TN Division of
Health Care
Finance & Administration

July 31, 2017

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

RE: TennCare Amendments (6) for Fiscal Review Consideration

Dear Ms. Lee:

The Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), is submitting for consideration by the Fiscal Review Committee the following amendments for consideration by the Committee.

(1) **McKinsey & Company, Inc., Amendment #2 (Edison # 41959)**
This competitively procured contract is for the provision of consulting services to assist the State of Tennessee with the Implementation of retrospective episode-based payments under the Tennessee Health Care innovation initiative. This amendment is needed to extend services provided by MicKinsey to continue technical support buildout of the TennCare Medication Therapy Management pilot, including quality monitoring and program evaluation setup for the (MTM) pilot. The MTM pilot was designed to augment TennCare's strategic initiative of primary care transformation and layer on top of the existing Patient Centered Medical Homes (PCMH) statewide program. McKinsey & Co is the current vendor for support of the PCMH design efforts and was involved in the development of the MTM pilot given the knowledge and technical experience with the current PCMH program. The MTM pilot intends to evaluate quantitative and qualitative pharmacist-led MTM services from January 1, 2018 through January 30, 2020. Goals of the MTM program are to improve the quality of care and prescribing practices based on improved patient adherence to medication plans, reduce clinical risk and disease burden, and to lower the total cost of care and rate of inappropriate spending for certain Medicaid prescription drugs. Given the start date of January 1, 2018 as mandated by the legislation, McKinsey is well positioned to begin support in order to help meet a short time frame of implementation. Under this MTM amendment, McKinsey will support technical design processes to allow for evaluation of the clinical and economic outcomes of MTM of pharmacist-based care. These MTM services are similarly aligned to services provided to support evaluation of the PCMH program which include evaluation of the encounter claims from HCFA's and Benefits Administrations encounter database. Given that the vendors role with HCFA has been one that requires extensive knowledge of the MTM program, extending scope of services to encompass the MTM pilot will ensure seamless and successful pilot evaluation.

(2) **Document Solutions of Nashville, Inc., Amendment #4 (Edison # 24037)**
This amendment is needed to extend the existing term of the current DSi for an additional year per the previously approved Rule Exception Request (attached) allowing for contract extension through December 14, 2018, in one (1) year increments. DSi has successfully managed many small, large and even complex legal matters involving paper and ESI. They have an

extensive amount of knowledge around HCFA's internal electronic infrastructure which has allowed them to quickly assess and evaluate HCFA's risk/needs from a data/eDiscovery standpoint in the event HCFA becomes involved in litigation. They have built processes and workflows that allow HCFA to quickly analyze, utilize and even repurpose information for HCFA's legal needs. Their experience and knowledge has allowed HCFA to greatly reduce what it spends when responding to requests for ESI. No additional funds are necessary to be added to this contract for this term extension.

(3) **Maximus Human Services, Inc., Amendment #1 (Edison NV-44806)**
Maximus Human Services, Inc. is the competitively procured Contractor that provides maintenance and operations to HCFA's existing Provider Data Management System (PDMS), Provider Incentive Payment Program (PIPP), Committee on Operating Rules for Information Exchange (CORE) and the Financial Change Request (FCR) for systems, portals and databases. This amendment is necessary to adequately respond to CMS related safe harbor provision. The existing Maximus PDMS portal was selected as the site to host HCFA's safe harbor connections since it already complies with the requirements in the CORE regulations governing safe harbor provisions, and a significant part of the required CORE functionality is already in place between PDMS and HCFAs MMIS. The remaining non- MMIS systems remediation for bringing HCFA into full compliance for CORE phases I, II, III and IV are included in the Maximus amendment. The current Maximus contract was not written to include the enhanced CORE requirements, as they were not a CMS requirement, therefore funding to support this short term work is included in the amendment. Additionally, the State is exercising its option to extend the current term through April 30, 2019 and provide funding to support this term extension, as well as enhancements required in this amendment.

(4) **DentaQuest USA Insurance Company, Inc., Amendment #2 (Edison #36736)**
This competitively procured Contract is for provision of statewide dental benefits management services for TennCare members under the age of 21 to a population averaging 875,000 children aged 0 – 20. These dental services include establishment and management of a dental provider network, credentialing and contracting with providers, utilization management and utilization review, provider profiling, identification, investigation and referral of suspected fraud cases, ensuring effective dental care within a predictable budget, claims processing adjudication and payment, management of third party liability, and enrollee outreach. This amendment also includes extension options of the contract to go through final end date of June 30, 2020. The need for the term extension is due to TEDS implementation, the federal CMS requirement to develop an updated member eligibility determination system compliant with CMS requirements. Any migration or changes to the DBM would require extensive resources from TennCare and our MMIS partner, which are currently consumed and will be through most of 2018 working in conjunction with Deloitte to implement the TEDS system in addition to the day to day operations of the MMIS system. The changes that will impact the DBM program and any new contractor would preclude any procurement or/possible transition to a new vendor. Extending this contract through June 30, 2020 will also coincide with the end date of the CoverKids dental benefits contract (Edison # 44466) and it is the intention to procure both of these dental benefits contracts in the same procurement, at which time the TEDS eligibility functionality will be complete for transition of dental eligibility

processes. It is important for TennCare on the next procurement to have a single vendor for both the CoverKids and the statewide TennCare benefit in order to maximize scale and efficiency for administration of the dental program.

(5) **Automated Health Systems, Amendment #1 (Edison 44715)**
Automated Health Systems (AHS) is the competitively procured Contractor for the provision of the TennCare/ Chip Member Service Center. Based on the significant increase in call volume and call time handling due to complexities of the TennCare redetermination process, as well as increased volume of Appeals, Open Enrollment and 1095b distribution, TennCare is requesting an amendment to the rates that were submitted in the original cost proposal bid. These elements have stretched the resource capacity of the AHS service center. To meet the needs of the state and sustain a satisfactory level of customer service to a vulnerable service population, AHS will need to increase the amount of resources needed to intake calls, improve and expand its technical capacities, and operational new business processes. This amendment also extends the current term and provides sufficient funding to support the new rates through this term extension.

(6) **Maximus Health Services, Inc., Amendment #2 (Edison 47607)**
This competitively procured Contractor operates an Eligibility Redetermination Processing Center to support TennCare efforts to re-determine eligibility for enrollees of TennCare and those in CoverKids subject to re-determination. This amendment is needed to increase the rates from what were submitted in the original cost proposal based on realized needs and the complexity of the Tenncare redetermination process. This amendment includes a change to the payment structure, implementation of additional measureable timelines, and increase in Contractor staff to meet the needs of the contract, to realize more efficiency, and to continue to bolster customer service to TennCare members. To meet the evolving needs of the state and sustain a satisfactory level of customer service to TennCare enrollees, the vendor will need additional funding based on increase in rates. Additionally, this amendment realizes a term extension based on option year language and sufficient funding to support this extension.

HCFA respectfully submits the above referenced contract amendments for consideration and approval by the Fiscal Review Committee. We look forward to promptly providing any additional information as may be requested by the Committee.

Sincerely,

William Aaron
Chief Financial Officer

cc: Wendy Long, M.D., Deputy Commissioner

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
31865-00380	44715		01

Contractor Legal Entity Name	Edison Vendor ID
Automated Health Systems	0000184832

Amendment Purpose & Effect(s)
Updates Scope, Extends Term, Increases Maximum Liability, and Updates Payment Terms

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): **$ 34,360,102.00**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	$158,500.00	$158,500.00			$317,000.00
2016	$10,362,142.00	$10,362,142.00			$20,724,284.00
2017	$9,519,091.00	$9,519,091.00			$19,038,182.00
2018	$12,700,000.00	$12,700,000.00			$25,400,000.00
2019	$12,679,445.50	$12,679,445.50			$25,358,891.00
TOTAL:	**$45,419,178.50**	**$45,419,178.50**			**$90,838,357.00**

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.

CPO USE

Speed Chart (optional)	Account Code (optional)
TN00000497	70803000

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 #	31865-00380
1. Procuring Agency	Department of Finance and Administration Division of Health Care Finance and Administration
2. Contractor	Automated Health Systems
3. Edison contract ID #	44715
4. Proposed amendment #	1
5. Contract's Effective Date	February 1, 2015
6. Current end date	June 30, 2018
7. Proposed end date	June 30, 2019
8. Current Maximum Liability or Estimated Liability	$ 56,478,255.00
9. Proposed Maximum Liability or Estimated Liability	$ 90,838,357.00
10. Office for Information Resources Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	x Not Applicable ☐ Attached
11. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	x Not Applicable ☐ Attached
12. Human Resources Pre-Approval Endorsement Request *– state employee training service*	x Not Applicable ☐ Attached

13. Explain why the proposed amendment is needed

Automated Health Systems (AHS) is the competitively procured contractor for the provision of a TennCare/ Chip Member Service Center. Based on the significant increase in call volume and call time handling due to complexities of the TennCare redetermination process, as well as increased volume of Appeals, Open Enrollment and 1095b distribution, TennCare is requesting an amendment to the rates in the that were submitted in the original cost proposal bid. These elements have stretched the resource capacity of the AHS service center. To meet the needs of the state and sustain a satisfactory level of customer service to a vulnerable service population, AHS will need to increase the amount of resources

Agency request tracking #	31865-00380

needed to intake calls, improve and expand its technical capacities, and operational new business processes. This amendment also extends the current term and provides sufficient funding to support the new rates through this term extension.

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

This contract was competitively procured. Language changes to Scope of work all relate to existing work that the Contractor is currently doing but is being modified to reflect changes related to expectations for processing based on higher volume.

Signature of agency head or designee and date

7/31/17

AMENDMENT #1 TO #44715
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEATLH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND
AUTOMATED HEALTH SYSTEMS, INC.

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, hereinafter referred to as the "State" and Automated Health Systems, 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 A.4.a is deleted in its entirety and replaced with the following:

   a. Inbound Telephone Services. Telephonic assistance shall include live voice support and self-service through Interactive Voice Response (IVR). The Service Center shall not provide in person assistance.

      i. Inbound call procedures shall include but not be limited to:

         1. Completing the work associated with case processing, reporting, and data entry before accepting new calls or beginning work on different cases.

         2. Executing transfers as necessary to appropriate business units or external entities.

         3. Identifying and authenticating callers or their authorized representatives in accordance with State-approved authentication protocol and HIPAA/HITECH as supplemented by additional safeguards developed by the State.

         4. Fully assisting callers as completely and consistently as possible within the scope of this Contract within one call and without transferring callers when possible.

