Amendment Number: <i>(if applicable)</i>	Two (2)				
Proposed Amendment Effective Date: <i>(if applicable)</i>	April 6, 2015				
*Department Submitting:	TDMHSAS				
*Division:	Mental Health Services				
*Date Submitted:	February 2, 2015				
*Submitted Within Sixty (60) days: <i>If not, explain:</i>	Yes				
*Contract Vendor Name:	Ascend Management Innovations, LLC				
*Current or Proposed Maximum Liability:	Current: \$12,235,809.00 Proposed: \$18,335,809.00				
*Estimated Total Spend for Commodities:	N/A				
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2011	FY: 2012	FY: 2013	FY: 2014	FY: 2015	(Proposed)FY: 2015 and FY 2016
\$1,317,463.00	\$1,370,158.00	\$1,424,974.00	\$6,581,965.00	\$1,541,249.00	\$6,100,000.00
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY: 2011	FY: 2012	FY: 2013	FY: 2014	FY: 2015	FY: 2016
\$1,315,281.10	\$1,609,376.42	\$2,225,113.32	\$3,580,897.88	\$2,084,622.92	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			Referrals from the Medicaid office have increased each year over original projections. The increase has steadily grown. Funding has been acquired by moving funds from future years.		

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	25%	Federal:	75%
<i>Interdepartmental:</i>	\$7,135,809.00	<i>Other:</i>	
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:		Bureau of TennCare	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Amendment #1: October 2013		Amendment #1 added funds to cover an increased number of evaluations being requested and conducted through the federally-mandated PASRR program; added the required Revenue Registration clause; updated the department name; and updated contact information in Section E.2.	
Method of Original Award: <i>(if applicable)</i>		Request for Proposals (RFP) process	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$7,200,000.00; determined from historical data.	
*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.		N/A	

54.00 Payments of FY 2011 through FY 15 Year to Date												
Unit	Voucher	Invoice	Remit Vndr	Name	Gross Amt	Reference	Pymnt Date	Recon Status	Reconciled Date	Warrant Amount	Method	Message
33901	11852	ASCEND-420351-JULY10	12047	Ascend Management Innovations Lic	\$ 109,033.83	525010	9/23/2010	REC	9/23/2010	\$ 109,033.83	EFT	339.08 420351 #21444
33901	11853	ASCEND-420351-AUG10	12047	Ascend Management Innovations Lic	\$ 110,520.59	523558	9/22/2010	REC	9/22/2010	\$ 110,520.59	EFT	339.08 420351 #21444
33901	12274	ASCEND 420351 SEPT 2010	12047	Ascend Management Innovations Lic	\$ 105,028.10	561466	10/21/2010	REC	10/21/2010	\$ 105,028.10	EFT	33908 420351 #21444
33901	12945	ASCEND-420351-OCT10	12047	Ascend Management Innovations Lic	\$ 91,090.26	585905	11/10/2010	REC	11/10/2010	\$ 91,090.26	EFT	339.08 420351 #21444
33901	13729	ASCEND-420351-NOV10	12047	Ascend Management Innovations Lic	\$ 95,784.87	636488	12/20/2010	REC	12/20/2010	\$ 95,784.87	EFT	339.08 420351 #21444
33901	14234	ASCEND-420351-DEC10	12047	Ascend Management Innovations Lic	\$ 92,075.22	679971	1/28/2011	REC	1/28/2011	\$ 92,075.22	EFT	339.08 420351 #21444
33901	14996	ASCEND-420351-JAN11	12047	Ascend Management Innovations Lic	\$ 111,786.29	723368	3/2/2011	REC	3/2/2011	\$ 111,786.29	EFT	339.08 420351 #21444
33901	15664	ASCEND-420351-FEB11	12047	Ascend Management Innovations Lic	\$ 101,352.34	759723	3/30/2011	REC	3/30/2011	\$ 101,352.34	EFT	339.08 420351 #21444
33901	16335	ASCEND-420351-MAR11	12047	Ascend Management Innovations Lic	\$ 137,409.95	799857	4/29/2011	REC	4/29/2011	\$ 137,409.95	EFT	339.08 420351 #21444
33901	17029	ASCEND-420351-APR11	12047	Ascend Management Innovations Lic	\$ 97,361.78	838438	5/27/2011	REC	5/27/2011	\$ 97,361.78	EFT	339.08 420351 #21444
33901	17851	ASCEND-420351-MAY11	12047	Ascend Management Innovations Lic	\$ 124,625.48	882181	6/30/2011	REC	6/30/2011	\$ 124,625.48	EFT	339.08 420351 #21444
33901	18780	ASCEND-420351-JUNE11	12047	Ascend Management Innovations Lic	\$ 139,212.39	921242	7/29/2011	REC	7/29/2011	\$ 139,212.39	EFT	339.08 420351 #21444
FY 2011					\$ 1,315,281.10							
33901	19214	ASCEND-420352-JULY11	12047	Ascend Management Innovations Lic	\$ 122,103.43	961383	8/30/2011	REC	8/30/2011	\$ 122,103.43	EFT	339.08 420352 #21444
33901	19642	ASCEND-420352-AUG11	12047	Ascend Management Innovations Lic	\$ 140,456.60	999489	9/30/2011	REC	9/30/2011	\$ 140,456.60	EFT	339.08 420352 #21444
33901	20662	ASCEND-420352-SEPT11	12047	Ascend Management Innovations Lic	\$ 144,649.52	1039007	10/28/2011	REC	10/28/2011	\$ 144,649.52	EFT	339.08 420352 #21444
33901	21154	ASCEND-420352-OCT11	12047	Ascend Management Innovations Lic	\$ 134,147.40	1078486	11/30/2011	REC	11/30/2011	\$ 134,147.40	EFT	339.08 420352 #21444
33901	21839	Ascend Mgr 420352 11-11	12047	Ascend Management Innovations Lic	\$ 123,533.34	1117819	12/30/2011	REC	12/30/2011	\$ 123,533.34	EFT	33908 420352 #21444
33901	22256	ASCEND-420352-DEC11	12047	Ascend Management Innovations Lic	\$ 109,449.29	1153463	1/30/2012	REC	1/30/2012	\$ 114,617.33	EFT	339.08 420352 #21444
33901	22985	ASCEND-420352-JAN12	12047	Ascend Management Innovations Lic	\$ 137,037.03	1196432	3/1/2012	REC	3/1/2012	\$ 143,284.19	EFT	339.08 420352 #21444
33901	23729	ASCEND-420352-FEB12	12047	Ascend Management Innovations Lic	\$ 123,922.56	1236140	3/30/2012	REC	3/30/2012	\$ 130,877.12	EFT	339.08 420352 #21444
33901	24410	ASCEND-420352-MAR12	12047	Ascend Management Innovations Lic	\$ 136,709.69	37687	4/30/2012	REC	4/30/2012	\$ 136,709.69	EFT	339.08 420352 #21444
33901	25112	ASCEND-420352-APR12	12047	Ascend Management Innovations Lic	\$ 134,612.13	79399	5/30/2012	REC	5/30/2012	\$ 134,612.13	EFT	339.08 420352 #21444
33901	26059	ASCEND-420352-MAY12	12047	Ascend Management Innovations Lic	\$ 138,213.47	124598	6/29/2012	REC	6/29/2012	\$ 155,626.23	EFT	339.08 420352 #21444
33901	27305	ASCEND-420352-JUN12	12047	Ascend Management Innovations Lic	\$ 164,541.96	196037	8/21/2012	REC	8/21/2012	\$ 164,541.96	EFT	339.08 420352 #21444
FY 2012					\$ 1,609,376.42							
33901	27520	ASCEND-420353-JUL12	12047	Ascend Management Innovations Lic	\$ 131,661.55	201368	8/27/2012	REC	8/27/2012	\$ 131,661.55	EFT	339.08 420353 #21444
33901	27838	ASCEND-420353-AUG12	12047	Ascend Management Innovations Lic	\$ 152,144.76	230919	9/17/2012	REC	9/17/2012	\$ 152,144.76	EFT	339.08 420353 #21444
33901	28793	ASCEND-420353-SEP12	12047	Ascend Management Innovations Lic	\$ 170,894.40	277433	10/22/2012	REC	10/22/2012	\$ 170,894.40	EFT	339.08 420353 #21444
33901	29336	ASCEND-420353-OCT12	12047	Ascend Management Innovations Lic	\$ 229,365.42	308017	11/15/2012	REC	11/15/2012	\$ 229,365.42	EFT	339.08 420353 #21444
33901	29988	ASCEND-420353-NOV12	12047	Ascend Management Innovations Lic	\$ 153,259.50	352303	12/14/2012	REC	12/14/2012	\$ 153,259.50	EFT	339.08 420353 #21444
33901	30671	ASCEND-420353-DEC12	12047	Ascend Management Innovations Lic	\$ 151,005.92	391258	1/16/2013	REC	1/16/2013	\$ 151,005.92	EFT	339.08 420353 #21444
33901	31537	ASCEND-420353-JAN13	12047	Ascend Management Innovations Lic	\$ 198,276.19	433749	2/19/2013	REC	2/19/2013	\$ 198,276.19	EFT	339.08 420353 #21444
33901	32412	ASCEND-420353-FEB13	12047	Ascend Management Innovations Lic	\$ 196,532.54	470810	3/14/2013	REC	3/14/2013	\$ 196,532.54	EFT	339.08 420353 #21444

33901	33188	ASCEND-420353-MAR13	12047	Ascend Management Innovations Lic	\$	197,258.85	507497	4/12/2013 REC	4/12/2013	\$	197,258.85	EFT	339.08	420353	#21444
33901	33911	ASCEND-420353-APR13	12047	Ascend Management Innovations Lic	\$	214,439.50	551478	5/14/2013 REC	5/14/2013	\$	214,439.50	EFT	339.08	420353	#21444
33901	34645	ASCEND-420353-MAY13	12047	Ascend Management Innovations Lic	\$	203,846.16	590281	6/12/2013 REC	6/12/2013	\$	203,846.16	EFT	339.08	420353	#21444
33901	36149	ASCEND-420353-JUN13	12047	Ascend Management Innovations Lic	\$	226,428.53	674777	8/9/2013 REC	8/9/2013	\$	226,428.53	EFT	339.08	420353	#21444 (PASRR)
FY 2013					\$	2,225,113.32									

33901	36525	ASCEND-420354-JUL13	12047	Ascend Management Innovations Lic	\$	269,487.72	701177	8/29/2013 REC	8/29/2013	\$	269,487.72	EFT	339.08	420354	#21444 (PASRR)
33901	36975	ASCEND-420354-AUG13	12047	Ascend Management Innovations Lic	\$	287,279.02	730173	9/18/2013 REC	9/18/2013	\$	287,279.02	EFT	339.08	420354	#21444 (PASRR)
33901	37660	ASCEND-420354-SEP13	12047	Ascend Management Innovations Lic	\$	271,893.16	769167	10/16/2013 REC	10/16/2013	\$	271,893.16	EFT	339.08	420354	#21444 (PASRR)
33901	38486	ASCEND-420354-OCT13	12047	Ascend Management Innovations Lic	\$	336,024.96	802400	11/12/2013 REC	11/12/2013	\$	336,024.96	EFT	339.08	420354	#21444*PASRR
33901	39309	ASCEND-420354-NOV13	12047	Ascend Management Innovations Lic	\$	237,354.15	848542	12/13/2013 REC	12/13/2013	\$	237,354.15	EFT	339.08	420354	#21444*PASRR
33901	40816	ASCEND-420354-DEC13	12047	Ascend Management Innovations Lic	\$	268,523.13	939837	2/19/2014 REC	2/19/2014	\$	591,258.67	EFT	339.08	420354	#21444*PASRR
33901	40817	ASCEND-420354-JAN14	12047	Ascend Management Innovations Lic	\$	322,735.54	939837	2/19/2014 REC	2/19/2014	\$	591,258.67	EFT	339.08	420354	#21444*PASRR
33901	41538	ASCEND-420354-FEB14	12047	Ascend Management Innovations Lic	\$	302,283.28	969863	3/13/2014 REC	3/13/2014	\$	339,750.88	EFT	339.08	420354	#21444*PASRR
33901	42289	ASCEND-420354-MAR14	12047	Ascend Management Innovations Lic	\$	310,588.16	1013900	4/10/2014 REC	4/10/2014	\$	310,588.16	EFT	339.08	420354	#21444*PASRR
33901	43169	ASCEND-420354-APR14	12047	Ascend Management Innovations Lic	\$	327,151.57	1060504	5/15/2014 REC	5/15/2014	\$	327,151.57	EFT	339.08	420354	#21444*PASRR
33901	43945	ASCEND-420354-MAY14	12047	Ascend Management Innovations Lic	\$	331,742.06	1112535	6/17/2014 REC	6/17/2014	\$	331,742.06	EFT	339.08	420354	#21444*PASRR
33901	44832	ASCEND-420354-JUN14	12047	Ascend Management Innovations Lic	\$	315,835.13	1146714	7/10/2014 REC	7/10/2014	\$	315,835.13	EFT	339.08	420354	#21444*PASRR
FY 2014					\$	3,580,897.88									

33901	45974	ASCEND-420355-JUL14	12047	Ascend Management Innovations Lic	\$	367,171.71	1210810	8/26/2014 REC	8/26/2014	\$	367,171.71	EFT	339.08	420355	#21444*PASRR
33901	46256	ASCEND-420355-AUG14	12047	Ascend Management Innovations Lic	\$	345,943.93	1235565	9/15/2014 REC	9/15/2014	\$	345,943.93	EFT	339.08	420355	#21444*PASRR
33901	47068	ASCEND-420355-SEP14	12047	Ascend Management Innovations Lic	\$	356,119.98	1274359	10/10/2014 REC	10/10/2014	\$	356,119.98	EFT	339.08	420355	#21444*PASRR
33901	47950	ASCEND-420355-OCT14	12047	Ascend Management Innovations Lic	\$	329,348.82	1321196	11/13/2014 REC	11/13/2014	\$	449,237.22	EFT	339.08	420355	#21444*PASRR
33901	49053	ASCEND-420355-NOV14	12047	Ascend Management Innovations Lic	\$	321,038.77	1383895	12/24/2014 REC	12/24/2014	\$	321,038.77	EFT	339.08	420355	#21444*PASRR
33901	49771	ASCEND-420355-DEC14	12047	Ascend Management Innovations Lic	\$	364,999.71	1416626	1/21/2015 REC	1/21/2015	\$	364,999.71	EFT	339.08	420355	#21444*PASRR
FY 2015 YEAR TO DATE					\$	2,084,622.92									

GRAND TOTAL ALL PAYMENTS \$ 10,815,291.64

Description of PASRR Volume Trends

Under Pre-Admission Screening and Resident Review (PASRR) guidelines, federal regulations require that the initial evaluation (*Pre-admission Screening/PAS*) be conducted prior to nursing home admission for all applicants with suspected or known mental illness or intellectual/developmental disability. Though PASRR began in 1989, the State of Tennessee implemented the *Pre*-admission component of those requirements in 2009. Prior to that time, nursing facilities were permitted to proceed with admissions of persons with disabilities, with the caveat that they request a PASRR evaluation *post*-admission.

While the 2009 implementation of *Pre*-admission requirements moved the State of Tennessee into a position of greater compliance with federal guidelines, it also revealed that it was likely that some nursing facilities had not consistently requested PASRR evaluations even post-admission. This was evidenced in that, following the 2009 rule change, the PASRR referrals volumes increased by 9 percent within the first year and, as trainings across the state were conducted, by an additional 34 percent. Over the past two years, another jump in volumes occurred. We believe that shift occurred because of increasing communications and training between the State Medicaid authority and nursing home providers, in addition to implementation of tighter financial controls linking provider payment with PASRR compliance. There was a 38 percent increase in volumes from the 11/12 FY to the 12/13 FY. Volume trends are reflected below.

