



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

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M E M O R A N D U M

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

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

DATE: June 10, 2015

SUBJECT: Contract Comments
 (Fiscal Review Committee Meeting 6/10/2015)

MW
BK

RFS# 318.65-00308 (Edison # 19687)

Department: Finance and Administration

Division: Health Care Finance and Administration/Bureau of TennCare

Vendor: Aon Consulting, Inc.

Summary: The vendor is responsible for the provision of actuarial and rate setting services relevant to Managed Care Organization (MCO) participants in the TennCare program as well as federally required independent audits of Disproportionate Share Hospital (DSH) payments. The proposed amendment extends the current contract an additional six months and increases the maximum liability by \$1,200,000.

Current maximum liability: \$8,870,570

Proposed maximum liability: \$10,070,570

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

cc: The Honorable Darin Gordon, Deputy Commissioner