         5. Escalating calls for which the service center member representative requires assistance to vendor leadership via transfer.

      ii. For the purposes of payment in Contract Section C.3, an inbound call shall include calls actually received and handled by a live representative of the Service Center, and shall not include abandoned or blocked call or any calls before the caller connected with a live representative. Additionally, any warm transfers that the Contractor performs shall count only as a single incoming call.

2. Contract Section A.4.b.v. is deleted in its entirety and replaced with the following:

   v. Pursuant to subsection (iv) of this Section A.4.b, the Contractor shall perform outbound calls for up to 10,000 individuals each month if and as directed by the State. If the Contractor has a telephone number for an individual and the telephone number is working, the Contractor shall attempt (and document) at least three (3) good faith attempts on separate days and at different times to contact the individual. The Contractor shall, at the State's direction, provide outbound calls to an additional number of individuals and receive payment pursuant to payment rates in Section C.3. Any calls that the Contractor performs pursuant to subsection (ii)

of this Section A.4.b shall not count for purposes of the 10,000 customer threshold or incremental reimbursement for outbound calls above this threshold. Additionally, any warm transfers that the Contractor performs shall count only as a single incoming call.

3. The following is added as Contract section A.7.p.

A.7.p. The Contractor shall have the technical capacity to RESPORG the lines to Contractor from Century Link within an agreed upon timeframe and implementation plan.

4. 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 February 2, 2015, and ending on June 30, 2019. 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.

5. 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 Ninety Million Eight Hundred Thirty Eight Thousand Three Hundred Fifty-Seven Dollars ($90,838,357.00). 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.

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

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:

(1) With the exception of Document Management which begins June 1, 2015, the transition period of February 2, 2015 – June 30, 2015 shall be no cost to the State.

(2) For services performed from July 1, 2015 through September 30, 2017 the following rates shall apply:

Service Description	Amount (per compensable increment)
Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements (excluding document management and outbound calls) **(Up to and including 75,000 inbound calls per month)**	**$1,036,465.00 per month** **(up to and including 75,000 inbound calls per month)**
Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements (excluding document management and outbound calls) **(Per each increment of 1,000 inbound calls above 75,000 calls per month)**	**$ 9,695.00 per month** **(per each increment of 1,000 inbound calls above 75,000 calls per month)**
Outbound Calls **(Up to and including 10,000 outbound calls per month)**	**$202,260.00 per month** **(up to and including 10,000 outbound calls per month)**
Outbound Calls **(per each increment of 500 outbound calls above 10,000 calls per month)**	**$ 6,051.00 per month** **(per each increment of 500 outbound calls above 10,000 per month)**
Document Management Fee (Up to and including 25,000 documents per month) **(Begins June 1, 2015)**	**$ 305,403.00 per month** **(up to and including 25,000 documents per month)**
Document Management Fee (Per each increment of 500 documents above 25,000 documents per month)	**$ 483.00 per month** **(per each increment of 500 documents above 25,000 documents per month)**
Optional State Medical Appeals Services	**Amount**
TennCare Medical Appeals Services (Section A.5, only as Requested by TennCare to begin on or after January 1, 2016)	**$ 139,361.00 per Month**

(3) The following rates shall apply for services performed from October 1, 2017 through June 30, 2020.

Service Description	Amount (per compensable increment)

Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements (excluding document management and outbound calls) **(Up to and including 150,000 inbound calls per month)**	**$ 1,579,279.41 per month** **(up to and including 150,000 inbound calls per month)**
Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements (excluding document management and outbound calls) **(Per each increment of 1,000 inbound calls above 150,000 calls per month)**	**$ 12,992.79 per month** **(per each increment of 1,000 inbound calls above 150,000 calls per month)**
Outbound Calls with Member Representation Interaction (Up to and including 10,000 outbound calls per month)	**$ 202,260.00 per month** **(up to and including 10,000 outbound calls per month)**
Outbound Calls **(per each increment of 500 outbound calls above 10,000 calls per month)**	**$ 8,596.00 per month** **(per each increment of 500 outbound calls above 10,000 per month)**
Outbound Calls Utilizing Automated Calling System per Contract Section A.4.b.i	**$79.00 per each increment of 500 outbound calls**
Document Management Fee (Up to and including 25,000 documents per month)	**$ 305,403.00 per month** **(up to and including 25,000 documents per month)**
Document Management Fee (Per each increment of 500 documents above 25,000 documents per month)	**$ 483.00 per month** **(per each increment of 500 documents above 25,000 documents per month)**
Optional State Medical Appeals Services	**Amount**
TennCare Medical Appeals Services (Section A.5, only as Requested by TennCare)	**$139,361.00 per month**

c. Pursuant to Section A.4.e, the State shall reimburse the Contractor for actual expenditures related to production and postage of the appropriate blank paper application form to any caller who requests a hard copy application.

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 September 30, 2017. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

AUTOMATED HEALTH SYSTEMS, INC.:

CONTRACTORSIGNATURE **DATE**

Joseph P. Cain III, Chief Financial Officer

PRINTED NAME AND TITLE OF CONTRACTORSIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE:

LARRY B. MARTIN, COMMISSIONER **DATE**

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Alma Chilton	*Contact Phone:	615-507-6384
*Presenter's name(s):	William Aaron		
Edison Contract Number: *(if applicable)*	44715	RFS Number: *(if applicable)*	31865-00380
*Original or Proposed Contract Begin Date:	February 1, 2015	*Current or Proposed End Date:	June 30, 2019
Current Request Amendment Number: *(if applicable)*		1	
Proposed Amendment Effective Date: *(if applicable)*		September 30, 2017	
*Department Submitting:		Dept. of Finance and Administration	
*Division:		Health Care Finance & Administration	
*Date Submitted:		July 31, 2017	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:			
*Contract Vendor Name:		Automated Health Systems	
*Current or Proposed Maximum Liability:		$56,478,255.00	
*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: 2015	FY:2016	FY:2017	FY:2018	FY:2019	FY
$317,000.00	$20,724,284.00	$19,038,182.00	$16,398,789.00		$

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from Edison)

FY: 2015	FY: 2016	FY: 2017	FY: 2018	FY	FY
$317,000.00	$20,634,773.00	$19,127,693.00 **(thru 6/2017)**	$	$	$

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:	N/A

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	$28,239,127.50	Federal:	$28,239,127.50
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*)
N/A	

Method of Original Award: (*if applicable*)	Request for Proposals
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	$56,478,255.00 Cost Proposal
*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.	This contract was competitively procured and Automated Health Systems had the best evaluated score based on both technical and cost proposals.
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.
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.	HCFA googled this contractor 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.

FUNDING REVISION

CONTRACT

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

Begin Date	End Date	Agency Tracking #	Edison Record ID
February 1, 2015	June 30, 2018	31865-00380	44715

Contractor Legal Entity Name	Edison Vendor ID
Automated Health Systems	184832

Goods or Services Caption (one line only)

HCFA (TennCare and CHIP) Member Service Center

Funding Revision: $313,898.00 from FY2018 to FY2017

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☒ Contractor	93.778 Dept of Health & Human Services/Title XIX

Funding — FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	$158,500.00	$158,500.00			$317,000.00
2016	$10,362,142.00	$10,362,142.00			$20,724,284.00
2017	$9,519,091.00	$9,519,091.00			$19,038,182.00
2018	$8,199,394.50	$8,199,394.50			$16,398,789.00
TOTAL:	**$28,239,127.50**	**$28,239,127.50**			**$56,478,255.00**

Contractor Ownership Characteristics:

☐ Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American

☐ Woman Business Enterprise (WBE)

☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)

☐ Tennessee Small Business Enterprise (SBE): $10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.

☒ Other: For-Profit Corporation

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

☒ Competitive Selection	RFP
☐ Other	

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)
TN00000497	70803000

Automated Health Systems
Edison Contract ID: 44715
Vendor #: 0000184832

CONTRACT EXPENDITURES BY FISCAL YEAR
(Payment Detail Attached)

FY 2015	**$317,000.00**	
FY 2016	**$20,634,773.00**	
FY 2017	**$19,127,693.00**	(Expenditures through June 2017)
TOTAL	**$40,079,466.00**	

Automated Health Systems
Edison Contract ID: 44715

FY 2015 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Sum Amount
2015	31865	01159963	TN 001	8/7/2015	$317,000.00

Total FY 2015: **$317,000.00**

FY 2016 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Sum Amount
2016	31865	01181227	TN 002	9/4/2015	$1,544,128.00
2016	31865	01192706	TN 003	9/28/2015	$1,544,128.00
2016	31865	01207464	TN 004	10/19/2015	$1,544,128.00
2016	31865	01222300	TN 005	11/24/2015	$1,544,128.00
2016	31865	01239982	TN 006	12/22/2015	$1,544,128.00
2016	31865	01282229	TN 008	3/7/2016	$1,544,128.00
2016	31865	01282232	TN 007	3/7/2016	$3,885,865.00
2016	31865	01290528	TN 009	3/17/2016	$1,307,628.00
2016	31865	01311432	TN 010	5/4/2016	$1,544,128.00
2016	31865	01327319	TN 011	5/25/2016	$1,544,128.00
2016	31865	01343079	TN 012	6/20/2016	$1,544,128.00
2016	31865	01381347	TN 013	8/31/2016	$1,544,128.00

Total FY 2016: **$20,634,773.00**

FY 2017 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Sum Amount
2017	31865	01381345	TN 014	8/31/2016	$1,544,128.00
2017	31865	01396800	TN 015	9/27/2016	$1,544,128.00
2017	31865	01408251	TN 016	10/24/2016	$1,544,128.00
2017	31865	01422921	TN 017	11/16/2016	$1,544,128.00
2017	31865	01440851	TN 018	12/27/2016	$1,544,128.00
2017	31865	01455032	TN 019	1/23/2017	$1,544,128.00
2017	31865	01491829	TN 0020	3/21/2017	$1,582,908.00
2017	31865	01491834	TN 0021	3/21/2017	$1,660,468.00
2017	31865	01512472	TN 0022	4/21/2017	$1,586,772.00
2017	31865	01524234	TN 0023	5/16/2017	$1,544,128.00
2017	31865	01543221	TN 0024	6/20/2017	$1,689,553.00
2017	31865	Pending	TN0025	Pending	$1,799,096.00

Total FY 2017: **$19,127,693.00**

FUNDING REVISION

CONTRACT

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

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Contractor Legal Entity Name	Edison Vendor ID
Automated Health Systems	184832

Goods or Services Caption (one line only)

HCFA (TennCare and CHIP) Member Service Center

Funding Revision: $2,000,000.00 from FY2018 to FY2016

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☒ Contractor	93.778 Dept of Health & Human Services/Title XIX

Funding —

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2015	$158,500.00	$158,500.00			$317,000.00
2016	$11,362,142.00	$11,362,142.00			$20,724,284.00
2017	$9,362,142.00	$9,362,142.00			$18,724,284.00
2018	$8,356,343.50	$8,356,343.50			$16,712,687.00
TOTAL:	**$28,239,127.50**	**$28,239,127.50**			**$56,478,255.00**

Contractor Ownership Characteristics:

☐ Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American

☐ Woman Business Enterprise (WBE)

☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)

☐ Tennessee Small Business Enterprise (SBE): $10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.