Tennessee PASRR MI Volume Trend

FY	Annual Volume	Avg/Month	Avg/Day
09/10 FY	2542	211	10
10/11 FY	2769	231	12
11/12 FY	3700	308	16
12/13 FY	5104	425	22
13/14 FY	9506	792	41
14/15 FY	11,279	940	48

Volumes for 14/15 FY are projected based on the first seven months (Jul-Jan) volumes which average 940 per month.

2014/15	2014/15 Volumes per month
July	920
August	869
Sept	893
Oct	827
Nov	805
Dec	915
Jan	1,000
Feb (projected)	1,050

PASRR referral volumes have steadily and consistently increased year to year and overall month to month. Given this strong empirical precedent, it is likely that the volume of referrals over the remaining contract period and contract year 2015/16 will increase.

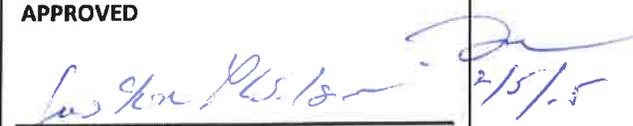
Rule Exception Request

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

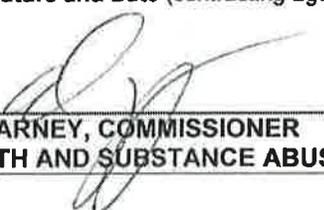
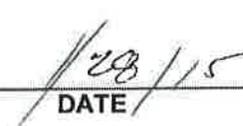
APPROVED
 Digitally signed by Michael F. Perry/TLS
 DN: cn=Michael F. Perry/TLS, o, ou=Central
 Procurement Office, email=toni.stuart@tn.gov, c=US
 Date: 2015.02.04 13:04:30 -06'00'

CHIEF PROCUREMENT OFFICER
 (Required for all Rule Exception Requests)

APPROVED



COMPTROLLER OF THE TREASURY
 (ONLY for applicable statutorily required approvals e.g.,
 records, annual report and audit, or monitoring provisions)

Request Tracking #	33901-01221500
1. Contract # (Edison ID Number)	21444 (original contract # FA1132301)
2. Goods or Services Caption	Pre-Admission Screening and Resident Reviews (PASRR)
3. Contractor(s)	Ascend Management Innovations, LLC [Vendor ID 12047]
4. Contract Period (with ALL options to extend exercised)	July 1, 2010 through June 30, 2015 ; proposed end date June 30, 2016
5. Contract Maximum Liability (with ALL options to extend exercised)	\$12,235,809.00
6. Rule(s) (for which the exception is requested) Please include citation and written explanation of Rule(s) to be excepted.	Rule 0690-03-01-.16 (General Requirements of Contracts) and Rule 0690-03-01-.17 (Necessary or Prohibited Contract Clauses and Rule Exceptions). The instructions for Section B. [Term of Contract] of the FA Template [dated 12-16-2014] include the statement: "Procurement professionals should plan procurements and draft contracts with a Term of no longer than sixty (60) months, including extensions or renewals. Contracts requiring a Term greater than sixty (60) months shall require an approved Rule Exception Request." This Rule Exception Request seeks to extend the term of the current contract as needed to review future plans in light of changes at both the federal and state level for this federally-mandated program.
7. Explanation of Rule Exception Requested	This Rule Exception Request seeks to extend the term of the current contract beyond five (5) years as we review plans related to the implementation of changes to the federally-mandated PASRR program.
8. Justification	Due to anticipated changes in the federally-mandated PASRR program, at both the federal and state level, the specifics of which cannot be known until they are further explained and implemented, we seek additional time for this contract until we are in a better position to issue a formal Request for Proposals (RFP) that clearly defines the State's needs to meet the requirements of the federally-mandated PASRR program.
Agency Head Signature and Date (contracting agency head or authorized signatory)	
 	
E. DOUGLAS VARNEY, COMMISSIONER MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES	
DATE	

Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	33901-01271500	
1. Procuring Agency	Department of Mental Health and Substance Abuse Services	
2. Contractor	Ascend Management Innovations, LLC	
3. Edison contract ID #	21444 (original contract #FA1132301)	
4. Proposed amendment #	Two (2)	
5. Contract's Amendment Effective Date	April 6, 2015	
6. Current end date	June 30, 2015	
7. Proposed end date	June 30, 2016	
8. Current Maximum Liability or Estimated Liability	\$12,235,809.00	
9. Proposed Maximum Liability or Estimated Liability	\$ 18,335,809.00	
10. 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	
11. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed		
<p>The proposed amendment is needed to extend the term of the current contract as we review future plans for the Preadmission Screening and Resident Review (PASRR) program in light of changes for this federally-mandated program at both the federal and state level, the specifics of which cannot be known until they are further explained and implemented. The proposed amendment is also needed to add funds to cover the increase in PASRR evaluations being requested and conducted. As mentioned, the program is a federally-mandated program required by federal law, state statute, and the state Medicaid plan. Under federal law, every person applying to a Medicaid certified nursing facility must be screened by the State Medicaid office to ascertain if they have a mental illness (Level I PASRR). If they are positive for a mental illness, they must be referred to our department for</p>		

Agency request tracking #	33901-01271500
<p>a comprehensive mental health evaluation (Level II PASRR). These evaluations per federal law must be: 1) reviewed and approved by department staff; 2) performed by a private entity; 3) used to determine the appropriateness of nursing facility admission versus the need for psychiatric care; and 4) used to provide treatment recommendations that the nursing facility must implement if the person enters the nursing facility.</p>	
<p>14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.</p> <p>There are no changes in the Scope of work to be performed under the Contract.</p>	
<p>Signature of Agency Head or Designee and Date</p> <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 20px;"> <div data-bbox="191 514 906 760" style="width: 60%;">  <hr style="border: 0.5px solid black;"/> <p>E. DOUGLAS VARNEY, COMMISSIONER MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES</p> </div> <div data-bbox="1023 640 1177 730" style="width: 35%; text-align: center;"> <p><i>7/2/15</i></p> <hr style="border: 0.5px solid black;"/> <p>DATE</p> </div> </div>	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 33901-10311 (original contract)	Edison ID 21444	Contract # FA1132301	Amendment # 2		
Contractor Legal Entity Name Ascend Management Innovations, LLC			Edison Vendor ID 12047		
Amendment Purpose and Effect(s) The purpose of Amendment 2 is to add a Term Extension clause and extend the term of this Contract (via a Rule Exception Request) as future plans are reviewed due to changes, at both the federal and state level, to the federally-mandated Pre-Admission Screening and Resident Review (PASRR) program. Further, funds will be added to cover an increased number of evaluations being requested and conducted through the PASRR program at present and throughout any extensions. Also, some contract clauses are being revised, updated, and added consistent with changes to the contract template (FA) dated 12-16-14.					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: June 30, 2016			
TOTAL Contract Amount <u>INCREASE</u> or <u>DECREASE</u> per this Amendment (zero if N/A):			\$ 6,100,000.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			\$1,317,463.00		\$1,317,463.00
2012			\$1,370,158.00		\$1,370,158.00
2013			\$1,424,974.00		\$1,424,974.00
2014			\$1,481,965.00		\$1,481,965.00
2014			\$5,100,000.00		\$5,100,000.00
2015			\$1,541,249.00		\$1,541,249.00
2015			\$1,100,000.00		\$1,100,000.00
2016			\$5,000,000.00		\$5,000,000.00
TOTAL:			\$18,335,809.00		\$18,335,809.00
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>OCR USE</i>		
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT TWO
OF CONTRACT NUMBER FA1132301; EDISON ID 21444**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Mental Health and Substance Abuse Services, hereinafter referred to as the "State" and Ascend Management Innovations, LLC, hereinafter referred to as the "Contractor" for the purpose of adding a Term Extension clause and extending the term of this Contract (via a Rule Exception Request) as future plans are reviewed due to changes, at both the federal and state level, to the federally-mandated Pre-Admission Screening and Resident Review (PASRR) program. Further, funds will be added to cover an increased number of evaluations being requested and conducted through the PASRR program at present and throughout any extensions. Also, some contract clauses are being revised, updated, and added consistent with changes to the contract template (FA) dated 12-16-14. 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 Sections A.10. and A.11. are being added as new sections:

A.10. Warranty. Contractor represents and warrants that throughout the Term of this Contract ("Warranty Period"), the goods or services provided under this Contract shall conform to the terms and conditions of this Contract. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services.

A.11. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

2. Contract Section B. Term of Contract (Contract Term) is deleted in its entirety and replaced with the following:

B. TERM OF CONTRACT:

B.1. This Contract shall be effective on July 1, 2010 ("Effective Date") and extend for a period of seventy-two (72) months after the Effective Date ("Term"), thereby ending on July 30, 2016. The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

B.2. Term Extension. The State may extend the Term an additional period of time, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of an additional sixty (60) months.

3. Contract Section C.1. Maximum Liability 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 Eighteen Million Three Hundred Thirty Five Thousand Eight Hundred Nine Dollars (\$18,335,809.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

4. Contract Section C.2. Compensation Firm is deleted in its entirety and replaced with the following:
 - C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

5. The opening paragraph of Contract Section C.5. Invoice Requirements is deleted and replaced with the following. The remainder of Section C.5. is unchanged:
 - C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

6. Contract Section C.9. Automatic Deposits (Prerequisite Documentation) is deleted in its entirety and replaced with the following:
 - C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
 - a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this 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.
 - b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number in the Substitute W-9 Form must be the same as the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID.

7. Contract Section D.1. Required Approvals is deleted in its entirety and replaced with the following:
 - D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.

8. Contract Section D.16. Force Majeure is deleted in its entirety and replaced with the following (numbered as needed in the current contract):

D.16. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

9. Contract Sections D.22., D.23., and D.24., using the text of new clauses but numbered as needed in the current contract, are being added as new sections:

D.22. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.

D.23. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

D.24. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.

10. Contract Section E.8. HIPAA Compliance is deleted in its entirety and replaced with the following (numbered as needed in the current contract):
- E.8. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Health Information Technology for Economic and Clinical Health (“HITECH”) Act and any other relevant laws and regulations regarding privacy (collectively the “Privacy Rules”). The obligations set forth in this Section shall survive the termination of this Contract.
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable 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 the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT “protected health information” as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
 - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
11. Contract Section E.14. Incorporation of Additional Documents is deleted in its entirety and replaced with the following (numbered as needed in the current contract):
- E.14. 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. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below);
 - c. any clarifications of or addenda to the Contractor’s proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and,
 - f. the Contractor’s response seeking this Contract.

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 April 6, 2015. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

ASCEND MANAGEMENT INNOVATIONS, LLC:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES:

E. DOUGLAS VARNEY, COMMISSIONER

DATE



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman
Senators

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

Rep. Mark White, Vice-Chairman
Representatives

Charles Curtiss Pat Marsh
Jeremy Faison Mark Pody
Brenda Gilmore David Shepard
Matthew Hill Tim Wirgau
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

MEMORANDUM

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

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

DATE: November 13, 2013

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

BK
MW

RFS# 339.01-10311 (Edison # 21444)
Department: Mental Health and Substance Abuse Services
Vendor: Ascend Management Innovations, LLC
Summary: The vendor is responsible for conducting the federally-mandated Pre-Admission screening and Resident Review (PASRR) program. The proposed amendment increases the maximum liability by \$5,100,000; revises the contract contact information; and revises the departmental name.
Current maximum liability: \$7,135,809
Proposed maximum liability: \$12,235,809

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

cc: The Honorable E. Douglas Varney, Commissioner

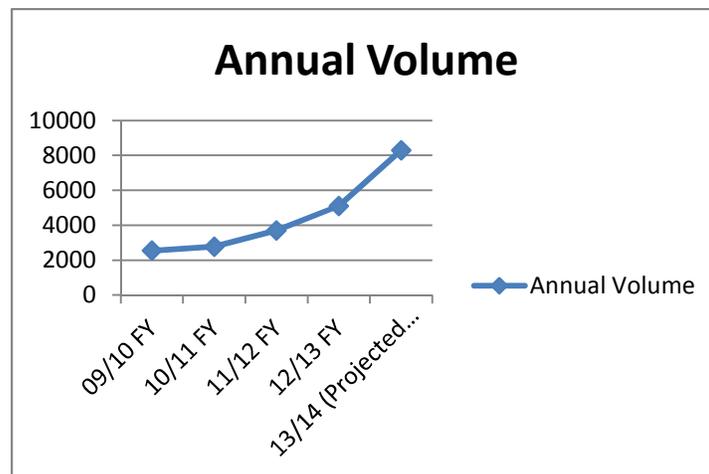
Description of PASRR Volume Trends

Under Pre-Admission Screening and Resident Review (PASRR) guidelines, federal regulations require that the initial evaluation (*Pre-admission Screening/PAS*) be conducted prior to nursing home admission for all applicants with suspected or known mental illness or intellectual/developmental disability. Though PASRR began in 1989, the State of Tennessee implemented the ***Pre***-admission component of those requirements in 2009. Prior to that time, nursing facilities were permitted to proceed with admissions of persons with disabilities, with the caveat that they request a PASRR evaluation ***post***-admission.

While the 2009 implementation of *Pre*-admission requirements moved the State of Tennessee in a position of greater compliance with federal guidelines, it also revealed that it was likely that some nursing facilities had not consistently requested PASRR evaluations even post-admission. This was evidenced in that, following the 2009 rule change, the PASRR referrals volumes increased by 9 percent within the first year and, as trainings across the state were conducted, by an additional 34 percent. Over the past two years, another jump in volumes occurred. We believe that shift occurred because of increasing communications and training between the State Medicaid authority and nursing home providers, in addition to implementation of tighter financial controls linking provider payment with PASRR compliance. The 12/13 FY volumes increased by an additional 38 percent over 11/12 FY. Those volume trends are reflected below.

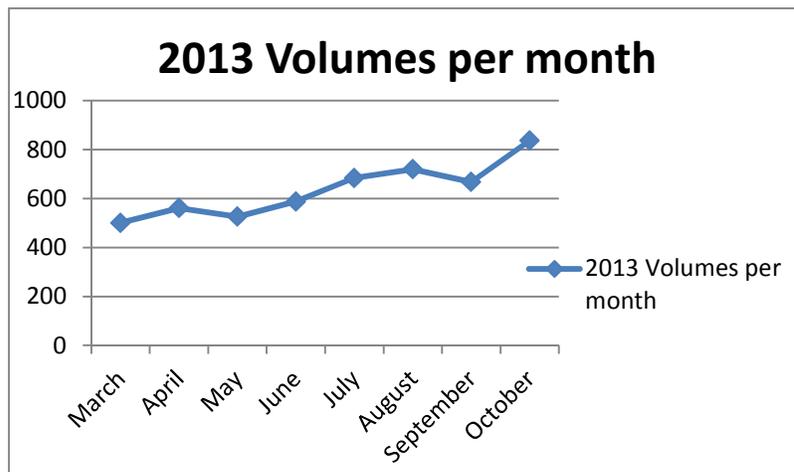
Tennessee PASRR MI Volume Trend

FY	Annual Volume	Avg/Month	Avg/Day
09/10 FY	2542	211	10
10/11 FY	2769	231	12
11/12 FY	3700	308	16
12/13 FY	5104	425	22
13/14 (Projected using average 1st quarter volumes)	8292	691	32



Volumes for 13/14 FY are projected based on first quarter (July-Sept) volumes which average 691 per month. However, this may be a conservative estimate as month to month volumes for 2013 continue to demonstrate an upward trend as reflected below.

