TN Division of TennCare

March 29, 2019

Mrs. Krista Lee Carsner, Executive Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

RE: Cognosante Consulting LLC. – Amendment #5
DXC Technology Services, LLC. – Amendment #5
Keystone Peer Review Organization, Inc. (KEPRO) – Amendment #5
KPMG LLP. – Amendment #2

Dear Mrs. Lee Carsner:

The Department of Finance and Administration, Division of TennCare, is submitting for consideration by the Fiscal Review Committee the following four (4) amendments and all required documentation and approvals.

1) **Cognosante Consulting LLC.**: The Department of Finance and Administration, Division of TennCare, is requesting approval to extend the current competitively procured Cognosante contract for an additional sixty-six (66) months beyond the current contract term of seventy-two (72) months, which will make the entire contract term one hundred and thirty-eight (138) months. CMS (Our Federal Partner) has provided guidance encouraging states to modularize their Medicaid Management Information System (MMIS), by breaking them down into smaller components or "modules" to encourage more marketplace competition. Each module will be certified using the CMS MECT 2.3 tool kit, which outlines increased responsibilities for Independent Validation and Verification (IV&V) services (obtained through Cognosante). This extension also aligns with federal enhanced funding requirements to advance the capability level of the MITA 3.0 Maturity Module Framework through key projects such as: Identity Access Management, Master Data Management, Payment Reform Reporting, further modularization of targeted MMIS functionality, and Service-Oriented Architecture enablement for MMIS. This extension will also allow IV&V oversight for federal mandates, such as the Pharmacy System, Provider Management System, future Data Warehouse and Core MMIS projects, and continuation of MMIS Operations projects.

   TennCare has received preliminary approval from CMS for their Medicaid Modernization Strategic Plan which is scheduled for completion in SFY 2025. This request extends the existing IV&V contract by adding sixty-six (66) months to align with complementation of the Medicaid Modernization projects, including CMS Certification, and term of the Technical Advisory and DXC contracts. This will ensure consistency in the governance, oversight, and execution of the Medicaid Enterprise Modernization projects, and align with the recommendation of CMS.

2) **DXC Technology Services, LLC.**: The Department of Finance and Administration, Division of TennCare, is requesting approval to extend the current competitively procured DXC contract for an additional thirty-six (36) months beyond the current contract term of one

hundred and fifty six (156) months, which will make the entire contract term one hundred and ninety two (192) months. This contract with DXC Technology Services is for the operations, management, and enhancement of the TennCare Management Information System. It is being amended to continue system management, as well as provide new enhancements and projects, and to provide funding to support the term extension of the contract. TennCare's Medicaid Management Information System (TCMIS) manages claims, encounter, provider, enrollment, and other functions for 1.5 million Tennesseans. The DXC contract was competitively procured in State Fiscal Year 2010.

TennCare recently completed a number of enhancements to the TCMIS to improve functionality, performance and extend the life of the system. Procurement and transition of a new TCMIS contract is a time-consuming and costly process. This activity was previously deferred to enable TennCare to concentrate its resources on the implementation of the TennCare Eligibility Determination System (TEDS) and other strategic HITECH initiatives.
This extension will give TennCare the ability to continue further modularization of the TCMIS. CMS (Our Federal Partner) is encouraging states to modularize their systems by breaking the functions down into smaller components or "modules" to encourage more marketplace competition. The extension also aligns with federal enhanced funding requirements to advance the capability level of the MITA 3.0 Maturity Module Framework through projects such as cyber-security transformation and privileged access management, continued integration with Identity and Access Management for the TCMIS, standardized Managed File Transfer, enhanced Test Data Management, and further service-oriented architecture enablement for modularity transition. It also supports federal mandates, such as the Transformed Medicaid Statistical Information System (T-MSIS) version 2.0 and continuing phases of CAQH core projects. These mandates began implementation during the current contract and completion will be accomplished during the expansion.

TennCare has received preliminary approval from CMS for their Medicaid Modernization Strategic Plan which is scheduled for completion in SFY 2025. TennCare has received preliminary approval from CMS for their Medicaid Modernization Strategic Plan which is scheduled for completion in SFY 2025. This request extends the existing DXC contract by adding thirty-six (36) months to align with complementation of the Medicaid Modernization projects, including CMS Certification, and term of the Technical Advisory and DXC contracts. This will ensure consistency in the governance, oversight, and execution of the Medicaid Enterprise Modernization projects, and align with the recommendation of CMS.