☒ Other: For-Profit Corporation

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

☒ Competitive Selection	RFP
☐ Other	

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)
TN00000345	70803000

FUNDING REVISION

CONTRACT

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

Begin Date	End Date	Agency Tracking #	Edison Record ID
February 1, 2015	June 30, 2018	31865-00380	44715

Contractor Legal Entity Name	Edison Vendor ID
Automated Health Systems	184832

Goods or Services Caption (one line only)

Funding Revision: $11,597.00 from FY2018 to FY2015
HCFA (TennCare and CHIP) Member Service Center

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☒ Contractor	93.778 Dept of Health & Human Services/Title XIX

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	$158,500.00	$158,500.00			$317,000.00
2016	$9,362,142.00	$9,362,142.00			$18,724,284.00
2017	$9,362,142.00	$9,362,142.00			$18,724,284.00
2018	$9,356,343.50	$9,356,343.50			$18,712,687.00
TOTAL:	**$28,239,127.50**	**$28,239,127.50**			**$56,478,255.00**

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☒ Other: For-Profit Corporation

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

☒ Competitive Selection	RFP
☐ Other	

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)
TN00000345	70803000

CONTRACT

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

Begin Date	End Date	Agency Tracking #	Edison Record ID
February 1, 2015	June 30, 2018	31865-00380	44715

Contractor Legal Entity Name	Edison Vendor ID
Automated Health Systems	184832

Goods or Services Caption (one line only)

HCFA (TennCare and CHIP) Member Service Center

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☒ Contractor	93.778 Dept of Health & Human Services/Title XIX

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	$152,701.50	$152,701.50			$305,403.00
2016	$9,362,142.00	$9,362,142.00			$18,724,284.00
2017	$9,362,142.00	$9,362,142.00			$18,724,284.00
2018	$9,362,142.00	$9,362,142.00			$18,724,284.00
TOTAL:	**$28,239,127.50**	**$28,239,127.50**			**$56,478,255.00**

Contractor Ownership Characteristics:

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☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)

☐ Tennessee Small Business Enterprise (SBE): $10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.

☒ Other: For-Profit Corporation

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

☒ Competitive Selection	RFP
☐ Other	

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)
TN00000345	70803000

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEATLH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND
AUTOMATED HEALTH SYSTEMS, INC.

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, hereinafter referred to as the 'State" or "HCFA" and Automated Health Systems, Inc., hereinafter referred to as the "Contractor," is for the provision of a TennCare/ Chip Member Service Center, as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation
Contractor Place of Incorporation or Organization: Pennsylvania
Contractor Edison Registration ID # 0000184832

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract. Definitions and Terms associated with this contract are located in Attachment A.

A.2. Coordination with Other State Contractors and State Agencies. The Contractor shall, as directed by the State and at no additional cost to the State, coordinate with, facilitate the prompt exchange of information between, and work collaboratively with any and all other State contractors and State Agencies performing various member services so that, from the caller's perspective, the components of the TennCare and CHIP programs work together without delay or interruption. Other than as permitted in Section C. of this Contract, Payment Terms and Conditions, the Contractor shall not invoice the State for any such coordination services, and the State shall not be liable to the Contractor for payment of any such coordination services, without the prior written consent of the State.

A.3. Service Center Operations. The Contractor shall operate a Service Center (hereinafter referred to as "Service Center" or "Facility") to support TennCare and CHIP eligibility services for individuals seeking to obtain and maintain eligibility for TennCare and CHIP and (if and as directed by the State) TennCare medical appeal services for TennCare members who experience adverse actions in receipt of their health care.

a. Contract Requirements. The Contractor shall operate a Service Center that uses a toll-free phone number, a toll-free fax number, and a Post Office box mailing address that the State provides. The toll-free phone number, toll-free fax number, and Post Office box mailing address shall remain the property of the State when the contractor's contractual relationship with the State has ended. These client contact options shall serve as the "front-end" entry point for callers seeking and providing information regarding participation in TennCare and CHIP programs, including, but not limited to, eligibility and redetermination facilitation, verifications collection, reported changes in eligibility prerequisites, eligibility appeals facilitation, and the provision of referrals and information. The Service Center shall not provide assistance to health care and service providers seeking eligibility information regarding their patients. TN Anytime will continue to provide eligibility verification services to these providers.

b. Location. Unless otherwise directed by the State, the Contractor's primary Service Center and its staff shall be located in the State of Tennessee within two hundred (200) miles and less than three (3) hours driving distance of the State's office location at 310 Great Circle Road in Nashville, Tennessee.

i. At the Contractor's discretion, the Contractor may use a multiple Service Center facilities model to ensure adequate staffing and back-up capabilities. In the event that a multiple Service Center facilities model is used, all Service Center facilities shall comply with location requirements as specified in this Section.

ii. With the State's advance written approval, the Contractor may use other facilities and staff located within the continental United States to supplement the Contractor's primary Service Center in Tennessee. However, this "start-up" supplementation shall end no longer than six (6) months following the Service Center implementation date described in Section A.20. With the State's advance written approval, the Contractor may also use other facilities and staff located within the continental United States to perform special projects throughout the term of the Contract. Additionally, with respect to the Contractor's BC-DR plan described in Contract Section A.12, the Contractor may use out-of-state facilities. State decisions regarding Contractor requests to use facilities and staff outside of the location described at the beginning of Section A.3.b shall not be subject to appeal.

iii. All performance standards, reporting, training, and quality assurance requirements of this contract shall apply to all Contractor Facilities and staff. Under no circumstances shall the Contractor transmit data to or conduct business under this Contract at any location outside of the continental United States.

b. Facilities. The Contractor shall maintain Service Center facilities for the performance of its responsibilities under this Contract in a location specified in Section A.3.b.

i. The Contractor shall not change the location of its Facilities without prior written State approval. If the Contractor wishes to relocate its Facilities during the term of this Contract, the Contractor shall provide thirty (30) days prior written notice to the State of its intent to relocate. The State shall not unreasonably withhold its consent to the relocation, provided the proposed relocation site complies with the requirements of Section A.3.b., and is otherwise acceptable to the State. The Contractor shall accomplish such relocation in such a way as to prevent any down time to Service Center operations.

ii. The Contractor shall ensure that office space, mail room services, telephones, and computer equipment and networks, staff, and other requirements needed for the operation of the Facilities are in place and functioning throughout the duration of the Contract.

iii. The Contractor shall have sufficient space within its Facilities to accommodate all staff, equipment, and systems necessary to ensure efficient performance of its responsibilities under the Contract, and allow for expansion as Contract needs evolve.

iv. The Contractor shall maintain at the Service Center location described in Section A.3.b. at least one (1) office and five (5) cubicle spaces for six (6) State staff.

v. The Contractor shall ensure that its Facilities and any facilities used by its subcontractors are in compliance with HIPAA/HITECH and other applicable federal and state laws with respect to administrative, physical and technical safeguards.

vi. The Contractor shall ensure that appropriate and adequate insurance is maintained for the Service Center described in Section A.3 and any other facility at which the Contractor performs work under this Contract.

c. Hours of Operations. The Service Center shall accept calls from 7:00 a.m. to 7:00 p.m. Central Time (CT) Monday through Saturday, except on official State holidays. Unless

otherwise directed in writing by the State to implement at a later date, the Contractor shall ensure that the Service Center is fully operational by the Service Center implementation date described in Section A.20; thus, the Contractor should be prepared for service delivery and call acceptance on this date. The State shall notify the Contractor of the holidays to be observed each year, and may designate other or additional days during which the State will be closed for business when the Service Center shall not be operated. The Contractor shall ensure that methods of communication required under this Contract, including telephones, Telecommunications Relay Service (TRS), telephonic interpreter services, and fax services are available for utilization during the hours of operation defined in this Section. Any scheduled downtime for maintenance shall occur outside of the hours of operations specified in this Section, unless otherwise approved in writing by the State in advance of the proposed maintenance downtime.

d. Accessibility for Individuals with Hearing and/or Speech Disabilities. At no cost to the caller and for the hours of operation specified in A.3.c., the Contractor shall provide the Service Center with a telecommunications relay service (TRS) in order to serve individuals with hearing and/or speech disabilities. Unless otherwise directed in writing by the State, the Contractor shall use the Tennessee Relay Service (TNRS) offered by the Tennessee Regulatory Authority (TRA) as its TRS provider. These services shall be provided at no additional cost to the State.

e. Accessibility for Individuals with Limited English Proficiency (LEP). For purposes of this contract, "Individuals with Limited English Proficiency" shall be defined as individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English.

   i. For the hours of operation specified in A.3.c., the Contractor shall staff the Service Center with a sufficient number of bilingual staff with tested oral and written fluency in both English and Spanish to provide support to all Spanish-speaking callers.

   ii. At no cost to the caller and for the hours of operation specified in A.3.c., the Contractor shall equip the Service Center with real time, third-party telephonic interpreter services to non-Spanish callers who are Individuals with Limited English Proficiency. Third party telephonic interpreter services for callers with LEP shall include Arabic, Mandarin, Bosnian, Kurdish, Somali, Japanese, and Vietnamese and other languages as may be designated by the State. If the Contractor utilizes an outside source in providing third-party telephonic interpreter services, this outside source shall be considered a subcontractor and shall comply with subcontractor requirements as specified in Section D. of this contract. These services shall be provided at no additional cost to the State.

f. Service Level Performance Standards. The Contractor shall provide sufficient staff for "live" answering services during operational hours as specified in Section A.3.c. to meet the following performance standards for each queue within the Service Center. For all Performance Standards measured in percentages, calculations for said percentages shall be made using the following standard: less than five-tenths (.5) of a percentage point will round down to the nearest percentage point and five-tenths (.5) and over will round up to the nearest percentage point.

   i. *Daily Maximum Speed of Answer:* The Service Center shall answer one hundred percent (100%) of non- abandoned calls within five (5) minutes, or three hundred (300) seconds.

   ii. *Daily Abandonment Rate.* The Service Center shall maintain an average daily abandonment rate of five percent (5%) or less, excluding calls abandoned before thirty (30) seconds.

iii. *Daily Average Speed of Answer.* The Service Center shall maintain a Daily Average Speed of Answer (ASA) of sixty (60) seconds or less. Calls answered in less than sixty (60) seconds but placed on hold within the first sixty (60) seconds of answer do not contribute to this performance standard.

iv. *Blocked Call Rate.* The Service Center shall maintain a Blocked Call Rate of one percent (1%) or less at all times without exception.