2013	2013 Volumes per month
March	501
April	561
May	526
June	588
July	684
August	720
September	668
October	837



PASRR referral volumes have steadily and consistently increased year to year and month to month. Given this strong empirical precedent, it is likely that the volume of referrals over the remaining contract period will remain at or above the average volume of 691 referrals per month (based on the first quarter average).

PASRR Process State Fact Sheet: Tennessee

Last Updated: July 2, 2012

Thank you for providing feedback and additional documentation regarding your state's PASRR process. We have updated your state's Fact Sheet based on this information. To the best of our ability, the information below represents our understanding of your state's current PASRR system. The Fact Sheet is a living document, however, so please contact us if our findings are inaccurate or if your state revisits and updates its PASRR system. We are happy to incorporate these changes in a new assessment and Fact Sheet.

Our current findings, below, will be incorporated into a revised draft of the national Review of State Policies and Procedures to be circulated in late 2012.

Introduction

The Centers for Medicare and Medicaid Services (CMS) is undertaking an effort to understand how different states design their Preadmission Screening and Resident Review (PASRR) processes, policies, and procedures. This report is a product of the PASRR Technical Assistance Center (PTAC), which is staffed by Mission Analytics Group and other external consultants.

CMS and PTAC have recently reviewed the processes and tools used in each state to identify persons with mental illness (MI) and/or mental retardation and related conditions (MR) who could be diverted or transitioned from nursing facilities. This review, and the report below, should help guide your state to better understand the strengths and weaknesses of its PASRR process and tools and to think about strategies for improving these systems. Ultimately, and in accordance with their intent to reduce the institutional bias in Medicaid long-term care, CMS seeks to ensure that:

- all individuals applying to nursing facilities are evaluated for MI and MR,
- that these individuals are placed in the most appropriate setting according to these evaluations, and
- that these individuals receive the services they need.

Through this review, we aimed to capture and present information as accurately as possible. However, we recognize that we may have misinterpreted your PASRR process or the content of the tools. Therefore, please read your State Fact Sheet carefully and clarify any misconceptions by emailing Ed Kako, ekako@mission-ag.com.

Please note that our use of the terms "mental illness" and "mental retardation" is a strict reflection of the language used in the current Code of Federal Regulations (CFR) regarding PASRR.

Objective

This review is an invitation for you to revisit your PASRR process and identify areas for improvement. Primarily, we aim to determine whether your state meets the Preadmission Screening and Annual Review of Mentally Ill and Mentally Retarded Individuals requirements detailed in the Code of Federal Regulations (42 CFR 483.100 – 42 CFR 483.138). However, the review is not meant to only address regulation compliance. We also assess whether your state's PASRR process reflects recent developments in clinical practice, which may not be captured in the regulation. For example, although the CFR does not require onset dates of medical diagnoses, good clinical practice entails collecting and using these data in assessments.

Methodology

Your state's PASRR process was reviewed based on the documentation you provided to your Regional Office PASRR Coordinator. Your state's documentation was reviewed independently by two reviewers working for the PASRR Technical Assistance Center (PTAC); any discrepancies between the two reviews were subsequently reconciled. The review focused on your state's general PASRR process as well as several specific requirements within the process. All reviews attempted to capture the *intent* of the provided documentation, not merely the exact words written on the page. In addition, we focused the review on *current* processes. If your state updates its process, please let us know so we can conduct a new assessment.

We made attempts to collect additional documentation from your state if we discovered that crucial information was missing from your inventory. Attempts to collect additional information included Internet searches and communication with your Regional Office PASRR Coordinator to request or clarify documentation provided. After two weeks, we resumed the review process with or without this information.

Using the CFR and good clinical practice as a basis, the reviewers identified data elements that should be recorded during the PASRR process. The values of these data elements were captured in the tables that follow (see Tables 1 through 4). Where necessary, the reviewers separated these data elements into the categories of mental illness and mental retardation. The degree to which your state fulfills each of the specific requirements of the Level II tool(s) was captured at one of three levels: comprehensive, absent, or partial (see Table 3). Your state's ability to meet a requirement was considered "comprehensive" if the documentation addressed all of the necessary elements of the relevant paragraph of the CFR, in addition to certain good clinical practices. Your state's ability to meet a requirement was considered "absent" if the documentation failed to address any of the necessary elements of the relevant paragraph of the CFR. Your state's ability to meet a requirement was considered "partial" if the documentation did not address all of the necessary elements of the relevant paragraph of the CFR or if the documentation did not address certain good clinical practices. A requirement was also considered "partial" if the documentation left room for a free response answer related to a data element (i.e. if questions on a Level II PASRR screening tool left room for an open ended

answer). Finally, a requirement was also considered “partial” if the documentation solicited, but did not provide, additional documentation related to a data element.

Findings about Your State

This section details the findings from the review of the documentation provided by your state. All reviews attempted to capture the intent of the provided documentation. A description of the data elements and possible values in the tables below can be found at the end of this section.

Tables 1 and 2 below reflect the timing and general requirements of the PASRR process in your state. Specifically, Table 1 aims to capture the sequence of events beginning at the determination of nursing facility level of care (NF LOC) through determinations made for Level II review(s). The table also captures critical elements of the NF LOC and Level I tools and processes as well as the requirements of agencies and persons at various stages of the process. Table 2 captures any comments the reviewer would like to convey to the state about the timing and requirements of the NF LOC, Level I and Level II assessments. In many cases, the comment is a section of the state’s documentation, indicating from where the reviewer obtained the relevant information.

Table 1: NF LOC, Level I, and Level II Timing and General Requirements

OVERALL TIMING Part I	CFR	Relative to PASRR	Level of Severity	Document(s)	
Determination of NF LOC	128(f); 132(a)	Concurrent with PASRR	See Comments	N/A	
Level I	CFR	Relative to Admission	Entity Completing	Entity Determining Need for Level II	Alternative Placement Questions
Level I evaluation & determination	112(c)	Before Admission	See Comments	SMHA and SMRA	No (Included within NF LOC determination, which is administered concurrently with the Level I)
OVERALL TIMING - Level II	CFR	Relative to Admission		Document(s)	
Level II evaluation & determination	112	Before Admission		Onsite Evaluator Training Manual 9-2009 page 7; Appendix B - Explanation letter for the Individual page 1	
GENERAL REQUIREMENTS - Level II	CFR	Present/Absent	Level of Severity	Responsible Entity	Discipline
H&P	132(c)(1)	Present	Captured	Both SMHA & SMRA	Not given
Mental status	132(c)(2)	Present	Captured	Both SMHA & SMRA	Not given
Functional status	132(c)(3)	Present	Captured	Both SMHA & SMRA	Not given

Table 2: Comments Regarding NF LOC, Level I, and Level II Timing and General Requirements

<u>OVERALL TIMING Part I</u>	<u>CFR</u>	<u>Comments</u>
Determination of NF LOC	128(f); 132(a)	The Bureau of TennCare determines NF LOC as part of a comprehensive admission decision, and Ascend evaluates appropriateness as part of the PAS Level II evaluation. The Bureau of TennCare, DIDDs and DMH are collaborating to formalize communication strategies for resident decisions.
<u>Level I</u>	<u>CFR</u>	<u>Comments</u>
Level I evaluation & determination	112(c)	Can be completed by Registered or Licensed nurse, Licensed Social Worker, Physician, Nurse Practitioner, or Physician's Assistant
<u>OVERALL TIMING - Level II</u>	<u>CFR</u>	<u>Comments</u>
Level II evaluation & determination	112	DMHDD and/or DIDS reviewers make final decisions about the services and support needs of the individual.
<u>GENERAL REQUIREMENTS - Level II</u>	<u>CFR</u>	<u>Comments</u>
H&P	132(c)(1)	Licensed psychiatrists and psychologists review behavioral health and MR/DD evaluations, respectively, including all collateral information, notes, and quality research. These specialists will conduct a comprehensive review to develop a recommended plan of care to be implemented by the health care provider. Ascend Management Innovations, LLC is the state contractor for conducting all PASRR Level II Evaluations in TN.
Mental status	132(c)(2)	
Functional status	132(c)(3)	

Table 3 below reflects the degree to which your state fulfills specific requirements detailed in the CFR and requirements related to more recent good clinical practices. The levels of detail below are specific to the PASRR Level II tool(s) provided by your state for mental illness and mental retardation. Requirements of the Level II tool(s) are significant as they represent a core component of the PASRR process. Keywords/phrases in *italics* were directly taken from the CFR. If the keyword/phrase is not in italics, the collection of these data is considered good clinical practice and not necessarily a requirement of the regulation.

Table 3: State PASRR Level II Checklist

SPECIFIC REQUIREMENTS - Level II	Keywords/Phrases	CFR (MI; MR)	Level of Detail
<u>H&P</u>			
Medical history	diagnosis(es); onset date(s)	MI: 134(b)(1)(i) MR: 136(b)(1)	Comprehensive Comprehensive
Neurological assessment	<i>motor functioning; gait; communication</i>	MI: 134(b)(1)(iii) MR: 136(b)(8)(9)	Comprehensive Comprehensive
Medication review	<i>current medications; allergies; side effects</i>	MI: 134(b)(2) MR: 136(b)(3)	Comprehensive Comprehensive
<u>Medical Status</u>			
Externalizing and internalizing behaviors	aggressive; disruptive; inappropriate; depression; anxiety; loneliness	MI: 134(b)(4) MR: 136(b)(15)	Comprehensive Comprehensive
Harm to self or others (intentional or unintentional)	<i>suicidal/homicidal ideation</i> self-injurious behaviors	MI: 134(b)(4) MR: 136(b)(15)	Comprehensive Comprehensive
Intellectual functioning	estimated IQ level (MR, low average, average, high average) MR range (mild, moderate, severe, profound)	MI: 134(b)(4) MR: 136(c)(1)	Comprehensive Comprehensive
Cognitive functioning	<i>memory; concentration; orientation; cognitive deficits</i>	MI: 134(b)(4)	Comprehensive
Reality testing	<i>delusions and hallucinations</i>	MI: 134(b)(4)	Comprehensive
Psychosocial evaluation	<i>current living arrangements; medical and support systems</i>	MI: 134(b)(3) MR: 136(b)(10)	Comprehensive Comprehensive
<u>Functional Status</u>			
ADLs/IADLs	<i>self-care; self-administration of medication</i>	MI: 134(b)(5)(6) MR: 136(4)-136(7), 136(12)	Comprehensive Comprehensive
ADLs/IADLs in community	<i>assessment of ability to perform ADLs in the community</i>	MI: 128 (f), 134 (5) MR:136(4)-136(7)	Comprehensive Comprehensive
Support systems	<i>level of support needed to perform activities in the community</i>	MI: 134(b)(5)	Comprehensive
<u>Other</u>			
Need for NF	<i>appropriate placement is NF</i>	GENERAL: 126	Comprehensive
	<i>appropriate placement is other setting</i>	MI: 134(b)(5)	Comprehensive

CMS would like to see language in your policies and procedures that demonstrates the importance your state places on transitioning patients into the least restrictive, appropriate care settings. Table 4 below reflects any information in the documentation provided by your state that relates to nursing facility diversion and transition requirements or practices. Because we did not specifically request this type of information, we are aware that a “Not Present” does not necessarily reflect the content of all of your state’s related documentation.

Table 4: Diversion and Transition Related Requirements or Practices

<u>Diversion/Transition Related Requirements or Practices</u>	<u>Keywords/Phrases</u>	<u>CFR (MI,MR)</u>	<u>Documents</u>
Training or instructions to contractors or evaluators on HCBS waivers	Info in training manuals or in training materials regarding waivers and other HCBS	N/A	357 Transition and Diversion Options/ TN PASRR Transition and Diversion Considerations 357 Transition and Diversion Options/ TN PASRR Transition and Diversion Considerations 357 Transition and Diversion Options/ TN PASRR Transition and Diversion Considerations 357 Transition and Diversion Options/ TN PASRR Transition and Diversion Considerations
Mission/vision of state diversion/transition philosophies related to other initiatives (i.e. Olmstead) in PASRR documents	Olmstead; other programs that work to rebalance between institutional and community based care	N/A	
Transition to community for short term or long term residents who need MI services but not NF	Discharge; regardless of the length of stay	MI:118(1and2) MR:118(1and2)	
Info given on state plan services or other HCBS waivers for MI and MR services	Info on receiving services in an alternative appropriate setting	MI: 118 (c)(i-iv) MR: 118 (c)(i-iv)	
Definition of specialized services as narrowly interpreted or broadly interpreted by the regulations	Use of specialized services beyond 24 hour inpatient psych and ICF/MR placements	MI:120(1) MR:120 (2) and 483.440(a)(1)	Onsite Evaluator Training Manual 9-2009, page 12
Recommended services of lesser intensity, MI or MR services while in NF recommended	Recommendations by evaluators regarding what services are needed in NF to help person with MI or MR skill build	MI: 120, 128(h)(i) (4 and 5) MR: 120, 128(h)(i) (4 and 5)	Appendix D: Sample Summary Report, page 3; PASRR Level II assessment tool-TN_1, page 13
Other elements or practices related to diversion/transition	Other practices that states have implemented	N/A	Onsite Evaluator Training Manual 9-2009, pages 3, 6-7

In the tables above, data elements and values should be interpreted to mean the following:

- “CFR” is the Code of Federal Regulations. Values in this column represent the Sections of the regulation within which the data element is based. Some are noted as pertinent to the screening process for mental illness “MI” and others for the screening process for mental retardation “MR.”
- “Relative to PASRR” refers to the stage at which the nursing facility level of care is determined relative to an individual’s PASRR Level I and Level II screenings. Reviewers chose among “before admission,” “after admission,” and answer “not given” for this element.
- “Level of Severity” refers to whether the provided documentation asks about a range (i.e. low, medium, high) of need for nursing facility care or a range of disability (ability) for history and physical, mental status, and functional status. Reviewers chose between “not captured” and “captured” for these elements.
- “Relative to Admission” refers to the stage at which the Level I and Level II tools are completed relative to an individual’s admission into a nursing facility. Reviewers chose among “before admission,” “after admission,” and “not given” for these elements.

Points for Consideration

- Your state’s documentation is organized and straightforward. This makes it easy to understand your state’s PASRR process and could lay the groundwork for straightforward implementation.
- The review of your state’s Level II documentation revealed an impressive amount of comprehensive detail.

Recommendations

- Consider completing the PASRR self-assessment tool. You can access the tool on the PTAC website: <http://pasrrassist.org/resources/pasrr-self-assessment>.
- Contact your Regional Office Coordinator for more information about your state’s review.
- Visit the PASRR Technical Assistance Center (PTAC) at www.PASRRassist.org to help answer any outstanding questions you may have or to request an on-site visit from their team of consultants.
- Please feel free to reach out to us if you have any questions about this report or the review process. You can contact Ed Kako, the Director of PTAC, at ekako@mission-ag.com.

**REVIEW OF STATE PREADMISSION
SCREENING AND RESIDENT REVIEW (PASRR)
POLICIES AND PROCEDURES**

May 1, 2012



A joint partnership of
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EXECUTIVE SUMMARY

This report presents the first systematic, empirical effort to document the design of PASRR systems in all States and the District of Columbia. Staff from the PASRR Technical Assistance Center (PTAC) reviewed States policies and procedures kept on file by PASRR Coordinator in CMS Regional Offices.