3) **Keystone Peer Review Organization, Inc. (KEPRO):** TennCare Medical Appeals is requesting an extension of the KEPRO medical contract through January 14, 2021 as Medical Appeals transitions to a new appeals tracking system. KEPRO provides technical & software support, reporting services, quality assurance, medical reviews and medical witnesses for TennCare medical service appeals hearings. The technical and service support is for the ProLaw appeals tracking system. We are in the process of procuring a new appeals tracking system that will not be complete until early 2020 at the earliest. Medical appeals will need KEPRO's continued support for ProLaw prior to and after go live with the new tracking system in 2020 because issues and appeals that are opened in Prolaw prior to go live with the new system will remain housed in Prolaw until resolution of the appeal/issue. This transition of cases will take at least six months, lasting well into 2020. Extension of the KEPRO contract is essential to maintain business continuity and to ensure a smooth transition from Prolaw to a

replacement system.

4) **KPMG LLP.:** TennCare's contract with KPMG is for Technical Advisory Services (TAS) to support the Medicaid Modernization Program (MMP). In this role, the TAS team develops the framework for the successful management and implementation of each project, initiates and completes a series of crucial start-up activities and deliverables, and provides services to assist the State in completing the MMP projects. This contract is being amended to continue TAS support through the current TennCare Eligibility Determination System (TEDS) implementation, enhancements in the Operations and Maintenance Phase, and support the continued modularization of the Medicaid Enterprise through the transformation of the Medicaid Management Information System (MMIS) project.

   Eligibility & Enrollment Projects – TAS functions as a key partner supporting the Tennessee Eligibility Determination System (TEDS) project. Critical TAS project support in this area includes TEDS architecture and business analyst support, testing support, and information security and privacy support. Such support is key to obtaining final CMS (Our Federal Partner) sign off for the system. Additionally, continuation of the TAS contract will allow a successful transition to the Operations and Enhancements phases of TEDS due to KPMG's familiarity with the system, and allow the State to enough time to initiate the transition process associated with the procurement of a new TAS vendor.

   TennCare has received preliminary approval from CMS (Our Federal Partner) for their Medicaid Modernization Strategic Plan which is scheduled for completion in SFY 2025. This request extends the existing TAS contract to align with complementation of the Medicaid Modernization projects, including CMS Certification, and term of the IV&V and DXC contracts. The Division of TennCare's plans to evaluate the current Medicaid Enterprise, launch the procurement process for the appropriate module(s), and provide consistent TAS and SPMO support for Medicaid Modernization implementation activities. This recommendation will result in a revised contract end date of December 31, 2024, as requested in the subsequent Contract Amendment Request and submitted Rule Exception Request. The Division of TennCare respectfully requests approval of this Amendment Request.

Sincerely,

William Aaron
Chief Financial Officer

cc: Gabe Roberts, Deputy Commissioner

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 #	**31865-00352**
1. Procuring Agency	**Department of Finance and Administration, Division of TennCare**
2. Contractor	**NTT DATA State Health Consulting, LLC (Previously Known As Cognosante Consulting LLC.)**
3. Edison contract ID #	**NV3000000000000000000037266**
4. Proposed amendment #	**5**
5. Contract's Original Effective Date	**July 1, 2013**
6. Current end date	**June 30, 2019**
7. Proposed end date	**December 31, 2024**
8. Current Maximum Liability or Estimated Liability	**$43,536,909.99**
9. Proposed Maximum Liability or Estimated Liability	**$133,477,507.40**
10. Strategic Technology Solutions Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	☒ **Not Applicable** ☐ **Attached**
11. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☒ **Not Applicable** ☐ **Attached**
12. Human Resources Pre-Approval Endorsement Request *– state employee training service*	☒ **Not Applicable** ☐ **Attached**

13. Explain why the proposed amendment is needed

TennCare is requesting a name change for Cognosante Consulting, LLC. Cognosante Consulting, LLC was recently purchased requiring a name change to NTT DATA State Health Consulting, LLC. Their tax ID will remain the same, only the name is changing in this instance.