A.4. Eligibility Service Center Functions: Unless otherwise directed in writing by the State to implement at a later date (and subject to the Readiness Review requirements described in Section A.16), the Contractor shall perform eligibility-related functions described herein on and after the Service Center implementation date described in Section A.20, in accordance with the Contractor's Service Center policies and procedures (SOPs) and Contract policies and procedures (Contract P&Ps) approved by the State. The Contractor's SOPs and Contract P&Ps may be revised from time to time at the request of the State and shall supplement the general descriptions of the Eligibility Services Center Functions set forth herein. The Service Center shall accept and facilitate eligibility applications, redeterminations, verifications, and eligibility appeals for TennCare and CHIP programs, received via phone, email, mail, and fax. In addition, the Service Center shall document reported changes to applicants' and members' cases in the Tennessee Eligibility Determination System (TEDS) and Tennessee Eligibility Appeals Management System (TEAMS) and provide information and referrals via warm transfer as appropriate.

a. Inbound Telephone Services. Telephonic assistance shall include live voice support and self-service through Interactive Voice Response (IVR). The Service Center shall not provide in person assistance.

i. Inbound call procedures shall include but not be limited to:

1. Completing the work associated with case processing, reporting, and data entry before accepting new calls or beginning work on different cases.

2. Executing warm transfers as necessary to appropriate business units or external entities.

3. Identifying and authenticating callers or their authorized representatives in accordance with State-approved authentication protocol and HIPAA/HITECH as supplemented by additional safeguards developed by the State.

4. Fully assisting callers as completely and consistently as possible within the scope of this Contract.

5. Escalating calls for which the service center member representative requires assistance to supervisors and Senior Member Representatives via warm transfer.

ii. For the purposes of payment in Contract Section C.3, an inbound call shall include calls actually received and handled by a live representative of the Service Center, and shall not include abandoned or blocked call or any calls before the caller connected with a live representative. Additionally, any warm transfers that the Contractor performs shall count only as a single incoming call.

b. Outbound Telephone Services.

i. The Contractor shall conduct outbound calls to target multiple callers as directed by the State (or proposed by the Contractor and approved by the State) through the use of a predictive dialer or other automatic outbound dialer that automatically dials an applicant's or a member's primary telephone number, and directs the call to an available Member Representative (MR) when the telephone is answered.

ii. The Contractor shall conduct outbound calls to individuals as appropriate, including but not limited to call backs to callers with questions due to incomplete documentation or input into client interfaces, calls returned to callers that were disconnected after calling the center, to complete issue resolution, and to request verification of information previously provided. If approved in advance and in writing by the State, the Contractor may use non-government databases to obtain telephone numbers for individuals if such numbers are not otherwise available. Unless otherwise directed in writing by the State, however, the Contractor shall not conduct outbound calls related to eligibility or medical appeals issues.

iii. As part of its Service Center SOPs described in Section A.10.e and Call Center scripts described in Section A.7.i.i., the Contractor shall develop its Outbound Call (including call backs) methodology and timeframes. Additionally, the Contractor shall develop authentication protocols and voicemail scripts.

iv. As directed by the State, the Contractor shall perform on request report (ORR) outbound call projects (e.g., for individuals for which the Federally-Facilitated Marketplace has transferred to the State an application for a full eligibility review, for individuals potentially eligible for the Medicare Savings Program whom the Social Security Administration referred to the State, for special populations potentially needing redetermination assistance, etc.).

v. Pursuant to subsection (iv) of this Section A.4.b, the Contractor shall perform outbound calls for up to 10,000 individuals each month if and as directed by the State. If the Contractor has a telephone number for an individual and the telephone number is working, the Contractor shall attempt (and document) at least three (3) good faith attempts on separate days and at different times to contact the individual. The Contractor shall, at the State's direction, provide outbound calls to an additional number of individuals and receive payment pursuant to payment rates in Section C.3. Any calls that the Contractor performs pursuant to subsections (i) and (ii) of this Section A.4.b shall not count for purposes of the 10,000 customer threshold or incremental reimbursement for outbound calls above this threshold. Additionally, any warm transfers that the Contractor performs shall count only as a single incoming call.

c. Document Management Services (DMS). The Contractor shall provide document handling services for all paper and electronic-based transactions and communications as directed by the State, including, but not limited to mailed and faxed eligibility applications and verifications, customer reports of interim changes (including "add baby" requests following childbirth), cancellation notices, appeal forms, and other documents that support the applicant/member appeals process.

i. The Contractor shall maintain the State-provided mailing address and the toll-free fax number at the principal place of operations as described in section A.3.b. for the purpose of receiving and processing applicant/member correspondence and undeliverable mail.

ii. As required in Section A.2., the Contractor shall establish procedures necessary for coordination and ensure compatibility of systems and efficient, effective handoff of data and materials.

iii. The Contractor shall develop a procedure (subject to State review and approval) for the processing of all returned mail and change of address cards received from the United States Postal Service. The procedure shall describe in detail the efforts that the Contractor shall undertake to obtain updated mailing and contact information for the individual(s) associated with each piece of returned mail. In addition the procedure shall set out how copies of sent mail or templates of sent mail are to be retained, and how copies of returned mail/envelopes are to be archived.

iv. Unless the parties agree to delay implementation of Contractor's DMS until the Service Center implementation date described in Section A.20, the Contractor shall implement the DMS by the implementation date for these services described in Section A.20. This sequenced approach will allow the State and the Contractor to stagger implementation and allow for smooth transition of discrete functions between the prior vendor and the Contractor.

v. For the purposes of payment associated with Contract Section C.3, a "document" shall include each document that the Contractor labels and uploads to the DMS, annotates the appropriate CRM record to reflect receipt, and uploads into TEDS. To the extent that the Contractor receives a large fax with multiple types of materials for multiple individuals, each separate file that meets the criteria above shall constitute a "document." Conversely, if a Contractor were to receive multiple faxes (e.g., incomplete faxes with parts of the same underlying material or file for an individual), the multiple faxes would constitute only one "document."

d. Eligibility Appeals. With respect to eligibility appeals, the Contractor shall:

i. Ensure that the front-line staff described in Section A.6.i appropriately use scripted questions (embedded in the dynamic scripts described in Section A.10.d) to capture eligibility appeal information from applicants, members, and authorized representatives;

ii. Transmit eligibility appeal information in a format and frequency approved in advance and in writing by the State;

iii. Ensure that transmitted information regarding eligibility appeals is accurate and does not contain spelling and grammatical errors; and

iv. Ensure that all staff members clearly add new information to the appeal information, as needed to correct, revise or edit any substantive changes to the appeal information prior to transmission of the appeal information to the State.

e. Outgoing Mail. The Contractor shall produce and mail the appropriate blank paper application form to any caller who requests a hard copy application. The State will reimburse the Contractor for postage consistent with Section C.3. Unless otherwise directed in writing by the State, the Contractor shall not send outgoing mail to applicants, members, etc.

f. TEDS Implementation. In the event that the State elects that the Contractor proceed with implementation of the Service Center functions described in this Section A.4 before the State completes the implementation of TEDS, the Contractor, at no additional cost to the State, shall work with the State to develop interim business processes to ensure the delivery of services contemplated in this scope of work using existing infrastructure and systems. By way of example, Attachment D summarizes several key processes and the differences in each prior to and following TEDS implementation. The information contained in Attachment D is not intended to be an exhaustive listing of all such processes or all such differences prior to and following TEDS implementation. The State retains the right to specify other processes which Contractor shall include in the interim business processes to ensure acceptable delivery of services in the operation of the Service Center during this interim period.

A.5. HCFA Medical Appeals Services. At the option of the State, the Contractor shall provide administrative support for medical appeals on or after the date described in Section A.20. If the State exercises this option, then Contractor shall (unless otherwise directed in writing by the State) provide the following services:

a. Accept and facilitate medical issues and appeals (on issues including but not limited to physical health, behavioral health, pharmacy, reimbursement, billing relief, and health plan changes)submitted by TennCare members and persons on behalf of TennCare members via phone, mail, and fax;

b. Provide adequate staff to offer "live" phone service for the intake of medical issues and appeals 24 hours/7 days per week, 365 days per year, including weekends and holidays;

c. Provide Member Representatives dedicated to medical issues and appeals intake and separate from the Contractor's staff dedicated to eligibility functions described in Section A.4;

d. Comply with all current or future Court Orders and Decrees, TennCare Rules, policies and procedures, and all applicable State and federal law relating to Medical Appeals; and

d. Comply with all requirements and associated performance standards of this Contract as written when performing the TennCare Medical Appeals Services function as described in this Section.

Additionally, the Contractor shall accept medical appeals from members and authorized representatives who contact the Service Center directly (rather than the dedicated medical appeals telephone line) using the process and procedures described for eligibility appeals in Section A.4.d.

The State has sole discretion in determining whether or not to implement this Section A.5 and the State decision shall not be subject to appeal.