Documentation was collected in late 2009; the results of this review therefore represent a snapshot of PASRR systems design at that time. This review does *not* capture any information on the *implementation* of these programs.

A review tool was developed by extracting key data elements from the regulations governing PASRR (42 CFR Part 483.100-138). This fundamental set of data elements was augmented with a small number of good, modern clinical practices (e.g., performing a complete medication review). The review covered Level I screens and Level II evaluations and determinations for individuals with serious mental illness (here abbreviated as PASRR/MI) and for individuals with intellectual and developmental disabilities (called “mental retardation” in the CFR; here abbreviated as PASRR/MR). Each data element was evaluated as “comprehensive,” “partial,” or “absent,” depending on how thoroughly the State’s assessment tools captured the relevant information.

Major findings from the review included the following:

- The majority of states (74%) conducted level of care determinations prior to, or concurrent with, their PASRR evaluations.
- Most Level I’s and Level II’s were performed prior to NF admission, though in several cases the documentation was unclear.
- Levels of comprehensiveness were determined for each State’s Level II requirements (both PASRR/MI and PASRR/MR), with percentages categorized into three levels: “comprehensive,” “partial,” and “absent.”
- Both “medication review” and “medical history” were the data elements most commonly classified as “partial,” again for both populations.
- The level of comprehensiveness for many data elements differs by population. For example, while psychosocial evaluations were comprehensively covered in 67 percent of States’ Level II MI tools, they were comprehensively covered in just 45 percent of States’ Level II MR tools.

The table below summarizes the extent of inter-state variation in comprehensiveness rates, with States divided into “comprehensiveness quartiles.”

Level of Comprehensiveness	# of States	% of States
76%-100%	7	14%
51%-75%	19	37%
26%-50%	20	39%
≤ 25%	5	10%

As one can see, most States fall somewhere in the middle range of comprehensiveness. Only a handful of states could be considered outstanding or especially poor. For example, Nevada and Georgia rate squarely in the top quartile, while Arkansas, the District of Columbia, and Pennsylvania fall in the bottom quartile.

To leverage and extend the results of this analysis, we recommend:

- That the national inventory of PASRR design be updated annually, to track changes and trends over time;
- That CMS develop a means to track the implementation and quality of PASRR programs through a system in which states voluntarily report the number of individuals screened, evaluated, admitted to NFs, re-evaluated post-admission, and so on;
- That CMS target technical assistance to States whose systems do not appear robust; and
- That CMS develop training protocols to help Regional Office staff work with the States in their Regions to monitor and improve the design and implementation of their PASRR systems.

1. INTRODUCTION

To help ensure that individuals were not inappropriately placed in nursing facilities (NFs), the Omnibus Budget Reconciliation Act of 1987 (OBRA 87, Pub. L. 100-203) introduced Preadmission Screening and Resident Review (PASRR). PASRR requires that all applicants to a Medicaid-certified nursing facility are evaluated for mental illness (MI) and/or mental retardation or related conditions (MR); are placed in the most appropriate setting (whether in the NF or in the community); and receive assessments that identify the services they need in those settings.¹ In 1994, regulations governing PASRR were incorporated into the Code of Federal Regulations at 42 CFR 483.100-138.

PASRR was in many respects ahead of its time. OBRA 87 predated the Americans with Disabilities Act (ADA) by three years, and the PASRR Final Rule, published in 1992 (57 FR 56450), foreshadowed the seminal Supreme Court decision, *Olmstead v. L.C.* (1999, 527 U.S. 581). The *Olmstead* decision held that the ADA applied to individuals with mental and intellectual disabilities, as well as to individuals with physical disabilities, and that all individuals have the right to live in the “least restrictive setting” possible.

In brief, PASRR requires that all applicants to Medicaid-certified NFs be assessed to determine whether they *might* have MI or MR. This is called a “Level I screen.” The purpose of a Level I screen is to identify individuals whose total needs require that they receive additional services for their intellectual disabilities or serious mental illness. Those individuals who “test positive” at Level I are then evaluated in depth to confirm the determination of MI/MR for PASRR purposes, and the “Level II” assessment produces a set of recommendations for necessary services that are meant to inform the individual’s plan of care.

To assist the States in conducting the necessary evaluations and determinations, CMS allows States to claim an enhanced 75 percent match on all PASRR-related activities. PASRR is not classified as a service, but rather as a special kind of administrative activity, and is a mandatory part of the basic Medicaid State Plan.

¹ Rosa’s Law (2010, Pub. L. 111-256) replaced the phrase “mental retardation” with “intellectual disability” in a large number of existing laws, but not Title XIX of the Social Security Act (Medicaid). Because the PASRR regulations have not been updated to reflect these changes, we will continue to use the phrase “mental retardation.”

Because basic State Plan functions (services and administrative activities) do not come up for regular review (unlike, for example, 1915(c) waivers for home and community-based services), evaluation of State PASRR programs is often overlooked both by State and Federal entities. The design and implementation of the programs can thus drift away from requirements and become ineffective.

Many States undoubtedly need to update their PASRR processes. In 2006, Linkins and colleagues published a research paper documenting a lack of compliance in some states with the requirements of PASRR. The Office of the Inspector General (OIG) for the Department of Health and Human Services (HHS) also published three detailed reports, one in 2001 and two in 2007, all requiring CMS to attend more closely to PASRR.

While CMS has for some time been committed to helping States improve their PASRR programs, it has not until recently had the ability to provide technical assistance or conduct an empirical analysis of PASRR design and implementation. The findings reported in this paper represent a first, crucial step toward learning more about PASRR in all 50 States and the District of Columbia. Indeed, this report describes the first systematic, empirical effort to document the design of PASRR nationally.

Staff at the PASRR Technical Assistance Center (PTAC) reviewed written State policies and procedures and compared them with the requirements of 42 CFR 483.100-138. The review and the resulting report are intended to help CMS better understand the strengths and shortcomings of State PASRR programs. The State “Fact Sheets” that emerged from this review are intended to invite States to revisit their PASRR process, identify areas for improvement, and develop strategies for strengthening these systems.

Note that our review did not include any aspects of implementation. It is possible that in some States, design and implementation do not align. What looks on paper like a well-designed system could be badly implemented. Conversely, a system that appears not to comply with regulations could be implemented in a way that successfully serves the needs of individuals. Our methodology was not designed to capture any such discrepancies. Note, too, the data we reviewed were collected in late 2009. Our review should thus be seen as a snapshot of State PASRR design at that time.

In what follows, we first describe our methodology, including our processes for collecting documentation, creating a tool to record data systematically across States, reviewing documentation, and receiving and incorporating feedback from States on the

initial reviews. We then present our findings, categorized by three core components of PASRR: 1) timing and general PASRR requirements, 2) requirements of the Level II evaluation, and 3) diversion and transition related efforts. Finally, we discuss limitations of the review and our next steps.

2. METHODOLOGY

Our review of PASRR policies and procedures proceeded in four steps:

1. Collection of State PASRR documentation.
2. Development of a tool to compare written policies and procedures against the requirements of the CFR and (to a much lesser extent) good, modern clinical practices.
3. Review of State PASRR documentation.
4. Sharing of our findings with States and soliciting their feedback.

The following four sections detail the efforts undertaken for each of these steps.

DOCUMENT COLLECTION

CMS Regional Office (RO) PASRR Coordinators provided PTAC with the following documents for the purposes of performing the review that we report here:

Preadmission Screens (PAS)

- Level I screens for serious mental illness
- Level I screens for mental retardation or related conditions
- Level II evaluations and Level II determinations for serious mental illness
- Level II evaluations and Level II determinations for mental retardation or a related condition

Resident Review (RR)

- Level II Resident Review upon significant change in status

General

- Written policies and procedures for completing or interpreting tools or forms

Most documents were submitted in electronic format, though some were submitted in hard copy.

Occasionally we discovered that crucial information was missing from the set of State documents. In these cases, we attempted to collect the missing documentation, first via Internet searches and then by contacting the relevant RO Coordinator. If additional documentation was not obtained after two weeks of reaching out to RO staff, the review process resumed without the additional material.

CODING SCHEME

In the second half of 2010, the PTAC team worked with CMS staff to develop a tool to compare the contents of State documentation with PTAC regulations. In essence, the tool decomposed the CFR into data elements, which we then looked for in the documents. In addition, CMS and PTAC agreed it would be informative to add several data elements that reflect good, modern clinical practices that have evolved since the regulations were drafted in the early 1990s. For example, although the CFR does not require States to record onset dates of medical diagnoses for PASRR, good clinical practice entails collecting and using these data in assessments. The data elements in the analysis include the overall timing of PASRR procedures relative to NF admission, the entities responsible for various PASRR functions, and the characteristics of tools used for screening and evaluation purposes.

Data elements were coded in a variety of ways, which we describe in detail below. For now, it is enough to note that coding options were rarely binary (present/absent). Instead, we developed a more nuanced coding scheme to capture data as accurately as possible, and to give States partial credit (where appropriate) for complying with the requirements of the CFR.

To test the robustness of our data collection tool, we piloted it using the documentation collected from one State. This initial test ensured that our coding scheme did not omit any crucial data elements and that the coding options for each element were exhaustive. As a result of the pilot review, comments fields were added to the tool to capture the individualized ways in which states administer their PASRR programs. Below, we describe each section of the tool and the intent behind each element. Note that we focus primarily on the Preadmission Screens, and far less on Resident Reviews (largely because States document the former in greater depth than they do the latter).

The data elements in Table 1 reflect the timing and general requirements of a State's PASRR process. Specifically, the data elements aim to capture the sequence of events

beginning at the determination of nursing facility level of care (NF LOC) through the completion of Level II determinations. The data elements also capture critical elements of the NF LOC, Level I and Level II tools and processes, and the requirements of agencies and persons at various stages of the process. The second half of the table captures any comments about the timing and requirements of the NF LOC, Level I screening, and Level II evaluations.² In many cases, the comments are excerpts from the State’s documentation, indicating where the relevant information was found.

Table 1: Data Elements for NF LOC, Level I, Level II Timing and General Requirements

<u>OVERALL TIMING Part I</u>	<u>CFR</u>	<u>Relative to PASRR</u>	<u>Level of Severity</u>	<u>Document(s)</u>	
Determination of NF LOC	.128(f); .132(a)	After PASRR	See Comments	http://www.bock-associates.com/index.html	
<u>Level I</u>	<u>CFR</u>	<u>Relative to Admission</u>	<u>Entity Completing</u>	<u>Entity Determining Need for Level II</u>	<u>Alternative Placement Questions</u>
Level I evaluation & determination	.112(c)	Before Admission	NF	Medicaid	No
<u>OVERALL TIMING - Level II</u>	<u>CFR</u>	<u>Relative to Admission</u>		<u>Document(s)</u>	
Level II evaluation & determination	0.112	Before Admission		http://www.bock-associates.com/index.html	
<u>GENERAL REQUIREMENTS - Level II</u>	<u>CFR</u>	<u>Present/Absent</u>		<u>Responsible Entity</u>	<u>Discipline</u>
H&P	.132(c)(1)	Present	Not Captured	Both SMHA & SMRA	Not Given
Mental status	.132(c)(2)	Present	Captured	Both SMHA & SMRA	Not Given
Functional status	.132(c)(3)	Present	Not Captured	Both SMHA & SMRA	Not Given

<u>OVERALL TIMING Part I</u>	<u>CFR</u>	<u>Comments</u>
Determination of NF LOC	.128(f); .132(a)	Unclear whether the (DHS 703) Evaluation of Medical Need criteria is the LOC form.
<u>Level I</u>	<u>CFR</u>	<u>Comments</u>
Level I evaluation & determination	.112(c)	None
<u>OVERALL TIMING - Level II</u>	<u>CFR</u>	<u>Comments</u>
Level II evaluation & determination	0.112	Bock Associates then issues a determination in writing to the referring agency. If the client is approved for nursing facility admission, they may then transfer to the nursing facility of choice.
<u>GENERAL REQUIREMENTS - Level II</u>	<u>CFR</u>	<u>Comments</u>
H&P	.132(c)(1)	Once the review is completed by the assessor and returned to Bock Associates, it is reviewed by the Office of Long Term Care. The Office of Long Term Care is the agency responsible for determining if the client meets nursing home criteria and deciding the final outcome of the PASRR.
Mental status	.132(c)(2)	
Functional status	.132(c)(3)	

In the table above, data elements and values have the following meanings:

² Note that the second half of Table 1 is a continuation of the first, and would be read as such if the two tables were placed side by side. We have segmented the table to help present the data in limited space.

- “Relative to PASRR” refers to the stage at which the nursing facility level of care is determined relative to an individual’s PASRR Level I and Level II screenings. For this element, reviewers chose among *before admission*, *after admission*, *concurrent*, and *not given*.
- “Level of Severity” refers to whether the provided documentation asks about a range of need for nursing facility services (low, medium, high), or a range of ability or disability for history and physical, mental status, and functional status. For these elements, reviewers chose between *not captured* and *captured*.
- “Relative to Admission” refers to the stage at which the Level I and Level II tools are completed relative to an individual’s admission into a nursing facility. For these elements, reviewers chose among *before admission*, *after admission*, *concurrent*, and *not given*.

The data elements in Table 2 assess the degree to which States fulfill each of the specific requirements of their MI and MR Level II tools. Keywords and phrases in italics were taken directly from the CFR. The remaining keywords and phrases stem from the identification of good clinical practices and are *not* specified in the CFR. The value for each data element was coded as *comprehensive*, *absent*, or *partial* (these terms are defined below).

Table 2: Data Elements for Level II

SPECIFIC REQUIREMENTS - Level II	Keywords/Phrases	CFR (MI: MR)	Level of Detail
H&P			
Medical history	diagnosis(es); onset date(s)	MI: .134(b)(1)(i) MR: .136(b)(1)	Comprehensive Comprehensive
Neurological assessment	<i>motor functioning; gait; communication</i>	MI: .134(b)(1)(iii) MR: .136(b)(8)(9)	Absent Partial
Medication review	<i>current medications; allergies; side effects</i>	MI: .134(b)(2) MR: .136(b)(3)	Comprehensive Comprehensive
Medical Status			
Externalizing and internalizing behaviors	aggressive; disruptive; inappropriate; depression; anxiety; loneliness	MI: .134(b)(4) MR: .136(b)(15)	Partial Comprehensive
Harm to self or others (intentional or unintentional)	<i>suicidal/homicidal ideation</i> self-injurious behaviors	MI: .134(b)(4) MR: .136(b)(15)	Partial Partial
Intellectual functioning	estimated IQ level (MR, low average, average, high average)	MI: .134(b)(4)	Partial
Cognitive functioning	MR range (mild, moderate, severe, profound) <i>memory; concentration; orientation; cognitive deficits</i>	MR: .136(c)(1) MI: .134(b)(4)	Comprehensive Comprehensive
Reality testing	<i>delusions and hallucinations</i>	MI: .134(b)(4)	Comprehensive
Psychosocial evaluation	<i>current living arrangements; medical and support systems</i>	MI: .134(b)(3) MR: .136(b)(10)	Partial Comprehensive
Functional Status			
ADLs/IADLs	<i>self-care; self-administration of medication</i>	MI: .134(b)(5)(6) MR: .136(4)-.136(7), .136(12)	Comprehensive Absent
ADLs/IADLs in community	<i>assessment of ability to perform ADLs in the community</i>	MI: .128 (f), .134 (5) MR: .136(4)-.136(7)	Partial Partial
Support systems	<i>level of support needed to perform activities in the community</i>	MI: .134(b)(5)	Partial
Other			
Need for NF	<i>appropriate placement is NF</i> <i>appropriate placement is other setting</i>	GENERAL: .126 MI: .134(b)(5)	Comprehensive Partial

Note: All citations are to 42 CFR Part 483.