The Department of Finance and Administration, Division of TennCare, is requesting approval to extend the current competitively procured NTT DATA State Health Consulting, LLC contract for an additional sixty-six (66) months beyond the current contract term of seventy-two (72)

Agency request tracking #	31865-00352

months, which will make the entire contract term one hundred and thirty-eight (138) months. CMS (Our Federal Partner) has provided guidance encouraging states to modularize their Medicaid Management Information System (MMIS), by breaking them down into smaller components or "modules" to encourage more marketplace competition. Each module will be certified using the CMS MECT 2.3 tool kit, which outlines increased responsibilities for Independent Validation and Verification (IV&V) services (Obtained through NTT DATA State Health Consulting, LLC). This extension also aligns with federal enhanced funding requirements to advance the capability level of the MITA 3.0 Maturity Module Framework through key projects such as: Identity Access Management, Master Data Management, Payment Reform Reporting, further modularization of targeted MMIS functionality, and Service-Oriented Architecture enablement for MMIS. This extension will also allow IV&V oversight for federal mandates, such as the Pharmacy System, Provider Management System, future Data Warehouse and Core MMIS projects, and continuation of MMIS Operations projects.

TennCare has received preliminary approval from CMS for their Medicaid Modernization Strategic Plan which is scheduled for completion in SFY 2025. This request extends the existing IV&V contract by adding sixty-six (66) months to align with complementation of the Medicaid Modernization projects, including CMS Certification, and term of the Technical Advisory and DXC contracts. This will ensure consistency in the governance, oversight, and execution of the Medicaid Enterprise Modernization projects, and align with the recommendation of CMS.

14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.

No change in scope. This request for a term extension and maximum liability increase.

Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
31865-00352	NV3---37266		5

Contractor Legal Entity Name	Edison Vendor ID
NTT DATA State Health Consulting, LLC. (Previously Known As Cognosante Consulting LLC.)	0000216204

Amendment Purpose & Effect(s)

Extend End Date and Increase Maximum Liability

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** December 31, 2024

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **$ 89,940,597.41**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2014	$123,928.56	$1,115,357.00			$1,239,285.56
2015	$213,103.09	$1,917,927.79			$2,131,030.88
2016	$450,271.06	$4,051,953.50			$4,502,170.56
2017	$727,026.00	$6,543,230.00			$7,270,256.00
2018	$1,280,525.57	$11,524,730.11			$12,805,255.68
2019	$1,558,891.13	$14,030,020.18			$15,588,911.31
2020	$1,635,283.58	$14,717,552.26			$16,352,835.84
2021	$1,635,283.58	$14,717,552.26			$16,352,835.84
2022	$1,635,283.58	$14,717,552.26			$16,352,835.84
2023	$1,635,283.58	$14,717,552.26			$16,352,835.84
2024	$1,635,283.58	$14,717,552.26			$16,352,835.84
2025	$817,641.82	$14,717,552.26			$8,176,418.21
TOTAL:	$13,347,750.74	$120,129,756.66			$133,477,507.40

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.

CPO USE

Speed Chart (optional)

Account Code (optional)

CONTRACT AMENDMENT #5
OF Contract # 37266
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION,
DIVISION OF TENNCARE
AND
NTT DATA State Health Consulting, LLC

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division TennCare, hereinafter referred to as the "State" or "TennCare" and NTT DATA State Health Consulting, LLC, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract Section B.1 is deleted in its entirety and replaced with the following:

B.1. This Contract shall be effective for the period beginning July 1, 2013 and ending on December 31, 2024. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

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

B.2 Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than eleven (11) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of a contract amendment. If the term extension necessitates additional funding beyond that which was including in the original Contract, an increase in the State's maximum liability will also be effected through contract amendment, and shall be based upon payment rates provided in the original contract.

3. Contract Section C.1 is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed One Hundred Thirty-Three Million Four Hundred Seventy-Seven Thousand Five Hundred Seven Dollars and Forty Cents ($133,477,507.40). 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.

4. The following is added as Contract section E.32:

E.32. Internal Revenue Service (IRS) Safeguarding Of Return Information:

a) Performance

In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

(1) This provision shall not apply if information received or delivered by the Parties under this Contract is NOT “federal tax returns or return information” as defined by IRS Publication 1075 and IRC 6103.

(2) All work will be done under the supervision of the Contractor or the Contractor's employees. The contractor and the contractor’s employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.

(3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.

(4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

(5) The Contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

(6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the TennCare or its designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the TennCare or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.

(7) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

(8) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.