A.6. Workforce Requirements. The Contractor shall provide an organization of dedicated staff that shall be responsible for each of the functions detailed in the Contract. The Contractor shall staff the Service Center with sufficient numbers of trained administrative and programmatic personnel – clerical, program, technical and management – to ensure efficient completion of its responsibilities within this Contract.

a. The Contractor shall maintain an organization chart that depicts all administrative, functional, and programmatic reporting relationships of staff that perform services under the Contract, including any subcontractors of the Contract, and submit the chart to the State for review and approval whenever a change to such organizational chart is proposed.

b. The Contractor shall maintain an alphabetical by last name listing of the titles, responsibilities, location, telephone numbers, and email addresses for all administrative and programmatic Contractor staff that will perform services under the Contract, and provide the list to the State whenever a change occurs.

c. The Contractor shall maintain updated, detailed job descriptions for each of the positions that have ongoing responsibility for the functions in the Contract, and submit said descriptions in advance to the State for review and approval whenever changes to such job descriptions are proposed.

d. The Contractor shall ensure that all persons, including independent contractors, subcontractors and consultants assigned by it to perform under the Contract shall have the credentials necessary and be fully qualified and trained, as required and specified in this Contract, to perform the services required herein.

e. The Contractor shall notify the State in writing in advance whenever the Contractor has reason to believe that staffing levels will temporarily adversely affect operational levels, particularly staff positions with a direct impact on callers.

f. The Contractor shall ensure that all Contractor workforce members (employees, consultants, contractors, subcontractors, or any other member of the Contractor's workforce) assigned to this Contract, are adequately trained to comply with Medicaid and CHIP safeguarding regulations, HIPAA/HITECH and any other federal or State privacy and security laws, including, but not limited to the Gramm-Leach Bliley Act (GLBA); the Privacy Act of 1974, as amended; the Tennessee Consumer Protection Act, Identity Theft Safeguards, The Red Flag Rules; the Tennessee Consumer Protection Act, Identity Theft Safeguards, and 26 U.S.C. § 6103(p)(4) that applies to authorized recipients of FTI. The Contractor and its subcontractors shall comply with the provisions of 42 U.S.C. § 1396a(a)(68)et seq as applicable, regarding policies and education of employees as regards the terms of the False Claims Act and whistleblower protections.

g. Key Personnel. The Contractor shall submit to the State for prior review and approval the names, titles, and résumés of candidates for initial engagement of Key Personnel and whenever a change in Key Personnel is proposed. If, during the term of this Contract, any Key Personnel should leave the Contractor's employment or the State requests that a specific Key Personnel no longer work onsite, the Contractor shall fill the vacant Key Personnel position, within thirty (30) days from the date of the Key Personnel leaving his/her position with the Contractor or being barred from working onsite, with a replacement that is satisfactory to the State. Until a qualified and acceptable replacement is available, Contractor shall temporarily fill such Key Personnel position, within three (3) business days of a vacancy occurring, with a qualified Contractor corporate staff resource who shall perform the Key Personnel duties at the TNHC location in Tennessee if this Contract requires that particular Key Personnel position to be located onsite. Failure to timely replace Key Personnel may result in Liquidated Damages as set forth in Attachment C.

   i. Upon the State's request, the Contractor shall offer the State an opportunity to interview any proposed replacement(s) to Key Personnel. The State may, at any time during the Contract period disapprove any staff person(s) assigned by the Contractor to perform work under this Contract. Upon notification by the State to the Contractor that a staff person has been disapproved, the staff person shall immediately cease work under this Contract. The decision of the State on these matters shall not be subject to appeal.

   ii. The Contractor shall not remove any approved Key Personnel from her/his assigned duties under the Contract for any period of time exceeding two (2) weeks without State prior written approval. The Contractor shall notify the State in writing of any proposed change in Key Personnel at least thirty (30) days prior to the change or as soon as the change is known if the employee's notification to the contractor is less than this period. The State understands that Key Personnel will on occasion take vacation time or attend corporate functions, which will require brief time away from their assigned duties.

   iii. For each position designated as Key Personnel, and other positions upon State request, the Contractor shall identify the individual(s) who will serve as "back up" or interim successor(s) to these Key Personnel positions in the event the Key Personnel position becomes vacant. Both the interim and permanent replacement shall remain subject to the State's right to review and approve such appointments.

h. The Contractor shall designate as Key Personnel the following positions.

   i. Project Director. The Contractor shall provide a dedicated Project Director who shall manage the enterprise-wide Project Management effort and Project Plan for activities under this Contract, including both implementation and ongoing

operations. This individual shall have demonstrated experience implementing service centers of similar scale and scope on behalf of one or more public sector health and human services agency(ies). This individual shall be onsite and full-time for the duration of the Contract. The Contractor shall provide additional project management to the Service Center onsite and full-time in the event of major changes including but not limited to HCFA policy and procedural changes or the implementation of the Medical Appeals portion of this Contract.

ii. Executive Director. The Executive Director shall serve as the single point of contact for the State and have overall responsibility for the Contractor's functions under the Contract. The Executive Director shall have the authority to make decisions and resolve problems on behalf of the Contractor with the State. This individual shall be onsite and full-time for the duration of the Contract.

iii. Director of Call Center Operations. The Director of Call Center Operations shall be responsible for the call center services within the Service Center and shall have overall responsibility for performance of the Contractor's activities described in Sections A.4.a. and b. and Section A.5.The Contractor shall determine allocation of responsibilities for other functions in Section A.4 between this individual and the Director of Document Management Operations. This individual shall be onsite and full-time for the duration of the Contract.

iv. Director of Document Management Operations. The Director of Document Management Operations shall be responsible for all document processing services within the Service Center and shall have overall responsibility for performance of the Contractor's activities described in Sections A.4.c and A.5. The Contractor shall determine allocation of responsibilities for other functions in Section A.4 between this individual and the Director of Call Center Operations. This individual shall be onsite and full-time for the duration of the Contract.

v. Technology Manager. The Technology Manager shall be responsible for oversight of systems performance and shall be accessible and available on a full-time basis. This individual shall be onsite and full-time for the duration of the Contract.

vi. Director of Business Process Compliance. The Business Process Compliance Manager shall be responsible for the integration of the BPC program activities into all program operations to ensure program compliance, improve management and performance, and reduce risk and areas of vulnerability, specifically for maintaining policies and procedures and overall improvement efforts related to the staff performance, systems functioning, and business processes. This individual shall also have primary responsibility for reviewing operational analytics, designing and performing ongoing service evaluations, and analyzing ongoing issues to determine root causes and develop solutions. This individual shall be onsite and full-time for the duration of the Contract.

vii. Quality Assurance Manager. The Quality Assurance Manager shall be responsible for managing a call and document intake quality assurance program, and associated quality assurance activities within the Service Center. Unless otherwise approved in writing by the State, this individual shall report to the Director of Business Process Compliance. The individual shall be onsite and full-time for the duration of the Contract.

vii. Training Manager. The Program Training Manager shall be responsible for managing all training programs and activities under this Contract. The Training Manager shall work closely with the Quality Assurance Manager and the Director of Business Process Compliance to ensure that training programs adequately address all needs of the Service Center. This individual shall be onsite and full-time for the duration of the Contract.

viii. Privacy Official. The Contractor shall designate a Privacy Official who is responsible for the development and implementation of the policies, procedures and practices according to the HIPAA Privacy and Security Rules. The Contractor shall designate a contact person or office who is responsible for receiving privacy and security-related complaints and who is able to provide further information about privacy and security-related matters. This position must be documented pursuant to federal privacy regulations. This individual shall be onsite and full-time for the duration of the Contract.

ix. Non-discrimination Compliance Coordinator. This position shall be responsible for Contractor compliance with all applicable Federal and State civil rights laws, regulations, rules, and policies. The Contractor does not have to require that compliance with the applicable federal and state civil rights laws and regulations be the sole function of the designated staff member. However, the Contractor shall identify the designated compliance staff member to the State by name.

x. On Call Staff. The Contractor shall designate an individual responsible for being on call to the State after business hours, on weekends and State holidays, three hundred sixty-five (365) days a year, with the skills and authority to research, report, and resolve urgent matters as determined necessary by the State. The Contractor shall establish a single direct contact number for the individual assigned to perform on call duties. This individual shall be onsite and full-time for the duration of the Contract. At the Contractor's discretion, this position may be combined with any other Key Personnel position that is designated as onsite and full-time.

xi. Business Process Mapping Team. The Contractor shall designate individuals for the positions and associated functions described in Section A.6.j. The Contractor's Business Analysts assigned to this team shall have previous experience in call center management. Unless authorized in advance and in writing by the State, the Contractor shall dedicate these individuals to the activities described in this Contract for not fewer than two years from the Contract start date.

i. Service Center Staffing. The Contractor shall provide adequate staff to perform all Service Center functions as specified in this Contract.

i. Staff Recruitment and Retention. The Contractor shall use proactive recruitment and retention practices to maintain the capability of responding quickly to staff turnover and attrition, absenteeism, poorly performing personnel, and/or increases in workload volume. The Contractor shall meet the Performance Standards as specified in Section A.3.g. and shall be subject to liquidated damages as specified in Attachment C for failure to meet the Performance Standards even in the event of staff turnover and attrition, absenteeism, poorly performing personnel, and/or increases in workload volume. The Contractor shall make every effort to retain qualified staff and minimize attrition.

ii. Staff Certification requirements. All Service Center staff shall undergo training, testing, and certification as specified in Section A.8. in customer service, conflict resolution, crisis de-escalation, interpersonal and problem-solving skills, data entry skills, writing skills, accessing services/supports for the Limited English Proficiency (LEP), TRS for persons with hearing or speech disabilities and computer operating skills. In addition, staff shall train, test, and be certified in their knowledge of the TennCare and CHIP Programs and the program's policies and procedures. Training materials for the TennCare and CHIP programs must be approved by the State The Contractor shall, upon request by the State, remove staff from their specific job function or project based on performance deficiencies such as but not limited to the lack of knowledge and skills necessary to perform contracted activities.

iii. Member Representatives (MRs) or equivalent classification. The Contractor shall staff competent and certified individuals who perform functions within the State's Level 1 security tier as described in Attachment F. Such individuals at the Level 1 security tier shall provide frontline assistance to all applicants and members who contact the Service Center (whether by phone, email, mail, or fax) to apply and recertify for the TennCare and CHIP programs; in reporting changes to their cases, in filing appeals of eligibility denials and terminations, and in providing information and warm transfer referrals when appropriate.

iv. Senior Member Representatives (SMRs)or equivalent classification. The Contractor shall staff competent and certified individuals who perform the functions with the State's Level 2 security tier as described in Attachment F. Individuals at the at the Level 2 security tier shall complete complex applications, provide outreach and follow up to existing application and recertification cases through the use of inbound/outbound calls, generate documentation request notices, and collect and process necessary verifications.

v. The Contractor's staff working at either the Level 1 or 2 tiers SMRs shall comply with communication and escalation procedures established by the State to interface with HCFA's Division of Eligibility as appropriate.

vi. MRs and SMRs shall utilize the State's TEDS, InterChange, and TEAMS databases and information from the Federal Data Services Hub (DSH), in addition to the Contractor's required systems as specified in Section A.7.

j. Business Process Mapping. Unless otherwise directed in writing by the State, the Contractor shall deploy a team comprised of at least three (3) Business Analysts and two (2) Project Managers immediately after the Contract Start Date as described in Section A.20. These individuals shall work onsite and full time with State staff to:

i. Map the current business processes and document existing operational flows described in Attachment D;

ii. Determine the process changes required prior to, during, and following the Service Center implementation date described in Section A. 20;

iii. Map the revised business processes and document new operational flows; and

iv. Create a Project Plan, assign resources and update the Project Plan as necessary to ensure successful implementation.