The column labeled “CFR” cites the specific section of the Code of Federal Regulations. Values in this column represent the sections of the regulation that specify the data elements, both for PASRR/MI and PASRR/MR.

The data elements in Table 3 reflect language in States’ policies and procedures that demonstrate efforts to transition NF residents or divert NF applicants to the least restrictive appropriate settings. This information was not specifically requested from States, but could be included in States’ tools or in documents from the State Medicaid agency. As such, it should be noted that a “Not Present” does not necessarily reflect the extent of a State’s diversion and transition effort, as information on diversion and transition may be provided in other State documents.

Table 3: Diversion and Transition-Related Practices

Diversion/Transition Related Requirements or Practices	Keywords/Phrases	CFR (MI,MR)	Document(s)
Training or instructions to contractors or evaluators on HCBS waivers	Info in training manuals or in training materials regarding waivers and other HCBS	N/A	Level of Care Certification Letter
Mission/vision of state diversion/transition philosophies related to other initiatives (i.e. Olmstead) in PASRR documents	Olmstead; other programs that work to rebalance between institutional and community based care	N/A	Not Present
Transition to community for short term or long term residents who need MH services but not NF	Discharge; regardless of the length of stay	MI: .118(1and2) MR: .118(1and2)	Not Present
Info given on state plan services or other HCBS waivers for MH and MR services	Info on receiving services in an alternative appropriate setting	MI: .118 (c)(i-iv) MR: .118 (c)(i-iv)	Not Present
Definition of specialized services as narrowly interpreted or broadly interpreted by the regulations	Use of specialized services beyond 24 hour inpatient psych and ICF/MR placements	MI: .120(1) MR: .120 (2) and 483.440(a)(1)	MR and MI Authority Determination Forms
Recommended services of lesser intensity, MH or MR services while in NF recommended	Recommendations by evaluators regarding what services are needed in NF to help person with MI or MR skill build	MI: .120, .128(h)(i) (4 and 5) MR: .120, .128(h)(i) (4 and 5)	MR and MI Authority Determination Forms
Other elements or practices related to diversion/transition	Other practices that states have implemented	N/A	Not Present

Note: All citations are to 42 CFR Part 483.

We developed a coding scheme to characterize the fidelity of State PASRR program design as accurately as possible. For example, a State’s ability to meet a Level II requirement was considered “comprehensive” if the documentation addressed all of the necessary elements of the relevant section of the CFR, in addition to certain good clinical practices. A State’s ability to meet a requirement was considered “absent” if the documentation the State provided did not address any of the necessary elements of the relevant paragraph of the CFR. A State’s ability to meet a requirement was considered “partial” if the documentation addressed some but not all of the necessary elements of the relevant paragraph of the CFR, or if the documentation did not address certain good clinical practices. A requirement was also considered “partial” if a tool specified that the person completing it could provide responses in free text format. Because free text responses are (by design) not constrained, it is difficult to know exactly what information is being captured. It *could* be comprehensive, but we opted to be conservative and categorize free text responses as partial. Finally, a requirement was also considered “partial” if the tool called for the attachment of another document or set of documents.

CODING PROTOCOL

Because the documents were sometimes challenging to interpret, and because some coding necessarily involved subjective judgment, the documents for each State were reviewed by two members of the PTAC team. Any discrepancies between the two reviewers were subsequently reconciled through discussion. This process helped to ensure both inter-rater reliability and replicability of our coding scheme.

To ensure that States received appropriate credit for their program design, we did not conduct a mechanical process that looked for exact keywords. Instead, we aimed to assess the goals of each question and section of the tools. In other words, we attempted, as much as possible, to look behind the words in the documentation to see the *intent* of its authors.

DISTRIBUTION OF FINDINGS AND INCORPORATION OF STATE FEEDBACK

To ensure the accuracy of our findings and to engage States in meaningful dialogue about their PASRR programs, we developed a set of “Fact Sheets” that were individualized for each State. Each Fact Sheet includes an introduction to the project and its objectives, a description of the methodology, a summary of State specific findings, points for consideration, and recommendations.

PTAC began distributing Fact Sheets to States through the CMS Regional Office PASRR Coordinators in July 2011. The RO coordinators shared the documents with the States within their region and requested that feedback be submitted to PTAC. States were allotted three weeks to contact the research team, to provide additional documentation, or to make a request for additional time to review the findings. When requested, the research team met with States via telephone to discuss the methodology and findings of the report, and to address any concerns or questions the State might have. Some States corrected minor errors in the Fact Sheets; others provided documentation that had been missing from the set we used for our initial review. For States that provided feedback or additional documentation, we drafted a second, updated Fact Sheet. The Fact Sheets for States that did not provide feedback were assumed to be complete and accurate.

3. FINDINGS

Each of the following three sections addresses the findings from a part of our review – which, as noted earlier, represents PASRR system design as of late 2009. The first section reflects the timing and general requirements of the PASRR process across States. The second section assesses the degree to which States fulfilled each of the specific requirements of their MI and MR Level II tools. Finally, the third section reflects language in States’ policies and procedures that demonstrated efforts to transition residents or divert applicants to the least restrictive, appropriate settings.

In general, PASRR policies, procedures, and tools varied widely across States. Some States have developed detailed evaluation tools, clear descriptions of process timing, and a clear delineation of the responsibilities of participating agencies. By contrast, the documentation from other States displayed numerous gaps or conflicts with the CFR.

TIMING AND GENERAL PASRR REQUIREMENTS

As shown in Table 4, approximately 74 percent of States assessed individuals’ eligibility for NF LOC before or during PASRR. Only two percent of States determined NF LOC after PASRR Level I and II determinations had been made. Many of the States that determined NF LOC concurrent with PASRR included NF LOC as part of the Level II assessment; this was particularly true for States with automated Level II tools. Documentation from 18 percent of States did not indicate when the NF LOC determinations were made relative to PASRR.

Table 4: Timing of Nursing Facility Level of Care Determination Relative to PASRR

Relative to PASRR	% of States
Before PASRR	37%
After PASRR	2%
Concurrent with PASRR	37%
Not Given	18%
See Comments	6%

As Table 5 indicates, most States also followed regulations in terms of conducting PASRR *before* an individual was admitted to a nursing home (Table 5); 90 percent administered the Level I screen and 78 percent administered the Level II before admission into a NF or other appropriate care setting. No States administered the initial Level I after admission into a NF. However, four percent conducted Level II evaluations

after admission. The documentation from six percent of States did not reveal when the Level I screenings occurred relative to admission into a NF or other care setting. In eight percent of States, it was unclear when the Level II evaluations occurred.

Table 5: Timing of PASRR Level I and Level II

Relative to Admission	Timing of Level I Screen	Timing of Level II Evaluation
Before Admission	90%	78%
After Admission	0%	4%
Not Given	6%	8%
See Comments	4%	10%

As shown in Table 6, State mental health authorities (SMHAs) and State mental retardation authorities (SMRAs), together, were predominately responsible for the PASRR process. In 43 percent of States, these two entities used the completed Level I screens to determine the need for a Level II evaluation. Seventy-three percent of States relied on SMHAs and SMRAs to oversee the Level II evaluations. These comments provide additional data on the 37 percent of States for which the other main coding options did not apply (i.e., the row in Table 6 labeled “See Comments”).

Table 6: Entities Responsible for Determining the Need for the Level II Evaluation and Conducting the Level II Evaluation

Responsible Entity*	Entity Determining Need for Level II Evaluation	Entity Responsible for Level II Evaluation
SMHA and SMRA	43%	73%
State Medicaid Agency	10%	2%
SMHA	4%	2%
Nursing Facility	N/A	2%
Not Named	4%	4%
Other	14%	6%
See Comments	25%	12%

Note: For the purposes of our review, third-party vendors contracted by the SMHA or SMRA were coded as SMHA and SMRA.

ELEMENTS OF LEVEL II

One of the most notable findings of our review is that no States comprehensively collected all required and effective data elements in their Level II evaluation forms. Table 7 presents the breakdown of States' "comprehensive," "partial," and "absent" data elements on their Level II MR tools, while Table 8 presents the same information for the MI tools.

For Level II MR tools, the most complete data element, "need for NF," was considered comprehensive for 71 percent of States. "Medical history" was the least widely captured, at 29 percent comprehensive; it also had the highest partial rate at 59 percent. This is because many State tools did not ask for onset dates, or simply asked that the most recent physical be attached. "Medication review" also had a notably high partial rate at 39 percent, most likely because State tools did not capture allergies or side effects. Because the CFR does not require onset dates, or all aspects of the medication review as we have defined it (e.g., allergies), these findings should be interpreted with some caution. For medical history and medication review, the label "comprehensive" captures both the requirements of the CFR and good clinical practice. A label of "partial" therefore should not be treated as a problem with compliance. It may instead indicate that the State should update its data collection procedures to reflect modern practice.

Table 7: Percent of States that Met the MR Level II Requirements (Regulatory and Good Clinical Practice)

Requirement	Keywords and Key Phrases	Comprehensive	Partial	Absent*
Need for NF	appropriate placement is NF	71%	14%	16%
Neurological assessment	motor functioning; gait; communication	53%	27%	20%
Harm to self or other	Suicidal/homicidal ideation	49%	18%	33%
Externalizing and internalizing behaviors	aggressive; disruptive; inappropriate; depression; anxiety; loneliness	49%	29%	22%
ADLs/IADLs	self-care; self-administration of medication	47%	35%	18%
ADLs/IADLs in community	assessment of ability to perform ADLs in the community	47%	29%	24%
Psychosocial evaluation	current living arrangements; medical and support systems	45%	31%	24%
Intellectual functioning	estimated IQ level (MR, low average, average, high average)	39%	31%	29%
Medication review	current medications; allergies; side effects	37%	39%	24%
Medical history	diagnosis(es); onset date(s)	29%	59%	12%

* "Absent" includes absence of a data element from a submitted document or lack of the entire document.

For the MI Level II requirements, the data element "harm to self or others" had the highest comprehensive rate at 80 percent. "Medication review," "medical history," and "intellectual functioning" had the lowest comprehensive rates at 33 percent each. "Medication review" and "medical history" both had a high partial rate at 65 percent and 63 percent respectively, due to the reasons discussed above. Finally, "ADLs/IADLs in community" had a partial rate of 37 percent; State tools often did not specify "in the community," or they failed to capture certain ADLs/IADLs that are likely to take place in the community (e.g. taking public transportation, managing finances, and grocery shopping).

Table 8: Percent of States that Met the MI Level II Requirements (Regulatory and Good Clinical Practice)

Requirement		Comprehensive	Partial	Absent*
Keywords and Key Phrases				
Harm to self or others (intentional or unintentional)	suicidal/homicidal ideation	80%	18%	2%
Reality testing	delusions and hallucinations	76%	16%	8%
Cognitive functioning	memory; concentration; orientation; cognitive deficits	76%	22%	2%
Need for NF	appropriate placement is NF	71%	14%	16%
Psychosocial evaluation	current living arrangements; medical and support systems	67%	27%	6%
Externalizing and internalizing behaviors	aggressive; disruptive; inappropriate; depression; anxiety; loneliness	65%	35%	0%
Neurological assessment	motor functioning; gait; communication	61%	33%	6%
Need for NF	appropriate placement is other setting	61%	12%	27%
ADLs/IADLs	self-care; self-administration of medication	59%	29%	12%
ADLs/IADLs in community	assessment of ability to perform ADLs in the community	47%	37%	16%
Support systems	level of support needed to perform activities in the community	39%	22%	39%
Medication review	current medications; allergies; side effects	33%	65%	2%
Medical history	diagnosis(es); onset date(s)	33%	63%	4%
Intellectual functioning	estimated IQ level (MR, low average, average, high average)	33%	51%	16%

* "Absent" includes absence of a data element from a submitted document or lack of the entire document.

Notably, there is some consistency in the level of comprehensiveness in data collection across the Level II MI and MR tools. For example, aside from "need for NF," "harm to self or others" was among the top two data element most often captured comprehensively for both the MI and the MR populations. Both "medication review" and "medical history" were the data elements most commonly classified as "partial," again for both populations. Nonetheless, the level of comprehensiveness for many data elements does differ by population. For example, while "externalizing and internalizing behaviors" was comprehensively covered in 65 percent of States' Level II MI tools, it was covered comprehensively in only 49 percent of States' Level II MR tools. This is a

surprising finding, one that raises important questions about how States are assessing individuals' behaviors for PASRR/MR.

Table 9 shows the breakdown of states into "comprehensiveness quartiles." The most heavily populated quartile is the 26%-50% range, which contains 20 states (39 percent). The second most heavily populated quartile is the 51%-75% range, with 19 states (37 percent). Thus, most states fall somewhere in the middle range of comprehensiveness. Only a handful of states could be considered outstanding or especially poor.

Table 9: Frequency and Share of States in Each Range of Comprehensiveness

Level of Comprehensiveness	# of States	% of States
76%-100%	7	14%
51%-75%	19	37%
26%-50%	20	39%
≤ 25%	5	10%

Table 10 lists States by comprehensiveness quartile.

Table 10: States Listed by PASRR Comprehensiveness Quartile

States by Level of Comprehensiveness			
76%-100%	51%-75%	26%-50%	0-25%
Alabama	Arizona	Alaska	Arkansas
Georgia	Colorado	California	Dist. of Columbia
Missouri	Connecticut	Delaware	New Hampshire
Nevada	Florida	Hawaii	Pennsylvania
North Carolina	Idaho	Indiana	South Dakota
Tennessee	Illinois	Iowa	
Virginia	Kansas	Maine	
	Kentucky	Mississippi	
	Louisiana	Montana	
	Maryland	New Jersey	
	Massachusetts	Ohio	
	Michigan	Oklahoma	
	Minnesota	Oregon	
	Nebraska	Rhode Island	
	New Mexico	South Carolina	
	New York	Texas	
	North Dakota	Utah	
	Washington	Vermont	
	Wisconsin	West Virginia	
		Wyoming	

Some caution should be exercised in interpreting the results of the comprehensiveness tables. Notably, because our coding scheme included both regulatory requirements and good clinical practices, degree of comprehensiveness should not be equated with degree of compliance with minimum requirements.

DIVERSION AND TRANSITION-RELATED EFFORTS

PASRR provides perhaps the most powerful lever in all of Medicaid law to encourage diversion and transition. It is therefore worth knowing whether States have explicitly connected their PASRR efforts to the mandate of *Olmstead* planning.

Table 11 shows the percentage of States whose documentation contains language on diversion/transition related requirements. The extent to which the States had all of these requirements or practices varies widely. Only 18 percent of states have mission statements or visions for diversion and transition in their PASRR documentation.

Table 11: Diversion/Transition Related Requirements or Practices of States

Diversion/Transition Related Requirements or Practices	# of States	% of States
Training or instructions to contractors or evaluators on HCBS waivers	16	31%
Mission/vision of state diversion/transition philosophies related to other initiatives (i.e. Olmstead) in PASRR documents	9	18%
Transition to community for short term or long term residents who need MH services but not NF	9	18%
Info given on state plan services or other HCBS waivers for MH and MR services	18	35%
Recommended services of lesser intensity, MH or MR services while in NF recommended	24	47%
Other elements or practices related to diversion/transition	19	37%

4. DISCUSSION AND NEXT STEPS

This review of PASRR design had two objectives. The first objective was to collect data that would help CMS better understand the strengths and shortcomings of PASRR processes and procedures nationally. The second and equally important objective was to create, through our Fact Sheets, an invitation to States to revisit their PASRR process, identify areas for improvement, and develop strategies for strengthening these systems.