(9) The Contractor will maintain a list of employees authorized access. Such list will be provided to the TennCare and, upon request, to the IRS reviewing office.

(10) TennCare will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

b) Criminal/Civil Sanctions

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return

information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as $1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of $1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

(3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A. The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

c.Inspection

The IRS and TennCare with 24 hour notice, shall have the right to send their officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work with FTI under this contract. The IRS

and TennCare's right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with Contract safeguards.

5. The following is added as Contract section E. 33.:

E.33. NTT DATA State Health Consulting, LLC. All references to "Cognosante Consulting LLC" shall be deleted and replaced with "NTT DATA State Health Consulting, LLC."

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 June 30, 2019. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

NTT DATA STATE HEALTH CONSULTING, LLC.:

SIGNATURE	**DATE**
Thomas Rabung, Vice President, Contracts	
PRINTED NAME AND TITLE OF SIGNATORY (above)	

DEPARTMENT OF FINANCE AND ADMINISTRATION,
DIVISION OF TENNCARE:

STUART C. MCWHORTER, COMMISSIONER	**DATE**

Rule Exception Request

Use this document to request changes to Central Procurement Office templates, policies, or other procurement documents or to modify the "necessary contract clauses" identified in Tenn. Comp. R. & Reg. 0690-03-01-.17 ("CPO Rule 17"). Complete this document in conformity with CPO Rule 17, which is available here. Send the completed document in PDF format to: Agsprs.Agsprs@tn.gov All Rule Exception Requests are subject to review and approval by the Chief Procurement Officer. Rule Exception Requests that propose to modify any of CPO Rule 17's necessary contract clauses shall be subject to review and approval by the Comptroller of the Treasury. Note: Any change to the template language regarding the Limitation of Contractor's Liability shall be submitted using the Limitation of Contractor's Liability Request.

APPROVED	**APPROVED**
CHIEF PROCUREMENT OFFICER	COMPTROLLER OF THE TREASURY

Agency request tracking #	31865-00352
1. **Procuring Agency**	Department of Finance and Administration, Division of TennCare
2. **Edison contract ID #**	NV3---37266
3. **Contractor or Grantee**	NTT DATA State Health Consulting, LLC. (Previously Known As Cognosante Consulting LLC.)
4. **Contract's Effective Date**	June 30, 2019
5. **Contract or grant contract's Term** (with ALL options to extend exercised)	138 months
6. **Contract's Maximum Liability** (with ALL options to extend exercised)	$133,477,507.40

7. **Citation and explanation of the rule(s)** for which the exception is requested

Rule # 0690-03-01-.14(2)(c) – requirement that any multi-year contract shall not be for a period longer than sixty (60) months unless approved by the Chief Procurement Officer as being in the best interests of the State.

8. **Description of requested changes** If adding new provisions or modifying existing provisions, insert the new or modified provisions in their entirety. Please provide red-lines or track changes to highlight any deviations from template language.

The Department of Finance and Administration, Division of TennCare, is requesting approval to extend the current competitively procured contract for an additional sixty-six (66) months beyond the current contract term of seventy-two (72) months, which will make the entire contract term one hundred and thirty-eight (138) months.

9. **Scope of Goods or Services Caption:**

Independent Validation and Verification (IV&V) Services

10. **Justification**

TennCare's contract with NTT DATA State Health Consulting, LLC is for Independent Validation and Verification (IV&V) services for the Medicaid Modernization Program. This contract is being amended to continue IV&V support through the current TennCare Eligibility Determination System (TEDS)

implementation and for enhancements in the Operations and Maintenance Phase and support the continued modularization of the Medicaid Enterprise through the transformation of the Medicaid Management Information System project. As reflected in the last amendment, IV&V's direct project participation and oversight has been expanded and is required by CMS to allow TennCare to qualify for enhanced funding for the aforementioned system implementation areas.

Eligibility & Enrollment Projects – To qualify for the enhanced funding under the Affordable Care Act CMS requires Eligibility and Enrollment projects to follow the Medicaid Eligibility and Enrollment Life Cycle (MEELC) and respective toolkit which requires an expanded role for IV&V. CMS requires the IV&V vendor be integrated into all project activities in order to provide oversight and review of all project artifacts and processes. In addition, regular project progress reports are required as well as a first review, and assessment of the required evidence for the checklists at each of the CMS required milestone reviews is required prior to TennCare's engagement for CMS Milestone review. Successful completion of these milestones is required to continue receiving enhanced funding. IV&V services will continue post implementation and provide oversight for the Operations and Enhancement phases of the TEDS project.