The Project Director described in Section A.6.h.i. shall supervise the work of these individuals.

A.7. Technical and Infrastructure Requirements. The Contractor shall be responsible for obtaining, installing, configuring, testing, deploying, and operating the technology and infrastructure, including hardware and software, that meets the requirements specified in this Section. The Contractor's Service Center shall provide services management systems and communications infrastructure that can manage all contact volume and achieve the performance standards described in Section A.3.g. The Contractor's services management systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes where applicable, in response to program or enrollment changes. The Contractor's services management systems shall have the ability to provide system-generated, auditable reports required under Section A.11. and Attachment E of this Contract.

a. The Contractor shall provide the State and its designees with access to the Contractor's services management systems and train designated staff on their use. The Contractor shall assign and manage user accounts for approximately 350 State designees, and

provide password reset functionality or a Contractor contact who will perform this function.

b. The Contractor shall maintain secure connection to Contractor systems for designated State staff.

c. The Contractor shall maintain all necessary hardware required.

d. The Contractor shall maintain current and adequate virus protection software on all Contractor hardware and software.

e. The Contractor's services management systems shall handle multiple user types and permissions for individuals or groups (example, key personnel only).

f. The Contractor shall ensure the privacy and security of applicant and member information and comply with all requirements of Contract Sections E.13 through E.19 hereof.

g. Contract Management Portal (CMP). The Contractor shall develop and maintain a secure web-based CMP to serve as a collaboration tool between the Contractor and the State while performing the operations described in this Contract. The CMP shall serve as a repository for all documents related to the execution of the Contract, maintain staff contact information and schedules, and track all relevant issues and incidents. The CMP shall be accessible to both the State and Contractor.

   i. The CMP system shall store, in an easily retrievable manner, all contract-related documents, including but not limited to the signed contract, organizational chart and staff contact list, service level expectations, technical specifications for all applications, continuity of operations plans, disaster recovery plans, required and ORR reports, documents related to joint Contractor/State meetings, including agendas and meeting minutes, issues and incident reports, and all project plan documents, both in Microsoft Project format and PDF, or as otherwise directed by the State. Documents shall be logged with author and posting time, and include version control functionality.

h. Telecommunications systems. The Contractor shall acquire, install, configure, and maintain telephone systems that provide at a minimum Interactive Voice Response (IVR) capability, Automated Call Distribution Capability (ACD), predictive dialing or similar outbound calling capability, call monitoring capability, and call recording capability (including audio recording of the call and video "computer desktop" recording). The Contractor's system capabilities shall specifically include but not be limited to call transferring, call conferencing, speed dialing and redialing, and live call monitoring and supervisory call interruption.

   i. System(s) used for call tracking, managing, monitoring, recording, and reporting of both inbound and outbound calls shall have web-based accessibility.

   ii. The ACD shall perform skills-based routing based on rules driven logic that assigns incoming calls to an MR with the skill to handle the call based on the caller's touch tone response to recorded prompts. The ACD shall support skill-based routing of responses to prompts that offer options including but not limited to Spanish language, eligibility applications, recertifications, additional information to an application or recertification, and appeals

   iii. Touch tone IVR services shall support intuitive and easy to follow self-service functions as well as caller-directed transfers to designated entities including but not limited to health plans and designated State entities. The Contractor's IVR shall be highly configurable and scalable with the capacity to establish up to five (5) levels of self- service along with an option for the caller to speak to a live representative at any time during the call.

iv. The Contractor's IVR and ACD systems shall be capable of modifications as requested by and at no additional cost to the State. Configuration management documentation shall include history of all changes made to the IVR and ACD including date and time of deployment of change.

v. The Contractor's call recording system shall record one hundred percent (100%) of all calls in an accessible and searchable format. The Contractor shall retrieve recorded calls for the State; within one (1) hour during normal operating hours of receiving a request from the State, any call within the previous ninety (90) days and retrieve for the State, within one (1) business day of receiving a request from the State any call made within the previous seven (7) years. In addition, the Contractor shall provide the State and its designees with secure web-based, remote access to the Contractor's call recording system and train designated staff on its use. The Contractor's system shall support recorded call searching capability at minimum by date and time, by MR, or by incoming telephone number.

vi. The Contractor's system shall provide pre-recorded greeting messaging that has been approved in advance and in writing by the State and shall allow callers to hear said greetings 24 hours a day, seven days a week, 365 days a year. The Contractor shall play State approved pre-recorded music for callers while they are on hold. The Contractor shall record and deploy temporary messages to support initiatives including open enrollment as directed by the State. The Contractor shall not play advertising or informational messages for callers while they are on hold unless approved in advance and in writing by the State (or the State directs the Contractor to play certain messages). Additionally, the Contractor's systems shall provide a message that notifies callers that calls may be monitored by the Contractor and the State for quality control purposes. The system shall be capable of recording and implementing messages remotely, in the cases of afterhours messages and temporary emergency closure messages (weather and other events). The Contractor shall ensure that voice talent and voice recordings are approved by the State, that the voice talent secured meets professional standards, and that updates to voice recordings are provided as needed. The Contractor's system shall play an automated estimated wait time recording for callers in queue when wait time exceeds forty five (45) seconds. The Contractor's system shall provide prompts and messaging in English and Spanish languages. The Contractor's system shall allow callers to access SMRs' direct lines and voicemail. Greetings played outside of operational hours shall be informational only with no access to MRs and with no voicemail capability other than access to SMRs' direct lines and voicemail.

vii. The Contractor's system shall be capable of performing outbound calling through a mass notification system such as predictive dialing or other mass outbound call functionality to support outbound call activities.

viii. The Contractor shall develop and refine its system to account for the use of older or outdated technology (e.g., fax technology) on the part of external stakeholders.

i. Customer Relationship Management System (CRM). The Contractor shall install, configure and maintain a customer relationship management system to support operations described in this Contract. The CRM shall be used to document 100% of incoming/outgoing calls received or made, and shall support and interface with document imaging and indexing of 100% of mailed and faxed correspondence.

i. The CRM shall use a dynamic call center interview script that prompts the Contractor's staff with follow-up questions based on the caller's responses to prior questions, thereby minimizing the use of job aids (e.g., frequently asked questions, etc.) by the Contractor's staff when providing routine assistance to callers. Stated differently, the Contractor's scripted questions shall correlate directly with answer

fields in dynamic, branching workflows. The script shall include questions necessary to capture appeals information as described in Section A.4.d. and A.5.

ii. The Contractor shall create contact records in its CRM only for applicants and members. The Contractor shall at all times collect information in the record about the caller even if the caller is calling on behalf of another individual. The Contractor shall maintain such information under the contact record for the individual applicant or enrollee who is the subject of the call and not create separate contact records for authorized representatives, staff of health care providers, or other non-applicant, non-enrollee individuals. The Contractor shall make every effort to avoid creation of multiple, duplicative contact records and conduct regular and ongoing efforts to join or link existing duplicate records in its CRM. Failure to comply with these requirements or to timely correct multiple or duplicative records may result in liquidated damages pursuant to Contract Attachment C of this Contract.

iii. The Contractor, through its CRM, shall easily identify past interactions with callers such that the Contractor's staff can easily see a record and summary of past contacts and interactions with callers via phone, fax, and mail.

iv. The CRM shall document the caller's request(s), information provided by the caller, and nature of the call in a free text field with no less than a two thousand (2,000) character limit. For all other fields in the CRM, data shall be captured consistently with uniform values to allow for accurate reporting.

v. The CRM shall be used to assign all encounters that are not fully resolved to a workflow queue that supports multiple levels of assignment, and that provides email or other alerts to individuals assigned a workflow item.

vi. The CRM shall provide the functionality required to adhere to the requirements in Section A.4.d. related to eligibility appeals.

vii. The CRM shall be able to populate and generate electronic versions of multiple State-designed forms, including but not limited to Termination Request forms, non-Modified Adjusted Gross Income (MAGI)eligibility groups with asset tests (including Long-Term Services and Supports (LTSS) applications), appeal forms, etc.

viii. The Contractor shall provide the State and its designees with secure web-based access to the Contractor's CRM and train designated State staff on its use.

ix. Unless otherwise directed by the State, the Contractor shall automatically generate a daily electronic report and create equivalent functionality in the CRM listing those customers for which the Service Center processed any change (including but not limited to a change of address or any change that affected the customer's eligibility). The Contractor shall transmit this report or provide access to the CRM function to the business unit designated by the State.

j. Content Management System (CMS). The Content Management System may be a component of the CRM and shall serve as an electronic (paperless) repository of information and resources that support Contractor staff in meeting the requirements of this Contract.

i. Information contained in the Content Management System shall include, but not be limited to, training materials, reference materials, frequently asked questions (FAQs), scripts, policies, and a rule-based solution finder which supports "if/then" logic to allow the user to retrieve information to correctly answer questions posed by callers based on common scenarios. The CMS shall support various media formats, including instructional videos, audio, and visual presentation.

ii. The Content Management System shall contain reliable, intuitive search functionality that easily retrieves information by topic, keyword, and posting date while the customer record remains visible, and shall allow for document printing capabilities.

k. Document Management System (DMS). The Document Management System may be a component of the CRM and shall serve as an electronic repository of mailed and faxed correspondence.

i. The Contractor shall fully process all mailed and faxed correspondence within one (1) business day of receipt, including converting all mailed and faxed correspondence to an electronic format, storing in a document management system that has searching and reporting functionality, and uploading to State systems or delivering to State staff as appropriate. The Contractor shall utilize scanning and conversion technology that is compatible with and/or required by the State's systems. The resulting electronic product from the scanning effort shall be in a format that cannot be altered and can be preserved for the contractually required retention period. Once the contractor has checked the scanned image for quality and accuracy, the paper product should be properly disposed of within HIPAA compliant guidelines.

ii. The Contractor shall utilize a document scanning solution that produces a digital image that meets an image quality standard (at least equivalent to that used by the U.S. National Archives and Records Administration) that is capable of supporting character, data, and form recognition. Scanning solution must be capable of recognizing scanned bar or Quick Response (QR) codes.