The PTAC team has already been encouraged by the volume of feedback we have received from States in response to their Fact Sheets. The review team has held several conference calls with State PASRR representatives to review or clarify our objectives, methodology, or findings. As a result, many States have submitted more up-to-date and complete documents, corrected misinterpretations, validated findings, and/or started to make improvements to their PASRR systems. Our review team continues to collect State feedback and additional documentation and plans to incorporate this information into an updated Fact Sheet for each State that requests one. Some States have undertaken dramatic systems change since the documents were first obtained from the Regional Offices in 2009. Future versions of this report will capture those systems changes.³

Our conversations with States have made us even more acutely aware of the limitations of our methods. Our document review was intended to capture elements of States' policies and procedures as they are written. As we noted in the Introduction, our review assessed program design, but it did not address the *implementation* of these programs. As such, while our findings might suggest that a State has a comprehensive and compliant PASRR process by design, it may be poorly implemented. This limitation works in reverse as well: Although our review may have found flaws in the way a State has designed its PASRR system, its implementation of that system may be more effective than is reported here. Any assessment of how a State implements PASRR – and how implementation relates to the written policies and procedures reviewed here – is ultimately a quality improvement function, and therefore an oversight responsibility for

³ The following states will be reassessed for the subsequent version of this report: Arkansas, Florida, Georgia, Idaho, Iowa, Maine, Massachusetts, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Washington, and Wyoming.

CMS. PTAC will be working with CMS to provide technical assistance and quality tools to states to follow up this initial analysis of program design.



STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
601 MAINSTREAM DRIVE
NASHVILLE, TENNESSEE 37243-0675

BILL HASLAM
GOVERNOR

E. DOUGLAS VARNEY
COMMISSIONER

TO: Fiscal Review Committee
FROM: *DD* Dennis Temple, Director of PASRR, Geriatric Programs, and Disaster Mental Health Programs
DATE: October 31, 2013
SUBJECT: Amendment One to the Pre-Admission Screening and Resident Review Program (PASRR) Contract (Edison #21444; Contract FA1132301)

The subject Contract is between the Department of Mental Health and Substance Abuse Services and Ascend Management Innovations, LLC. The purpose of the Contract is to conduct the federally-mandated Pre-Admission Screening and Resident Review (PASRR) program, a federal program originating in the 1987 Nursing Home Reform Act, part of the Omnibus Budget Reconciliation Act of 1987 (Title IV, Subtitle C of Public Law 100-203 (Medicare, Medicaid, and Other Health-Related Programs/Nursing Home Reform)).

The subject Contract was awarded through the Request for Proposal (RFP) process for the term July 1, 2010 through June 30, 2015. Due to the high referral rate from the State Medicaid office whose mandated responsibility is to screen all applicants to Medicaid certified nursing facilities and refer those with mental health issues to TDMHSAS for evaluation, it is expected that the original contract amount of \$7,135,809.00 will be expended as of January 2014.

The increased number of referrals can be attributed to a number of things, including 1) a change in diagnosis codes which broadened the population to be screened; 2) a change in emphasis by the Centers for Medicare and Medicaid Services (CMS) of "specialized services" within the PASRR program once an individual is in a nursing facility; 3) the aging population and the level of care for this aging population; and 4) a Centers for Medicare and Medicaid Services (CMS) state-by-state review of the program, which began in 2008/2009, that has resulted in enhanced training and awareness of the PASRR requirements as well as increased compliance efforts.

To ensure that the federally-mandated service will continue as required, we are seeking to add \$5,100,000.00 to the subject Contract, bringing its total maximum liability to \$12,235,809.00.

The following required FRC documentation is attached:

1. Non-Competitive Amendment Request;
2. Fiscal Review Committee (FRC) Supplemental Documentation;
3. Supplemental Support Documentation (Edison report of expenditures)
4. Proposed Amendment One and Contract Summary Sheet; and
5. Approved Original Contract and Contract Summary Sheet.

If additional information is needed, please let us know.

Thank you.

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Dennis Temple or Sandra Braber-Grove	*Contact Phone:	615-253-5558 or 615-532-6520		
*Original Contract Number:	FA1132301	*Original RFS Number:	33901-10311		
Edison Contract Number: <i>(if applicable)</i>	21444	Edison RFS Number: <i>(if applicable)</i>	N/A		
*Original Contract Begin Date:	July 1, 2010	*Current End Date:	June 30, 2015		
Current Request Amendment Number: <i>(if applicable)</i>	One (1)				
Proposed Amendment Effective Date: <i>(if applicable)</i>	January 1, 2014				
*Department Submitting:	TDMHSAS				
*Division:	Mental Health Services				
*Date Submitted:	October 31, 2013				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Ascend Management Innovations, LLC				
*Current Maximum Liability:	\$ 7,135,809.00				
*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY:2011	FY:2012	FY:2013	FY:2014	FY2015	FY
\$1,317,463.00	\$1,370,158.00	\$1,424,974.00	\$1,481,965.00	\$1,541,249.00	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report)					
FY:2011	FY:2012	FY:2013	FY:2014	FY2015	FY
\$1,315,281.10	\$1,609,376.42	\$2,225,113.32	\$828,659.90	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:		N/A			
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:		N/A			
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:		Referrals from Medicaid office have increased each year over original projections. The increase has steadily grown. Funding has been acquired by moving funds from future years.			
*Contract	State:	25%	Federal:	75%	

Supplemental Documentation Required for
Fiscal Review Committee

Funding Source/Amount:				
Interdepartmental:	\$7,135,809.00		Other:	
If "other" please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
N/A		N/A		
Method of Original Award: <i>(if applicable)</i>		Request For Proposals (RFP) process		
*What were the projected costs of the service for the entire term of the contract prior to contract award?		\$7,200,000.00		

Supplemental Documentation Required for
Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

NOTE: The question is not applicable because the amendment does not change Sections A. or C.3. of the original contract document.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY:	FY:	FY:	FY:	FY:
N/A					

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

Deliverable description:	FY:	FY:	FY:	FY:	FY:
N/A					

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
N/A					
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

Total P		39.00						
Unit	Voucher	Invoice	Remit Vndr	Name	Gross Amt	Reference	Pymnt Date	Fiscal Year
33901	00037660	ASCEND-420354-SEP13	0000012047	Ascend Management Innovations Llc	\$ 271,893.16	0000769167	10/16/2013	2014
33901	00036975	ASCEND-420354-AUG13	0000012047	Ascend Management Innovations Llc	\$ 287,279.02	0000730173	9/18/2013	2014
33901	00036525	ASCEND-420354-JUL13	0000012047	Ascend Management Innovations Llc	\$ 269,487.72	0000701177	8/29/2013	2014
					\$ 828,659.90			2014 Total
33901	00036149	ASCEND-420353-JUN13	0000012047	Ascend Management Innovations Llc	\$ 226,428.53	0000674777	8/9/2013	2013
33901	00034645	ASCEND-420353-MAY13	0000012047	Ascend Management Innovations Llc	\$ 203,846.16	0000590281	6/12/2013	2013
33901	00033911	ASCEND-420353-APR13	0000012047	Ascend Management Innovations Llc	\$ 214,439.50	0000551478	5/14/2013	2013
33901	00033188	ASCEND-420353-MAR13	0000012047	Ascend Management Innovations Llc	\$ 197,258.85	0000507497	4/12/2013	2013
33901	00032412	ASCEND-420353-FEB13	0000012047	Ascend Management Innovations Llc	\$ 196,532.54	0000470810	3/14/2013	2013
33901	00031537	ASCEND-420353-JAN13	0000012047	Ascend Management Innovations Llc	\$ 198,276.19	0000433749	2/19/2013	2013
33901	00030671	ASCEND-420353-DEC12	0000012047	Ascend Management Innovations Llc	\$ 151,005.92	0000391258	1/16/2013	2013
33901	00029988	ASCEND-420353-NOV12	0000012047	Ascend Management Innovations Llc	\$ 153,259.50	0000352303	12/14/2012	2013
33901	00029336	ASCEND-420353-OCT12	0000012047	Ascend Management Innovations Llc	\$ 229,365.42	0000308017	11/15/2012	2013
33901	00028793	ASCEND-420353-SEP12	0000012047	Ascend Management Innovations Llc	\$ 170,894.40	0000277433	10/22/2012	2013
33901	00027838	ASCEND-420353-AUG12	0000012047	Ascend Management Innovations Llc	\$ 152,144.76	0000230919	9/17/2012	2013
33901	00027520	ASCEND-420353-JUL12	0000012047	Ascend Management Innovations Llc	\$ 131,661.55	0000201368	8/27/2012	2013
					\$ 2,225,113.32			2013 Total
33901	00027305	ASCEND-420352-JUN12	0000012047	Ascend Management Innovations Llc	\$ 164,541.96	0000196037	8/21/2012	2012
33901	00026059	ASCEND-420352-MAY12	0000012047	Ascend Management Innovations Llc	\$ 138,213.47	0000124598	6/29/2012	2012
33901	00025112	ASCEND-420352-APR12	0000012047	Ascend Management Innovations Llc	\$ 134,612.13	0000079399	5/30/2012	2012
33901	00024410	ASCEND-420352-MAR12	0000012047	Ascend Management Innovations Llc	\$ 136,709.69	0000037687	4/30/2012	2012
33901	00023729	ASCEND-420352-FEB12	0000012047	Ascend Management Innovations Llc	\$ 123,922.56	0001236140	3/30/2012	2012
33901	00022985	ASCEND-420352-JAN12	0000012047	Ascend Management Innovations Llc	\$ 137,037.03	0001196432	3/1/2012	2012
33901	00022256	ASCEND-420352-DEC11	0000012047	Ascend Management Innovations Llc	\$ 109,449.29	0001153463	1/30/2012	2012
33901	00021839	Ascend Mgr 420352 11-11	0000012047	Ascend Management Innovations Llc	\$ 123,533.34	0001117819	12/30/2011	2012
33901	00021154	ASCEND-420352-OCT11	0000012047	Ascend Management Innovations Llc	\$ 134,147.40	0001078486	11/30/2011	2012
33901	00020662	ASCEND-420352-SEPT11	0000012047	Ascend Management Innovations Llc	\$ 144,649.52	0001039007	10/28/2011	2012
33901	00019642	ASCEND-420352-AUG11	0000012047	Ascend Management Innovations Llc	\$ 140,456.60	0000999489	9/30/2011	2012

33901	00019214	ASCEND-420352-JULY11	0000012047	Ascend Management Innovations Llc	\$ 122,103.43	0000961383	8/30/2011	2012
					\$ 1,609,376.42			2012 Total
33901	00018780	ASCEND-420351-JUNE11	0000012047	Ascend Management Innovations Llc	\$ 139,212.39	0000921242	7/29/2011	2011
33901	00017851	ASCEND-420351-MAY11	0000012047	Ascend Management Innovations Llc	\$ 124,625.48	0000882181	6/30/2011	2011
33901	00017029	ASCEND-420351-APR11	0000012047	Ascend Management Innovations Llc	\$ 97,361.78	0000838438	5/27/2011	2011
33901	00016335	ASCEND-420351-MAR11	0000012047	Ascend Management Innovations Llc	\$ 137,409.95	0000799857	4/29/2011	2011
33901	00015664	ASCEND-420351-FEB11	0000012047	Ascend Management Innovations Llc	\$ 101,352.34	0000759723	3/30/2011	2011
33901	00014996	ASCEND-420351-JAN11	0000012047	Ascend Management Innovations Llc	\$ 111,786.29	0000723368	3/2/2011	2011
33901	00014234	ASCEND-420351-DEC10	0000012047	Ascend Management Innovations Llc	\$ 92,075.22	0000679971	1/28/2011	2011
33901	00013729	ASCEND-420351-NOV10	0000012047	Ascend Management Innovations Llc	\$ 95,784.87	0000636488	12/20/2010	2011
33901	00012945	ASCEND-420351-OCT10	0000012047	Ascend Management Innovations Llc	\$ 91,090.26	0000585905	11/10/2010	2011
33901	00012274	ASCEND 420351 SEPT 2010	0000012047	Ascend Management Innovations Llc	\$ 105,028.10	0000561466	10/21/2010	2011
33901	00011853	ASCEND-420351-AUG10	0000012047	Ascend Management Innovations Llc	\$ 110,520.59	0000523558	9/22/2010	2011
33901	00011852	ASCEND-420351-JULY10	0000012047	Ascend Management Innovations Llc	\$ 109,033.83	0000525010	9/23/2010	2011
					\$ 1,315,281.10			2011 Total
					\$ 5,978,430.74			Grand Total

Non-Competitive Amendment Request

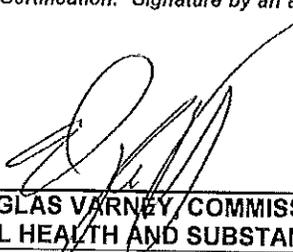
NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.
Route a completed request, as one file in PDF format, via e-mail attachment sent to: AgSprs.Agspr@sstate.tn.us

APPROVED

Michael J. Perry

Chief Procurement Officer/Central Procurement Office/TDGS

Request Tracking #	33901-10311 (original contract)	
1. Procuring Agency	Department of Mental Health and Substance Abuse Services	
2. Contractor	Ascend Management Innovatons, LLC	
3. Contract #	FA1132301	
4. Proposed Amendment #	One (1)	
5. Edison ID #	21444	
6. Contract Begin Date	July 1, 2010	
7. Current Contract End Date <i>- with ALL options to extend exercised</i>	June 30, 2015	
8. Proposed Contract End Date <i>- with ALL options to extend exercised</i>	June 30, 2015	
9. Current Maximum Contract Cost <i>- with ALL options to extend exercised</i>	\$ 7,135,809.00	
10. Proposed Maximum Contract Cost <i>- with ALL options to extend exercised</i>	\$ 12,235,809.00	
11. Office for Information Resources Endorsement <i>- information technology service (N/A to THDA)</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. eHealth Initiative Support <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Support <i>- state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation of Need for the Proposed Amendment		
<p>The proposed amendment is needed to add funds to cover the increase in PASRR evaluations being requested and conducted. The Preadmission Screening and Resident Review (PASRR) program is a federally mandated program required by federal law, state statute, and the state Medicaid plan. Under federal law, every person applying to a Medicaid certified nursing facility must be screened by the State Medicaid office to ascertain if they have a mental illness (Level I PASRR). If they are positive for a mental illness, they must be referred to our department for a comprehensive mental health evaluation (Level II PASRR). These evaluations per federal law must be: 1) reviewed and approved by department staff; 2) performed by a private entity; 3) used to determine the appropriateness of nursing facility</p>		

Request Tracking #	33901-10311 (original contract)
admission versus the need for psychiatric care; and 4) used to provide treatment recommendations that the nursing facility must implement if the person enters the nursing facility.	
15. Name & Address of the Contractor's Principal Owner(s) <i>- NOT required for a TN state education institution</i> Teri Lepley, Chief Executive Officer Ascend Management Innovations LLC 840 Crescent Centre Drive; Suite 400 Franklin, TN 37067	
16. Evidence Contractor's Experience & Length Of Experience Providing the Service Ascend Management Innovations has been providing Pre-Admission Screening and Resident Review (PASRR) services since 2000. Two members of their leadership team were selected by the federal Centers for Medicare and Medicaid Services (CMS) to be consultants on behalf of the federal government for the national PASRR Technical Assistance Center. Ascend's team trained all of the regional CMS staff who work with and audit PASRR, as well as many state government agencies who manage PASRR, on federal PASRR policy and program requirements. Ascend maintains a fully credentialed and qualified statewide team of clinical assessors who are trained to conduct PASRR, as well as an in-house team of clinicians that coordinate these processes. Ascend manages PASRR services in eight (8) states.	
17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives We are seeking to amend a contract that was awarded under the Request for Proposals (RFP) process; therefore, no alternative procurement methods were identified. This particular Contractor was selected by the RFP process in 2004 and again in 2010.	
18. Justification <i>- specifically explain why non-competitive negotiation is in the best interest of the state</i> Non-competitive negotiation is in the best interest of the State for this amendment seeking to add funds to cover the increased number of PASRR evaluations being conducted as explained in Item 14. We believe that to attempt to re-bid or change Contractors at this point would place the State at high risk of non-compliance with both federal and state mandates.	
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 exigent circumstances.</i>  <div style="float: right; text-align: right;"> 10/30/13 DATE </div> <hr/> E. DOUGLAS VARNEY, COMMISSIONER MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES	



CONTRACT AMENDMENT



Agency Tracking # 33901-10311 (original contract)	Edison ID 21444	Contract # FA1132301	Amendment # 1
Contractor Legal Entity Name Ascend Management Innovations, LLC			Edison Vendor ID 12047

Amendment Purpose & Effect(s)
 The purpose of Amendment 1 is to add funds to cover an increased number of evaluations being requested and conducted through the Pre-Admission Screening and Resident Review (PASRR) program; update department name (a new Section E.28.); add the Tennessee Department of Revenue Registration clause (a new Section E.29.); and update contact information in Section E.2.