MMIS Projects – CMS has provided guidance encouraging states to modularize their MMIS, by breaking them down into smaller components or "modules" to encourage more marketplace competition. Each module will be certified using the CMS MECT 2.3 tool kit, which outlines increased responsibilities for IV&V as previously described. This extension also aligns with federal enhanced funding requirements to advance the capability level of the MITA 3.0 Maturity Module Framework through key projects such as: Identity Access Management, Master Data Management, Payment Reform Reporting, further modularization of targeted MMIS functionality, and Service-Oriented Architecture enablement for MMIS. This extension will also allow IV&V oversight for federal mandates, such as the Pharmacy System, Provider Management System, future Data Warehouse and Core MMIS projects, and continuation of MMIS Operations projects.

TennCare has received preliminary approval from CMS for their Medicaid Modernization Strategic Plan which is scheduled for completion in SFY 2025. This request extends the existing IV&V contract by adding sixty-six (66) months to align with complementation of the Medicaid Modernization projects, including CMS Certification, and term of the Technical Advisory and DXC contracts. This will ensure consistency in the governance, oversight, and execution of the Medicaid Enterprise Modernization projects, and align with the recommendation of CMS. The Division of TennCare's plans to evaluate the current Medicaid Enterprise, launch the procurement process for the appropriate module(s), and provide consistent IV&V oversight of Medicaid Modernization implementation activities. This recommendation will result in a revised contract end date of December 31, 2024, as requested in the subsequent Contract Amendment Request and this Rule Exception Request. The Division of TennCare respectfully requests approval of this rule exception.

In summary, procurement and transition of a new IV&V vendor contract is a time-consuming and costly process. Therefore, TennCare is requesting to extend the current contract with the existing and proven IV&V service provider, which will allow TennCare to concentrate its resources without interruption for oversight of TEDS, MMIS Modularization, Federally Mandated initiatives, and other strategic HITECH initiatives. The exception will provide consistent IV&V services for these strategic system implementations, as required for continued enhanced CMS funding. In addition to ensuring that the other projects are in alignment with CMS requirements for enhanced 90/10 and 75/25 funding, this contract will qualify for an enhanced funding match at 90/10.

Signature of Agency head or designee and date

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Matt Brimm	*Contact Phone:	615-687-5811
*Presenter's name(s):	William Aaron		
Edison Contract Number: (*if applicable*)	NV3-37266	RFS Number: (*if applicable*)	31865-00352
*Original or Proposed Contract Begin Date:	July 1, 2013	*Current or Proposed End Date:	June 30, 2019
Current Request Amendment Number: (*if applicable*)	5		
Proposed Amendment Effective Date: (*if applicable*)	June 30, 2019		
*Department Submitting:	Department of Finance & Administration		
*Division:	Division of TennCare		
*Date Submitted:	March 29 2019		
*Submitted Within Sixty (60) days:	Yes		
If not, explain:	N/A		
*Contract Vendor Name:	NTT DATA State Health Consulting, LLC. (Previously Known As Cognosante Consulting, LLC)		
*Current or Proposed Maximum Liability:	$43,536,909.99		
*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: 2014	FY: 2015	FY: 2016	FY: 2017	FY: 2018	FY: 2019
$1,239,285.56	$2,131,030.88	$4,502,170.56	$7,270,743.00	$12,805,255.68	$15,588,911.31

*Current Total Expenditures by Fiscal Year of Contract:

(attach backup documentation from Edison)

FY: 2014	FY: 2015	FY:2016	FY: 2017	FY: 2018	FY: 2019
$1,208,568.59	$2,057,412.32	$4,298,763.27	$7,381,518.58	$ 11,796,857.75	$8,552,212.57 (Expenditures through January 2019)

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

Supplemental Documentation Required for Fiscal Review Committee

IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A		
*Contract Funding Source/Amount:			
State:	$4,353,691.41	Federal:	$39,183,218.58
Interdepartmental:		*Other*:	
If "*other*" please define:			
If "*interdepartmental*" please define:			

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)
March, 2015 – Amendment #1	Updated scope to include increased expertise for Medicaid and Eligibility IV&V and funding to support increased expertise.
May, 2016 – Amendment #2	Updated scope of provide CMS required sections, extended term option, and included funds to support extension.
June, 2017 – Amendment #3	Updated scope to provide CMS required sections, extended term option, and included funds to support extension. Per RER #cy17-8451 received approval to extend contract term beyond standard five (5) year term and reflected total term extension option in contract language.
April, 2018 - Amendment #4	Increased maximum Liability and Extended Term for One Year.