iii. The Contractor shall electronically attach relevant documents received, including all mail returned as undeliverable to applicants' and members' records in the State's TennCare Eligibility Determination System (TEDS) within one (1) business day of receipt. The Contractor shall create records in TEDS only if documents received are applications and records do not currently exist. The Contractor shall scan and associate documents with the applicant's or member's record in TEDS within one (1) business day from the date/time the information was received by the Service Center. The Contractor shall create a separate scanned file that contains only information relevant to the individual or case for the record to which the Contractor uploads said file.

iv. The Contractor shall ensure that a scanned copy of a faxed document captures the full extent of the fax associated with a particular individual. Unless otherwise directed by the State, the Contractor shall make every commercially reasonable effort to contact the sender of the fax if the received fax appears incomplete to confirm whether the Contractor received all relevant pages and, as necessary, request that the sender refax the documents. The Contractor shall also comply with the reporting requirements in Section A.13.b. for incomplete faxes.

v. In the event that the Contractor receives a fax involving separate, unrelated individuals or cases (e.g., a "mass fax" from a health care facility), then the Contractor shall create separate scanned files that contain only information relevant to the individual or case for the record to which the Contractor shall upload said file.

vi. The Contractor's DMS shall be searchable on data elements including but not limited to customer name, sender's fax number (if available), and the date of receipt of a document by the Service Center

l. Interfaces and Data Exchanges to Other Systems. The Contractor shall install, configure, and maintain State-approved technology to allow for secure access and information exchange between the Contractor's CRM and State-designated systems through real time interfaces or file exchange as directed by the State.

i. File Format Specifications. Unless otherwise specified by the State, the format specifications associated with a file or a stream of data being exchanged between the Contractor and the State will conform to applicable HIPAA standards.

m. Information Retention. The Contractor shall maintain in Contractor's Systems all data it receives in accordance with this Section A.7.Technical and Infrastructure Requirements, and shall retain such information (including audio files described in Section A.7.h.v.) for seven (7) years in either live and/or archival systems and for a minimum of five (5) years from date of last payment under this contract in live systems. The State shall extend the duration of the retention period at its discretion and as indicated to the Contractor as needed for ongoing audits or other purposes.

i. The Contractor shall retrieve any information retained in its archival system within two (2) business days of the request by the State. Such retrieval shall be at no cost to the State. The provisions of this Section shall survive the termination of the contract.

n. Routine System Maintenance. The Contractor shall pay all costs associated with routine maintenance, defect correction, system changes required to effect changes in State and federal statutes and regulations, and production control activities requested by the State for all Contractor's Systems.

o. TennCare Systems Connectivity and Access. The Contractor shall maintain dedicated connectivity to State systems, including InterChange, TEAMS, and TEDS. To this end, the Contractor shall coordinate with the State as required by Section A.15.d.iii.

i. On an on-going basis, the Contractor shall submit appropriately completed TennCare Management Information Systems (TCMIS) and Acceptable Use Policy (AUP) forms to HCFA Security to request access to necessary State systems and applications for all Contractor staff and subcontractors. The Contractor shall immediately inform the State through State identified procedures when any employee leaves the Contractor's employment. Where possible the State should be informed of an employee's termination prior to the termination date.

ii. The Contractor shall acquire and maintain proficiency in using State owned systems and applications in operation of the Service Center, and shall be responsible to identify and timely notify the State of any technical problems associated with such systems that impact the Contractor's ability to perform contracted activities.

A.8. Training Program. The Contractor shall develop and maintain a training program approved by the State that includes new hire, remedial, and policy/process change modules and that provides all staff with the knowledge and skills they require to effectively, correctly, and competently perform the Contractor's responsibilities. All Contractor-developed training and reference materials shall be submitted to the State for review and approval prior to implementation. The State may request modifications to the Contractor's training program to improve the quality and efficiency of Service Center operations and to ensure that performance and or operational issues are promptly addressed.

a. Soft Skills training topics shall include but not be limited to: customer service, conflict resolution, crisis de-escalation, interpersonal and problem-solving skills, cultural and linguistic awareness of the Limited English Proficiency (LEP) and the disability populations, and sensitivity awareness of the Priority population. For purposes of this

contract, the Priority population shall be defined as those TennCare/CHIP members who have received specific mental health diagnoses within the past year and are designated by the TennCare/CHIP program as the Priority population. In addition, the Contractor shall develop sensitivity training that creates awareness of common stressors of the TennCare and CHIP population such as ill health, changes in household composition, illiteracy, poverty, and residence transiency and homelessness.

b. Computer/system Skills training topics shall include accurate data entry and grammatically correct keyboarding, and the operation of all utilized software, applications, and systems including but not limited to Word, Excel, email, TEDS, InterChange, TEAMS, CRM, CMS, DMS, telephonic and TRS systems, and fax systems.

c. Program training curriculum materials as provided by the State shall include, but not be limited to TennCare/CHIP program rules, policies, and procedures pertaining to eligibility, enrollment, and appeals processing, benefits and services, member obligations including cost sharing requirements and reporting, nondiscrimination compliance, and roles and responsibilities between and among HCFA, the State, and other contractors. The State will not provide a curriculum for HIPAA/HITECH compliance, however, the contractor is expected to develop and provide this training to all contractor staff.

d. The Contractor's training program shall apply the use of interactive training modules, including role play and practice exercises, open discussion modules, particularly for topics subject to differences in interpretation, role based modules, small group and large group conventional instructor led training, individual training sessions, and self-learning modules through computer based instruction.

e. The Contractor's training program shall provide pre-and-post training tests to test staff retention and effectiveness of training modules.

f. The Contractor shall develop role-based written and oral certification exams approved by the State and shall require every staff member to complete certification prior to the staff member performing his/her role within the Service Center. Certification completion shall consist of a 90% or higher score achieved in all facets of the exams.

A.9. Service Center Business Process Compliance (BPC) and Quality Assurance (QA). The Contractor shall establish ongoing, comprehensive, and reportable BPC and QA programs (including intensive quality assurance of telephone calls and document intake to Service Center) that evaluate all functional areas of the Service Center including but not limited to staff performance and systems operations via an electronic scoring method that includes specific evaluation criteria and values for each criterion. More generally, the Contractor shall continually assess and help to improve performance among the (a) people, (b) process, and (c) technology at work in the Service Center.

With respect to the QA activities for inbound calls and document intake, the Contractor shall comply with calibration of processes to ensure optimization of performance established by the State to ensure that the Contractor's quality evaluations are compatible and consistent with the State's. All Contractor-developed QA materials shall be submitted to the State for review and approval prior to implementation. The State may request modifications to the Contractor's QA program to improve the quality and efficiency of Service Center operations and to ensure that performance and or operational issues are promptly addressed. The Contractor shall comply with reporting requirements as specified in Section A.11 and Attachment E, RPT-03, Contractor's Quality Assurance Report.

a. Call evaluation criteria shall include, but not be limited to customer service skills, technical skills, professionalism, and call control.

b. Criteria to evaluate documentation and action taken associated to calls shall include but not be limited to accuracy of data entry, grammatical accuracy of documentation, and accuracy of action taken.

c. Document processing evaluation criteria shall include but not be limited to accuracy of data entry, and accuracy of action taken.

d. Evaluation criteria for systems operations shall include but not be limited to the Contractor's operational standards on a daily, weekly, monthly, and/or quarterly timeframe as appropriate.

A.10. Materials Development. The Contractor shall be responsible for writing, editing, updating and obtaining State approval on all written materials used in and for the Service Center, including but not limited to scripts, training materials, quality assurance materials, and reporting analysis formats and templates. All materials (including but not limited to those described in Sections A.8, A.9, and A.15) produced by or at the direction of the Contractor for use in the course of this Contract are subject to prior, written approval by the State. The State reserves the right to require changes as it deems appropriate.

a. Unless approved in advance and in writing by the State, the Contractor may not place a corporate or other identifying brand, logo, or trademark on any materials produced by the Contractor for use in the course of this Contract.

b. The Contractor shall use commercially available software to develop all written materials. If the Contractor prefers to use a software product other than or in addition to the following list, it must receive prior written approval from the State. Acceptable software includes InDesign, Quark Xpress, Microsoft Office, Microsoft Publisher, Adobe Pagemaker and Adobe Acrobat Professional.

c. The Contractor shall provide to the State electronic templates of all materials in a format that the State can easily alter, edit, revise, and update.

d. Service Center Scripts. The Contractor shall develop scripts that shall be embedded within the CRM and shall be electronically accessible to staff to assist callers with applications, recertifications, and appeals, and with referrals and information.

i. Scripts shall be used with callers to complete records in the Contractor's CRM and shall include but not be limited to the collection of caller type, caller demographic and contact data, caller language preferences and call type.

ii. The Contractor shall maintain all approved scripts and their revisions/versions in a searchable format so they can be quickly located in the Contractor's Content Management System.

e. Service Center Operational Policies and Procedures (SOPs). The Contractor shall develop electronically accessible Service Center SOPs(with comprehensive business process diagrams) for staff's instruction and reference.

i. SOPs shall include but not be limited to instruction on use of interpreter service and TRS, escalation processes, protocols for authenticating callers, collecting verification documentation, handling emergencies and challenging callers, and emergency procedures for business continuity including, but not limited to, fire drills, temporary technical computer/application/server outage issues, temporary power outages and all representatives being logged out/unavailable to answer calls.

ii. The Contractor shall submit this SOP deliverable for State review by the date described in Section A.20. The State will review and approve this deliverable and may request modifications or revisions as it deems appropriate. After obtaining advance written approval from the State, the Contractor shall implement and comply with these SOPs.

iii. The Contractor shall maintain all approved SOPs and their revisions/versions in a searchable format so they can be quickly located in the Contractor's Content Management System.

f. Contract Policies and Procedures (Contract P&Ps).The Contractor shall develop Contract P&Ps for the on-going scope of this Contract, for the Contractor's and the State's reference. The Contractor shall maintain all approved Contract P&Ps and their revisions/versions in a searchable format so they can be quickly located in the Contract Management Portal. Contract P&Ps shall include but not be limited to:

i. Coordination with Other State Contractors and State Agencies: Describes processes for coordination with other contractors and agencies including but not limited to the Department of Human Services (DHS) and their Family Assistance Service Centers (FASC), CoverKids, TennCare Eligibility and Appeals, HCFA IT, HCFA Security, HCFA's Office of General Counsel, TennCare OIG and HCFA's Office of Nondiscrimination.

ii. Administration: Describes hours of operations, HIPAA/HITECH compliance, systems and facility security protocols; workplace principles, including, but not limited to nondiscrimination compliance and cultural competence; chain of command, and responsibilities.

iii. Eligibility facilitation: Details rules and processes for facilitating eligibility via phone, email, mail, and fax for applicants.

iv. Document Processing: Details processes required to ensure incoming and outgoing mail and fax is managed, protected and secured.

v. Systems Documentation: Details processes required to ensure that all systems operate with correct business rules and are maintained on a consistent basis.

vi. Quality Assurance: Describes methods for ensuring call quality and transaction quality assurance.

vii. The Contractor shall submit this Contract P&P deliverable for State review by the date described in Section A.20. The State will review and approve this deliverable and may request modifications or revisions as it deems appropriate. After obtaining advance written approval from the State, the Contractor shall implement and comply with these Contract P&Ps.