Amendment Changes Contract End Date: YES NO **End Date:** June 30, 2015

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **\$ 5,100,000.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			\$1,317,463.00		\$1,317,463.00
2012			\$1,370,158.00		\$1,370,158.00
2013			\$1,424,974.00		\$1,424,974.00
2014			\$1,481,965.00		\$1,481,965.00
2014			\$5,100,000.00		\$5,100,000.00
2015			\$1,541,249.00		\$1,541,249.00
TOTAL:			\$12,235,809.00		\$12,235,809.00

American Recovery and Reinvestment Act (ARRA) Funding: YES 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.

OCR USE

Mare Wood

Speed Chart (optional)	Account Code (optional)
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**AMENDMENT ONE
OF CONTRACT NUMBER FA1132301; EDISON ID 21444**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Mental Health and Substance Abuse Services (as amended herein), hereinafter referred to as the "State" and Ascend Management Innovations, LLC, hereinafter referred to as the "Contractor" for the purpose of adding funds to cover an increased number of evaluations being requested and conducted through the Pre-Admission Screening and Resident Review (PASRR) program; update department name; and update contact information in Section E.2. 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. Maximum Liability 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 Twelve Million Two Hundred Thirty-Five Thousand Eight Hundred Nine Dollars (\$12,235,809.00). The payment rates in 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 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 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. Contract Section E.2. Communications and Contacts, The State and The Contractor are deleted in their entirety and replaced with the following:

The State:

Dennis Temple, Director of PASRR, Geriatric Programs, and Disaster Mental Health Programs
Division of Mental Health Services
Tennessee Department of Mental Health and Substance Abuse Services
Andrew Jackson Building, 5th Floor
500 Deaderick Street
Nashville, TN 37243
E-mail Address: dennis.temple@tn.gov
Telephone #: 615-253-5558

The Contractor:

Teri Lepley, Chief Executive Officer
Ascend Management Innovations, LLC
840 Crescent Centre Drive, Suite 400
Franklin, TN 37067
E-mail Address: tlepley@ascendami.com
Telephone #: 615-312-1465 Ext 3224
Fax #: 615-312-1463



3. Contract Section E.28. is added as a new section:

E.28. Department Name Change. All references to the "Department of Mental Health and Developmental Disabilities" shall be deleted and replaced with "Department of Mental Health and Substance Abuse Services".

4. Contract Section E.29. is added as a new section:

E.29. Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.

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 January 1, 2014. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

ASCEND MANAGEMENT INNOVATIONS, LLC:



SIGNATURE

11-26-13

DATE

Teri Lепley CEO

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES:



E. DOUGLAS VARNEY, COMMISSIONER

12/4/13

DATE



CONTRACT

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

Agency Tracking #
33901-10311

Edison ID
21444

Contractor
Ascend Management Innovations LLC

Contractor Federal Employer Identification or Social Security #
 C- or V- 20-8680273

Service
Pre-Admission Screening and Resident Reviews (PASRR)

Contract Begin Date
July 1, 2010

Contract End Date
June 30, 2015

Subrecipient or Vendor
 Subrecipient Vendor

CFDA #(s)

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			\$1,317,463.00		\$1,317,463.00
2012			\$1,370,158.00		\$1,370,158.00
2013			\$1,424,974.00		\$1,424,974.00
2014			\$1,481,965.00		\$1,481,965.00
2015			\$1,541,249.00		\$1,541,249.00
TOTAL:			\$7,135,809.00		\$7,135,809.00

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

OCR USE
FA

FA1132301

Agency Contact & Telephone #
Gene Wood, Budget Director 615/532-6676

Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
Gene Wood

Speed Code

Account Code

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

Contractor Selection Method
 RFP Competitive Negotiation * Alternative Competitive Method *
 Non-Competitive Negotiation Other *

***Procurement Process Summary**

This contract is being issued as the result of a Request for Proposals.

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES
AND
ASCEND MANAGEMENT INNOVATIONS LLC**

This Contract, by and between the State of Tennessee, Department of Mental Health and Developmental Disabilities, hereinafter referred to as the "State" and Ascend Management Innovations LLC, hereinafter referred to as the "Contractor," is for the provision of Pre-Admission Screening and Resident Reviews, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for profit corporation.

Contractor Federal Employer Identification or Social Security Number: 20-8680273

Contractor Place of Incorporation or Organization: Tennessee

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all services and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.

A.2. Service Definition:

a. The Pre-Admission Screening and Resident Review (PASRR) Level II program is a statewide federally mandated program implemented to comply with federal legislation pertaining to nursing home admissions and the delivery of rehabilitative services in nursing facilities. The purpose of the program is to ensure each individual applying to a Medicaid certified nursing facility who has a mental illness (MI) or mental retardation and related conditions (MRRC), as those terms are defined in the Tennessee Administrative Rules (TAR); Rules of Tennessee Department of Finance and Administration, Bureau of TennCare; Rule 1200-13-01.23 (hereinafter Rule 1200-13-01.23), will receive the treatment services, specialized or rehabilitative, that he or she needs. This is accomplished by performing a comprehensive evaluation, called a PASRR Level II, for each applicant referred by the Long Term Care (LTC) Unit of Tennessee's Medicaid program, TennCare. The TennCare LTC Unit refers all applicants who have a positive indicator for MI or MRRC, as those terms are defined in Rule 1200-13-01.23, on the PASRR Level I screen. PASRR Level II screens are also performed at the request of nursing facilities and other agencies when a resident has a "Change of Mental Status". In addition, Tennessee uses its Resident Review evaluations to track and monitor individuals who have clinical risk issues along with its Resident Review of Rehabilitative Services (RRRS) program which monitors compliance and delivery of the mandated PASRR Level II recommendations.

b. The following referenced laws and rules govern this program:

- (1) Code of Federal Regulations (CFR) Title 42, Chapter IV, Sub-chapter G, Part 483, Subpart C, §§ 483.100 through 483.138 (hereinafter 42 CFR §§ 438.100 through 438.138); and
- (2) Tennessee Administrative Rules (TAR); Rules of Tennessee Department of Finance and Administration, Bureau of TennCare; Rule 1200-13-01.23 (hereinafter Rule 1200-13-01.23).

A.3. Service Recipients:

- a. Individuals applying to Medicaid certified nursing homes previously identified and determined by the PASRR Level I Screening as having MI or MRRC as those terms are defined in Rule 1200-13-01.23. The TennCare LTC Unit refers these applicants to the State for a PASRR Level II evaluation.
- b. Individuals who are presently residing in a nursing facility who have MI or MRRC as those terms are defined in Rule 1200-13-01.23 and are determined by a PASRR Level II evaluation to be in the PASRR population on admission or anytime afterward. As part of the State's mandated tracking and monitoring program, high risk individuals in this population may receive a Resident Review (RR). Individuals in this population may also be designated to receive an RRRS to determine if mandated services are being delivered to those in the PASRR population.
- c. Individuals residing in a nursing facility that experience a "Change in Mental Status" as described in 42 CFR §§ 483.100 through 483.138. These individuals will be referred to the State by nursing facilities or a psychiatric facility when a resident is returning to a nursing facility.

A.4. Service Goals:

- a. All completed PASRR evaluations will have corresponding written summaries in a format selected by the provider. The evaluation and the written summary must conform to the requirements stated in 42 CFR §§ 483.100 through 483.138.
- b. All completed written summaries will have the appropriate specialized service determinations. These determinations are based on Rule 1200-13-01.23's definition of Specialized Services for Individuals with Mental Illness which states: "Specialized services is defined as the implementation of an individualized plan of care developed under and supervised by a physician, provided by a physician and other qualified mental health professionals, that prescribes specific therapies and activities for the treatment of persons who are experiencing an acute episode of severe mental illness, which necessitates supervision by trained mental health personnel." and Rule 1200-13-01.23's definition of Specialized Services for Individuals with Mental Retardation which states: "A continuous program for each individual, which includes aggressive, consistent implementation of a program of specialized and generic training, treatment, health services and related services that is directed towards (1) the acquisition of the behaviors necessary for the client to function with as much self determination and independence as possible; and (2) the prevention or deceleration of regression or loss of current optimal functional status. Specialized services does not include services to maintain generally independent clients who are able to function with little supervision or in the absence of a continuous specialized services program."
- c. All completed written summaries must include, at least, clinical recommendations for rehabilitative services, rationales, case abstracts, and appropriate demographic information as described in 42 CFR §§ 483.100 through 483.138; and:
 - (1) All written summaries must be completed in accordance with the following timelines:
 - i. Pre-Admission Summary: Five (5) working days
 - ii. Change of Mental Status Summary: Three (3) working days

- iii. Resident Reviews (All types): Fifteen (15) working days (after assigned by the State)
 - iv. Additional Information: Two (2) working days
 - v. Pre-Screens for Dementia: One (1) working day; and
- (2) All Preadmission Evaluations, Resident Reviews and Change of Mental Status will be completed complying with federal regulations as stated in 42 CFR §§ 483.100 through 483.138 and Rule 1200-13-01.23. RRRS will be completed according to procedures established in this Scope of Services.

A.5. Structure:

a. Staffing and Resources: The Contractor shall:

- (1) Provide the staff and resources necessary to comply with laws and rules identified in this Scope of Services. Because of the daily nature of PASRR responsibilities and mandated timelines, the need exists for on-site accessibility to monitor operations, including but not limited to immediate access to records and clinical and management staff. Therefore, the Contractor shall maintain an office located in the State of Tennessee. This in-state (Tennessee) office must provide an adequate amount of qualified clinical staff to perform and maintain the continual and daily tasks of the PASRR program.
- (2) Staffing in the Tennessee office must include, at least, a Contract Manager with psychiatric and PASRR management experience, quality staff responsible for training and overseeing the integrity of all clinical evaluations, clinicians responsible for the RRRS program, data programmers and analysts, psychiatrists and psychologists as well as a full network of assessors and statewide evaluators who are qualified to conduct on-site face-to-face client evaluations. All staff time will be one hundred percent (100%) dedicated and have the appropriate State of Tennessee licensing. Proof of licensing credentials shall be shown to the State upon request. Due to the expertise required to administer a PASRR program the State shall continually evaluate performance of the personnel and, shall as necessary, refuse any personnel whose performance is found to be inadequate.
- (3) Employ a qualified professional with a Masters degree in social work or psychology; or a Registered Nurse (RN) licensed to practice in the State of Tennessee to perform assessments. These professionals shall have at least one (1) year of geriatric experience. Proof of credentials shall be shown to the State upon request.
- (4) Participate with in-service training as requested by the State.
- (5) Participate with the State in problem solving activities involving the PASRR process.
- (6) Maintain standard office operating capability (e.g. computer program capabilities, facsimile transmission, phone services etc.).
- (7) Ensure that the Contractor is not an employee of, and does not have a relationship with, any nursing care facilities; also ensure that each of the Contractor's evaluators is not an employee of, and does not have a relationship with, any nursing care facilities as this may be deemed a conflict of interest as stated in 42 CFR §§ 483.100 through 483.138.

- b. Scheduling and Organizing Evaluations and What to Do When a Determination is Appealed: The Contractor shall:
- (1) Schedule and organize evaluations with appropriate releases and authorization ensuring client confidentiality.
 - (2) Comply with any and all evaluation processes as described in 42 CFR §§ 483.100 through 483.138.
 - (3) When a determination is appealed, review additional information collected or provided that may effect that determination; and in appeal cases, perform further on-site reviews as requested by the State; and participate in appeal hearings as requested by the State.
- c. Reporting and Documentation: The Contractor shall:
- (1) Ensure all written summaries are completed in a web-based system and can be generated as hard copies by the State as needed in appropriate PASRR format. The State has the right to reject or request that a summary be resubmitted for clinical clarification or any other reason that might render the summary unusable without further costs to the State.
 - (2) Maintain all comprehensive evaluation documentation for five (5) years.
 - (3) Maintain all completed summaries for five (5) years.
 - (4) Submit annual reports as requested and approved by the State.
 - (5) Provide data to the State as requested and by the date requested.
- d. Secure Web-based System: The Contractor shall:
- (1) Develop and maintain a secure web-based application to support submission of referrals electronically for online tracking of the status for any request for service. Contractor shall provide the program expertise, staffing, web technologies and management capacities necessary to develop and maintain the web-based application, as well as maintain the database containing records of each request for data, service, and the determination. All evaluations and determination data shall be stored in a relational database. The fully web-based system must be accessible to the State and the TennCare LTC Unit. The system shall integrate outcomes, generate reports, and provide a secure data application. The State must have the capacity to review all documents in a secure environment and to make final decisions about service plans. All project data associated with quality monitoring must be web-based and accessible to the State. The application shall comply with published State Enterprise Information Security Policies with particular attention to the appendix "Secure Application Development Guide." (Attachment 3) The Contractor's web-based application must be fully programmed and functional by the Contract start date to prevent any disruption of operations.

- (2) The secure web-based system must provide a maximum response time of five (5) seconds between transaction/request and results delivery for ninety-five percent (95%) of transactions.
 - (3) Ensure a web-based tracking system is operational to enable RRs or RRRS to be completed upon request from the State and in accordance with the standards in 42 CFR §§ 483.100 through 483.138.
- e. Resident Review of Rehabilitative Services: The Contractor shall design and operate the RRRS program that evaluates the delivery and effectiveness of mandatory rehabilitative recommendations. This includes and catalogues extensive interviews with providers, caregivers, and others regarding the individual's care plan, responsiveness to treatment, symptoms, and associated continued service needs. Each interview must be carefully and extensively summarized and contain recommendations for additional care plan modifications and a description of whether the provider is in compliance with PASRR requirements. All summaries and associated collateral documents must be viewable by the State via a secure Contractor-developed web-based application. The State must have the capacity to review all documents in a secure environment to make final decisions about service plans. All project data associated with quality monitoring must be web-based and accessible to the State. The Contractor's web-based application must be fully programmed and functional by the Contract start date to prevent any disruption of operations.