Method of Original Award: (*if applicable*)	RFP
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	$3,717,856.68 (plus term extensions) Cost Proposals
*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.	7 vendors submitted responses to RFP 31865-00352. Cognosante submitted the response evaluated with highest combined technical and cost response.
Provide information on the circumstances and status of any disciplinary action taken or pending against the vendor during the past 5 years with state agencies/ departments, professional organizations, or through any legal action.	No disciplinary actions identified.

Supplemental Documentation Required for Fiscal Review Committee

In addition, please provide any information regarding the due diligence that the Department has taken to ensure that the vendor is not or has not been involved in any circumstances related to illegal activity, including but not limited to fraud.	TennCare Googled and did not identify any illegal activity. Language in the contract requires immediate notification to the state regarding illegal activity or fraud if discovered during the term of this Contract.

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
31865-00352	NV3 --- 37266		04

Contractor Legal Entity Name	Edison Vendor ID
Cognosante Consulting LLC	0000216204

Amendment Purpose & Effect(s)
Increases Maximum Liability and Extends Term for One Year

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** June 30, 2019

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **$ 15,588,911.31**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2014	$123,928.56	$1,115,357.00			$1,239,285.56
2015	$213,103.09	$1,917,927.79			$2,131,030.88
2016	$450,217.06	$4,051,953.50			$4,502,170.56
2017	$727,026.00	$6,543,230.00			$7,270,256.00
2018	$1,280,525.57	$11,524,730.11			$12,805,255.68
2019	$1,558,891.13	$14,030,020.18			$15,588,911.31
TOTAL:	**$4,353,691.41**	**$39,183,218.58**			**$43,536,909.99**

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.

Speed Chart (optional)	Account Code (optional)
TN00000396	

CPO USE

NTT DATA State Health Consulting, LLC (Previously Known As Cognosante Consulting LLC)

Edison Contract ID: 37266 / NV2-37266 / NV3-37266

Vendor #: 0000073557 / 0000197686 / 0000216204

CONTRACT EXPENDITURES BY FISCAL YEAR

(Payment Detail Attached)

FY 2014	$1,208,568.59	
FY 2015	$2,057,412.32	
FY 2016	$4,298,763.27	
FY 2017	$7,381,518.58	
FY 2018	$11,796,857.75	
FY 2019	$8,552,212.57	(Expenditures through January 2019)
TOTAL	$35,295,333.08	

NTT DATA State Health Consulting, LLC
Edison Contract ID: 37266
Vendor ID: 0000073557

FY 2014 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2014	31865	00760860	010860	8/26/2013	$70,873.12
2014	31865	00768610	010910	9/17/2013	$86,560.88
2014	31865	00786699	010958	10/16/2013	$82,572.82
2014	31865	00806072	011019	11/25/2013	$100,400.26
2014	31865	00822133	011060	12/24/2013	$87,987.95
2014	31865	00836822	011107	1/21/2014	$75,419.57
2014	31865	00858325	011164	2/21/2014	$73,803.96
2014	31865	00877057	011219	3/24/2014	$75,430.75
2014	31865	00903016	011277	4/30/2014	$106,059.63
2014	31865	00912612	011334	5/21/2014	$143,385.84
2014	31865	00929053	011404	6/17/2014	$139,992.29
2014	31865	00949959	011463	7/17/2014	$166,081.52

Total FY 2014: **$1,208,568.59**

FY 2015 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2015	31865	00967194	011508	8/18/2014	$143,892.81
2015	31865	00987567	011571	9/19/2014	$123,886.23
2015	31865	01000333	011606	10/16/2014	$113,964.23
2015	31865	01024655	011658	11/20/2014	$104,321.43
2015	31865	01040485	011704	12/19/2014	$115,821.37
2015	31865	01055615	011765	1/20/2015	$159,763.86
2015	31865	01071433	011812	2/23/2015	$154,827.95
2015	31865	01091613	011864	3/19/2015	$152,609.88
2015	31865	01107465	011908	4/20/2015	$215,885.07
2015	31865	01126629	011974	5/28/2015	$265,361.88
2015	31865	01141254	012032	6/25/2015	$228,245.72
2015	31865	01144726	012060	6/30/2015	$11,467.65
2015	31865	01159947	012106	7/24/2015	$267,364.24

