



**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: May 17, 2016

SUBJECT: Contract Comments
(Fiscal Review Committee Meeting 5/11/16)

MW
BK

RFS# 318.65-00346 (Edison # 34942)

Department: Finance and Administration

Division: Health Care Finance and Administration

Vendor: Magellan Medicaid Administration, Inc.

Summary: The vendor is responsible for the TennCare Pharmacy Benefits System. The proposed amendment revises the scope of services; extends current contract an additional year; increases maximum liability by \$10,956,575; reduces monthly administrative fee; limits supplemental rebate incentive; and revises liquidated damages.

Current maximum liability: \$61,659,020

Proposed maximum liability: \$72,615,595

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

cc: The Honorable Darin Gordon, Deputy Commissioner