A.6. Process:

- a. The Contractor shall, as general requirements, ensure that:
 - (1) All PASRR referrals from the State are completed as directed in this Scope of Services.
 - (2) Any on-site face-to-face interview is completed by a qualified mental health professional as described in Section A.5.a.(3) and that the resulting evaluation consists of procedures as approved by the State and as described in 42 CFR §§ 483.100 through 483.138.
 - (3) A licensed psychiatrist makes any determinations based on the definition of specialized services in Rule 1200-13-01.23.
 - (4) In the case of evaluations for MMRC as that term is defined in Rule 1200-13-01.23, a licensed psychologist with experience in the area makes the determinations based on the definition of specialized services for individuals with mental retardation in Rule 1200-13-01.23; and that criteria for evaluations is based on those described in 42 CFR §§ 483.100 through 483.133.
- b. The Contractor shall, as specific requirements for the services listed below, ensure that:
 - (1) Pre-admission Screening: All PASRR Preadmissions are conducted on-site with face-to-face interviews of applicants and are completed and returned to the State within five (5) working days. All Preadmission Evaluations include service determinations and recommendations based on, and consistent with, evaluation results. The only exception to the on-site face-to-face provision shall be at the special request of the TennCare LTC Unit or State out-of-state urgent need evaluations. These evaluations will be immediately followed up by on-site face-to-face resident review if transfer to a Tennessee nursing facility is approved. All evaluations shall include a psychosocial assessment, physical assessment, review of medical history, and any other evaluations as required by 42 CFR §§ 483.100 through 483.138.

- (2) Resident Review Evaluation: All RRs resulting in on-site face-to-face reviews will have prior approval of the State. All on-site face-to-face RR's involve all procedures and processes required for Preadmission Evaluations; and that reviews are performed based on clinical need and prior approval of the State; and that reviews are completed according to a schedule approved by the State and in accordance with 42 CFR §§ 483.100 through 483.138.
- (3) Change of Mental Status Evaluation: Change of Mental Status evaluations are on-site face-to-face PASRR Level II screens of nursing home residents and are conducted in accordance with the requirements of 42 CFR §§ 483.100 through 483.138. Change of Mental Status evaluations may also be submitted by other agencies, particularly psychiatric, to facilitate a return to the nursing facility. The Contractor shall also ensure that the completed summary includes the required criteria and a service determination. Clinical indicators of an adverse Change of Mental Status will indicate an on-site face-to-face review. Inability to obtain appropriate data may also indicate the necessity for an on-site face-to-face review. The State is Tennessee's Mental Health Authority and is the final authority on whether a Change of Mental Status referral is appropriate and whether an evaluation needs to be completed. The Contractor shall also ensure that any written summaries for these evaluations are returned to the State pursuant to the timelines identified in Section A.4.c.(1).
- (4) Resident Review of Rehabilitative Services: RRRS is performed on each eligible individual in a nursing facility who receives an initial evaluation or Change of Mental Status and who is determined to meet criteria for being placed in, or remaining in, the PASRR population per State and federal standards. RRRS determines the effectiveness and delivery of associated recommendations. These will be due as assigned by the State. If State-approved criteria are met and there is a significant Change of Mental Status, then an on-site face-to-face review, upon approval of the State, shall be performed.
- (5) Resident Review of Rehabilitative Services and Pre-Screening Dementia Evaluation: RRRS and Pre-Screens for Dementia are conducted by phone, with supplemental clinical information being requested from the nursing facility or provider as needed. These reviews will be conducted by a degreed clinician with geriatric or psychiatric experience as described in Section A.5.a.(3). All data collected must be fully electronic and the State must have the ability to review online and make final decisions for all review types. The State shall make decisions monthly about the number of reviews to be conducted each month; and these numbers will vary from month to month and depend on program volumes. The State shall have final approval of the process and procedures including individuals assigned to complete the procedures. The result of all RRRS must be available on the PASRR website as all other reviews.
- (6) Additional Information Review: Additional information paper reviews are based on material not previously available and may affect the determination process. The Contractor shall ensure that these reviews are returned to the State in two (2) working days.
- (7) Partial Review: If there is a partial review, one that is cancelled prior to a determination being made by the State and in which some work has been completed, the Contractor seeks approval by the State for partial payment to be made.

- (8) Out-of-State Paper Pre-admission Screening and Out-of-State Paper Change of Mental Status Evaluation: Out-of-State Paper Preadmissions or Out-of-State Paper Change of Mental Status evaluations are completed only in the case of out-of-state residents who have an urgent need to transfer to a nursing facility in Tennessee. Such decisions are to be made on a case-by-case basis. If a PASRR Level II paper evaluation is deemed appropriate, then an on-site face-to-face RR will be performed within thirty (30) days of the resident's transfer. The Contractor shall ensure that in each case of a paper review, all applicable standards identified in this Scope of Services and in 42 CFR §§ 483.100 thru 483.138 are enforced.
- (9) Pre-Screening Dementia Evaluation: Pre-Screening Dementia evaluations are completed as designated by the State. These evaluations are to gather further information to determine if an individual is exempt from the PASRR Change of Mental Status process due to dementia. These evaluations do not require an on-site face-to-face interview and are to be completed in one (1) working day.

A.7. Outcome – Access:

- a. All referrals for evaluation by the State will be completed, unless cancelled by the State, in accordance with:
 - (1) This Contract;
 - (2) 42 CFR §§ 483.100 through 483.138; and
 - (3) Rule 1200-13-01.23.
- b. All reviews will be completed in the timeframes stipulated by the State.

A.8. Outcome – Capacity:

The Contractor shall possess the capability to perform all referred evaluations and RRs in accordance with the terms of this Contract.

A.9. Outcome – Effectiveness:

- a. Each completed on-site face-to-face evaluation returned to the State shall be submitted electronically to the State along with the specific collateral documents which support the basis for clinical decision making. In addition, each evaluation must be preliminarily summarized by a licensed psychiatrist, or a doctoral level psychologist for persons who are MMRC as that term is defined in Rule 1200-13-01.23, who has reviewed the entire assessment packet and made recommendations associated with the following:
 - (1) Demographics;
 - (2) Axis I, II, and III Diagnosis per 42 CFR § 483.102 or an applicable Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM IV) diagnosis;
 - (3) Strengths and weaknesses;
 - (4) Service Determination and Rationale;
 - (5) Clinical Recommendations;
 - (6) Eligibility for remaining in the PASRR population;

- (7) Appropriate signatures one hundred percent (100%) of the time; and
 - (8) Clinical Summary.
- b. Each referral will be appropriately completed and returned to the State within the designated time constraints previously illustrated with a ninety-nine (99%) accuracy rate.
 - c. Each completed evaluation must be approved by the State and accepted as such by the TennCare LTC Unit.

B. CONTRACT TERM:

This Contract shall be effective for the period commencing on July 1, 2010 and ending on June 30, 2015. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Seven Million One Hundred Thirty Five Thousand Eight Hundred Nine (\$7,135,809.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's 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 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 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 rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.
 - a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
 - b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)				
	7/1/2010 to 6/30/2011	7/1/2011 to 6/30/2012	7/1/2012 to 6/30/2013	7/1/2013 to 6/30/2014	7/1/2014 to 6/30/2015
PASRR Scope of Services Sections A.2., A.3., A.4., A.5.a. through A.5.d., A.6.a., A.7., A.8., and A.9. are applicable to all Service Descriptions listed below. In addition, specific Scope of Services Sections applicable to each Service Description are noted below:					
Pre-admission Screening – Section A.6.b.(1)	\$353.30 /Screening	\$367.43 /Screening	\$382.13 /Screening	\$397.41 /Screening	\$413.31 /Screening
Resident Review Evaluation – Section A.6.b.(2)	\$321.71 /Evaluation	\$334.58 / Evaluation	\$347.97 /Evaluation	\$361.88 /Evaluation	\$376.36 /Evaluation
Change of Mental Status Evaluation – Section A.6.b.(3)	\$403.60 /Evaluation	\$419.75 / Evaluation	\$436.54 /Evaluation	\$454.00 /Evaluation	\$472.16 /Evaluation
Resident Review of Rehabilitative Services – Sections A.5.e., A.6.b.(4), and A.6.b.(5)	\$140.38 / Review	\$145.99 / Review	\$151.83 / Review	\$157.91 / Review	\$164.22 / Review
Additional Information Review – Section A.6.b.(6)	\$87.73 / Review	\$91.24 / Review	\$94.89 / Review	\$98.69 / Review	\$102.64 / Review
Partial Review – Section A.6.b.(7)	\$116.99 / Review	\$121.67 / Review	\$126.54 / Review	\$131.60 / Review	\$136.86 / Review
Out-of-State Paper Pre-admission Screening – Section A.6.b.(8)	\$116.99 /Screening	\$121.67 /Screening	\$126.54 /Screening	\$131.60 /Screening	\$136.86 /Screening
Out-of-State Paper Change of Mental Status Evaluation – Section A.6.b.(8)	\$116.99 /Evaluation	\$121.67 / Evaluation	\$126.54 /Evaluation	\$131.60 /Evaluation	\$136.86 /Evaluation
Pre-Screening Dementia Evaluation – Sections A.6.b.(5) and A.6.b.(9)	\$87.73 /Evaluation	\$91.24 / Evaluation	\$94.89 /Evaluation	\$98.69 /Evaluation	\$102.64 /Evaluation

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.

- a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:

Tennessee Department of Mental Health and Developmental Disabilities
425 5th Avenue North, 5th Floor Cordell Hull Building
Nashville, TN 37243

- b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.

- (1) Invoice/Reference Number (assigned by the Contractor);
- (2) Invoice Date;
- (3) Invoice Period (period to which all invoiced charges are applicable);
- (4) Contract Number (assigned by the State to this Contract);
- (5) Account Name: Department of Mental Health and Developmental Disabilities, Division of Special Populations and Minority Services
- (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
- (7) Contractor Name;
- (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
- (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
- (10) Contractor Remittance Address;
- (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name /title as applicable) of each service invoiced;
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced;
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced;
 - iv. Amount Due by Service; and
 - v. Total Amount Due for the invoice period.

- c. The Contractor understands and agrees that an invoice to the State under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) not include any future work but will only be submitted for completed service; and
- (3) not include sales tax or shipping charges.

- d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.

- e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.

C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or 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. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor 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). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- 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 thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive 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 immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, 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, they 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.

- 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 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 Public Acts of 2006, Chapter Number 878, of the state of Tennessee, 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 Attachment 1, 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 Public Chapter 878 of 2006 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. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.11. 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.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. 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.14. 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.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. 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.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. 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.19. 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.20. 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.21. 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:

Dennis Temple, PASRR Coordinator
Tennessee Department of Mental Health and Developmental Disabilities
425 5th Avenue North
5th Floor Cordell Hull Building
Nashville, TN 37243
dennis.temple@tn.gov
Telephone # (615) 253-5558
FAX # (615) 253-5080

The Contractor:

Teri Stokes, President and COO
Ascend Management Innovations, LLC
227 French Landing Drive, Suite 250
Nashville, TN 37228
praby@ascendami.com
Telephone # 615-394-5298
FAX # 615-730-3441

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,

- 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 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. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
 - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Contractor understands and agrees that there may be unique business circumstances under which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State contractor would not be appropriate, and in such cases the State may refuse Contractor personnel. Inasmuch, it shall be the responsibility of the State to review Contractor personnel to identify any such issues.
 - c. With reference to either subsection a. or b. above, a contractor may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the Internet at: www.state.tn.us/finance/rds/ocr/waiver.html. The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.
- E.6. 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) 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.7. 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.8. 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.

- E.9. Rule 2 Compliance. The State and Contractor shall comply with obligations under Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations as codified at 42 CFR § 2.1 et seq.
- a. Contractor warrants to the State that it is familiar with the requirements of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations, and will comply with all applicable 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 Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its regulations, in the course of performance of the Contract so that both parties will be in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and that are reasonably necessary to keep the State and Contractor in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, or if Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.10. 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 unless a printing authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).
- E.11. 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.12. Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," which shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," which shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," which shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
- (4) "Third-Party Software," which shall mean software not owned by the State or the Contractor.
- (5) "Work Product," which shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the system solution includes Rights Transfer Application Software, the definition of Work Product shall also include such software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted herein.
- (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer and/or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties, and Contractor shall cooperate fully in the foregoing endeavors.
- (3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted thereby.

- 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.13. 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.14. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract document and its attachments;
 - b. All Clarifications and addenda made to the Contractor's Proposal;
 - c. The Request for Proposal and its associated amendments;
 - d. Technical Specifications provided to the Contractor; and
 - e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.15. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.16. Public Accountability. If the Contractor is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor shall display in a prominent place, located near the passageway through which the public enters in order to receive services pursuant to this Contract, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

- E.17. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.

E.18. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, *U.S. Code*.

E.19. 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.20. 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-33901-10311 (Attachment 6.2,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.21. Copyrights and Patents. 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 or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees 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. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.
- E.22. 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.23. 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. 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, Attachment 2, 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.

- (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. 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.

- 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.24. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, 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.25. 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.26. Drug-Free Workplace. The Contractor shall provide a drug-free workplace pursuant to the Drug-Free Workplace Act of 1988, Title 41 of the United States Code (41 USC) §§ 701 *et seq.*, and the regulations in Title 45 of the Code of Federal Regulations (45 CFR) Part 82.
- E.27. Professional Practice. The Contractor shall assure that there is a code of conduct in place and applicable to all employees that covers, at minimum, business practices, clinical practices, and service recipient/staff interaction/fraternization. Further, Contractor's personnel shall conduct their practice in conformity with all applicable statutes, rules and regulations, and recognized ethical standards of their profession. Procedures for reporting violations of the ethical standards shall be developed and communicated to staff upon hire and annually thereafter, which shall include a non-reprisal approach for persons reporting suspected violations, as well as a description of possible sanctions for violating the standards. Failure to implement a code of conduct in accordance with this section and to adequately address suspected violations of the code of conduct may be cause for termination of this Grant Contract.

IN WITNESS WHEREOF,

ASCEND MANAGEMENT INNOVATIONS LLC:

Teri Stokes, President 6/25/10
CONTRACTOR SIGNATURE DATE

Teri Stokes, President
PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES:

Virginia P. Betts, MSN, JD, RN, FAAN Commissioner 06-28-10
VIRGINIA TROTTER BETTS, MSN, JD, RN, FAAN COMMISSIONER DATE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	Ascend Management Innovations LLC
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	20-8680273

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.

Teri Stokes, President 6/22/10

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.

Teri Stokes, President

PRINTED NAME AND TITLE OF SIGNATORY

6/22/10

DATE OF ATTESTATION

ATTACHMENT 2

CONTRACT SECTION REFERENCE	ACT CONSTITUTING BREACH	LIQUIDATED DAMAGE
<p>Section A.4.c.(1) and corresponding items in Section A.6.b.</p>	<p>Failure to comply with the terms of the Contract in such a manner that any PASRR summary is late or cannot be approved on its due date specified in the Contract. A summary will be deemed "late" if:</p> <ol style="list-style-type: none"> 1) submitted at any time beyond the specified due date if not authorized by the State to be cancelled; 2) submitted at any time beyond the specified due date if an extension has not been authorized by the State; or 3) the quality of the report is unacceptable to the State. A summary that cannot be approved is one that does not meet the requirements of 42 CFR §§ 483.100 through 483.133 as specified in the Contract. 	<p>\$100 per day per written summary. If Contractor fails to cure the problem and any summary is deemed late in more than one (1) thirty (30)-day period, Contractor will continue to be fined \$100 per day per summary with an additional \$5,000 for each thirty (30)-day period unauthorized late summaries continue to occur.</p>