Total FY 2015: **$2,057,412.32**

NTT DATA State Health Consulting, LLC
Edison Contract ID: 37266 / NV2-37266
Vendor ID: 0000073557 / 0000197686

FY 2016 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2016	31865	01196522	012145	10/1/2015	$331,565.05
2016	31865	01196529	012202	10/5/2015	$369,302.04
2016	31865	01211400	012243	10/30/2015	$324,191.19
2016	31865	01225889	012272	12/1/2015	$348,882.18
2016	31865	01249679	012320	1/8/2016	$345,308.01
2016	31865	01264726	012337	2/10/2016	$315,643.72
2016	31865	01290635	INV-0000000512	3/23/2016	$319,114.38
2016	31865	01294892	INV-0000000619	3/23/2016	$342,654.40
2016	31865	01335056	INV-0000000784	6/3/2016	$408,304.74
2016	31865	01335067	INV-0000000837	6/8/2016	$369,890.26
2016	31865	01357700	INV-0000000965	7/15/2016	$408,210.72
2016	31865	01369374	INV-0000001042	8/22/2016	$415,696.58

Total FY 2016: **$4,298,763.27**

FY 2017 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2017	31865	01385138	INV-0000001136	9/8/2016	$421,956.81
2017	31865	01404503	INV-0000001254	10/13/2016	$541,215.73
2017	31865	01432924	INV0000001331	12/8/2016	$560,705.33
2017	31865	01448072	INV-0000001500	1/9/2017	$604,431.91
2017	31865	01455020	INV-0000001547	2/22/2017	$573,241.97
2017	31865	01487706	INV-0000001651	3/16/2017	$545,493.73
2017	31865	01496198	INV-0000001749	4/4/2017	$614,025.12
2017	31865	01504600	INV-0000001916	4/5/2017	$629,113.65
2017	31865	01524141	INV-0000002120	5/10/2017	$708,430.30
2017	31865	01539509	INV-0000002207	6/13/2017	$682,243.51
2017	31865	01550887	INV-0000002396	7/11/2017	$719,410.79
2017	31865	01576485	INV-0000002536	8/25/2017	$781,249.73

Total FY 2017: **$7,381,518.58**

NTT DATA State Health Consulting, LLC
Edison Contract ID: NV2-37266 / NV3-37266
Vendor ID: 0000197686 / 0000216204

FY 2018 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2018	31865	01587653	INV-0000002679	9/14/2017	$751,576.45
2018	31865	01605164	INV-0000002821	10/18/2017	$959,386.38
2018	31865	01619458	INV-0000002940	11/17/2017	$826,743.51
2018	31865	01629688	INV-0000002965	12/5/2017	$943,263.01
2018	31865	01657533	INV-0000003091	3/14/2018	$966,448.81
2018	31865	01684495	INV-0000003276	3/16/2018	$894,365.87
2018	31865	01692607	INV-0000003474	4/3/2018	$1,027,964.65
2018	31865	01703193	INV-0000003608	4/25/2018	$858,758.81
2018	31865	01713880	INV-0000003744	5/16/2018	$1,065,802.89
2018	31865	01724226	INV-0000003845	6/7/2018	$1,178,477.12
2018	31865	01740906	INV-0000003992	7/6/2018	$1,187,614.56
2018	31865	01770621	INV-0000004192	9/7/2018	$1,136,455.69

Total FY 2018: $11,796,857.75

FY 2019 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2019	31865	01767187	INV-0000004334	9/7/2018	$1,117,244.08
2019	31865	01776919	INV-0000004457	9/28/2018	$1,298,116.17
2019	31865	01796638	INV-0000004585	11/7/2018	$1,164,388.58
2019	31865	01805956	INV-0000004726	11/27/2018	$1,327,457.37
2019	31865	01821966	INV-0000004855	1/4/2019	$1,238,800.47
2019	31865	01837380	INV-0000004856	2/8/2019	$1,107,178.75
2019	31865	01852291	INV-0000005082	3/6/2019	$1,299,027.15

Total FY 2019: $8,552,212.57