A.11. Reporting Requirements. The Contractor shall accurately compile and submit to the State the required reports specified in Attachment E at the times and dates specified in writing by the State.

a. The Contractor shall ensure that reports are systematic and automated rather than manually-developed.

b. The State will review and approve all reporting templates and may request modifications or revisions as it deems appropriate; the Contractor shall modify its reporting formats and methodology to report additional information as requested by the State.

c. The Contractor shall supply ORR Reports to the State per the State's request, within the timeframe specified and at no additional cost to the State. Consistent with Section A.7.g, the Contractor shall also store all such reports in the CMP, allowing the State to have access to the electronic version of each report through said portal.

d. The Contractor shall allow the State direct access to the reporting features of the CMR and DMS so that staff can independently generate reports using different variables or specifications. The Contractor shall provide training and ongoing technical assistance to the State for this purpose.

A.12. Business Continuity and Disaster Recovery. The Contractor shall submit a formal Business Continuity-Disaster Recovery Plan (BC-DR) by the date specified in Section A.20. The Contractor will apply recognized industry standards governing disaster preparedness and recovery including the ability to continue operations during hours specified in Section A.3.d, in the event that the central site is rendered inoperable.

a. The Contractor will maintain the ability to implement the BC-DR plan within a two (2) hour window from the time of the State's direction to implement such plan. Such plan must provide for seamless operation of all contracted activities and Service Center functionality as specified herein. Any/all back-up contract centers must have an ACD system and remote access via telephone and simple internet connection. Contractor employees must be familiar with emergency procedures.

b. Upon the State's request, the Contractor shall test the BC-DR with the results added to the BC-DR plan document. The BC-DR must be able to meet the requirements of any applicable state and federal regulations and policies of the State. The BC-DR must include sufficient information to show that the following requirements are met:

i. Emergency procedures that include steps to take in the event of short-term interruptions in normal operations, including but not limited to fire drills, temporary technical computer/application/server outage issues, temporary power outages, and in the event that all representatives are logged out/unavailable to answer calls.

ii. Emergency procedures that include steps to take in the event that central and/or satellite data processing, telecommunications, imaging management facilities and functions therein, hardware and software are destroyed or damaged.

iii. Emergency procedures that include steps to take in the occurrence of system interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage or of data maintained in a live or archival system that does or does not cause unscheduled system unavailability.

iv. Emergency procedures that include steps to take in the event of a disaster by storm, fire, water damage, sabotage, criminal action, bomb threats, etc., rendering the central site inoperable.

c. The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore System functions per the standards outlined in this Section of the Contract. Advance notice of the test is to be given to the State so that state personnel may observe the test onsite in real time. Test results must be shared with the State within three (3) business days of the conclusion of the test.

d. In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall submit to the State a Corrective Action Plan that describes how the failure shall be resolved. The Contractor shall deliver the Corrective Action Plan within three (3) business days of the conclusion of the test.

A.13. Problem Notification. At the point at which the Contractor discovers or reasonably should have known of any problem that is reasonably likely to jeopardize the Contractor's ability to perform any function as specified in this Contract, the Contractor shall notify the applicable State staff (as well as the State's designated general contact for this contract) in person, via phone, and email within one (1) hour if the problem is discovered within the business day and no later than 9:00 a.m. CT the following business day if the problem occurs after close of business.

a. Corrective Action Plan. Unless otherwise directed by the State, the Contractor shall within three (3) business days of a problem's occurrence deliver comprehensive written documentation, including a Corrective Action Plan that describes how the Contractor shall determine the root cause of the issue, remedied the immediate operational challenges, and prevent this or similar problems from occurring again.

b. The Contractor shall treat any known or suspected occurrence of "dead air" in which a caller is unable to talk with a Contractor's representatives (e.g., because of telephony or connectivity issues) as a reportable problem under this Section. The Contractor shall report within one (1) business day, unless otherwise directed in writing by the State, the Contractor shall report any complaints from callers regarding blocked calls, inaccurate IVR functionality, blocked faxes, incomplete faxes, and customer complaints specifically about the Contractor's technology and related performance as reportable problems under this Section.

A.14. Project Management Plan. The Contractor shall establish and maintain a project management plan through the life of the contract of sufficient capacity and scalability to support all phases of the contract including start-up and end of contract transitioning. The project management plan shall include both a start-up component and a separate ongoing operations component (described in Section A.18). The project management plan shall conform to industry accepted management guidelines, specifically the Project Management Institute's PMBOK (Project Management Book of Knowledge). The project management plan shall practice project management methodologies and disciplines that can handle complex projects and can be scaled to meet changing needs. The project management plan shall include a comprehensive work breakdown structure (WBS) for each functional area of the Contractor's responsibilities.

a. The Contractor's project management plan shall be the document of record for tracking critical path activities, tasks, milestones, deliverables, resources, and duration estimates. The activities, tasks, milestones and deliverables contained in the project management plan, and all changes thereto made by the approved control memorandum process specified in Section A.17 are considered to be incorporated into this Contract once the project management plan or the applicable change has been approved by the State.

b. The Contractor may submit a draft of the Project Management Plan by December 8, 2014, and shall submit its final Project Management Plan to the State for review and approval by the State on the date specified in Section A.20. Failure to comply with the Deliverables/Timelines as specified herein may result in liquidated damages as set forth in Attachment C.

c. Format for Deliverables: Unless otherwise directed in writing by the State, the Contractor shall submit all deliverables under this Contract electronically with an original non PDF file(s) using the Microsoft Office 2010 suite of tools (Word, Excel, PowerPoint, etc. and Microsoft Project for project planning), or such other software as the State directs.

A.15. Other Start-up Deliverables.

a. Staffing Plan. The Contractor shall provide its staffing plan to the State by the date specified in Section A.20 and shall include the following:

i. Roster of Key Personnel: The Contractor shall ensure that all Key Personnel approved by the State are on staff on the Contract start date, or a date as agreed to in writing by the State. The roster shall include names, titles, location, and contact information, including email addresses and telephone numbers. Key Personnel not already in Tennessee whose position requires them to be located in Tennessee will provide a written assurance that they are willing to relocate to Tennessee.

ii. Organizational Chart: The Contractor shall provide its Organizational Chart for al administrative, functional, and programmatic reporting relationships and responsibilities of staff performing services under the Contract, including any subcontractors of the Contract.

iii. Job Descriptions: The Contractor shall submit detailed job descriptions for all functions listed in the Organizational Chart.

iv. Recruitment and retention strategies: The Contractor shall submit its plan for recruiting and retaining Service Center staff that includes new hire education and experience requirements, salary ranges, and benefits offered.

v. State Review/Approval: The State will review and approve this deliverable and may request modifications or revisions as it deems appropriate.

b. Training Plan. The Contractor shall submit its training program plan and materials to the State for approval by the date specified in Section A.20.

i. Staff Training Certifications. The Contractor shall conduct a training program and submit staff certification results for all Service Center staff by the Service Center implementation date.

ii. State Review/Approval: The State will review and approve this deliverable and may request modifications or revisions as it deems appropriate.

c. Business Process Compliance Plan. The Contractor shall submit its BPC program plan and materials (inclusive of its comprehensive QA Program plan for call center activities) to the State for approval by the date specified in Section A.20.

i. Staff Training Certifications. The Contractor shall conduct a training program and submit staff certification results for all Service Center staff by the Service Center implementation date.

ii. State Review/Approval: The State will review and approve this deliverable and may request modifications or revisions as it deems appropriate.

d. Systems Development Plan.

i. The Contractor shall make provisions for third party telephonic interpreter services and TRS no later than thirty (30) days prior to the Service Center implementation date.

ii. The Contractor shall provide demonstrations of its IVR, ACD, CMP, CRM, CMS, and DMS for the State during the Readiness Review described in Section A.16.

iii. The Contractor to begin working with the State's Office for Information Resources (OIR) and HCFA IT immediately upon the Contract Start Date to use the OIR "Build Book" to determine network adequacy requirements, coordinate network security requirements (e.g., VPN, point-to-point, etc.), and share documentation (e.g., Build Book and network diagrams).

iv. The Contractor shall meet with the State to establish process and protocol in accessing and interfacing with State systems no later than the corresponding date described in Section A.20 and shall provide testing outcomes for the State's approval of all interfaces with said systems no later than corresponding date described in Section A. 20.

v. State Review/Approval: The State will review and approve this deliverable and may request modifications or revisions as it deems appropriate.

e. Systems Security Plan. The Contractor shall develop and maintain or all locations performing work under this Contract a System Security Plan (SSP)_that complies with the standards set forth in:

i. National Institute of Standards and Technology Special Publication 800-47 Security Guide for Interconnection Information Technology Systems;

ii. National Institute of Standards and Technology Special Publication 800-53 Revision 3 Recommended Security Controls for Federal Information Systems and Organizations;

iii. Centers for Medicare & Medicaid Services ACA System Security Plan Attachment 1 SSP Workbook Version 1;

iv. Centers for Medicare & Medicaid Catalog of Minimum Acceptable Risk Controls for Exchanges – Exchange Reference Architecture Supplement Version 1; and

v. Centers for Medicare & Medicaid CMS Information Security Assessment Procedures Version 2.

The SSP should specifically address access control, awareness and training, audit and accountability, security assessment and authorization, configuration management, contingency planning, identification and authentication, incident response, maintenance, media protection, physical environment protection, planning, personnel security, risk assessment, system and services acquisition, system and communications protection, systems and information integrity, and program management. The SSP may reference existing policies and procedures and other materials, though the Contractor shall produce copies of all such materials upon demand by the State.

A.16. Readiness Review. Prior to commencement of Service Center operations, the Contractor shall demonstrate to the State's satisfaction that it is able to meet the requirements of this Contract. The Contractor shall participate in a comprehensive readiness review to be conducted by the State by the date specified in Section A.20. The readiness review shall consist of a desk audit of start-up deliverables, one or more onsite reviews and any necessary follow-up regarding issues stemming from an onsite review or issues that are not adequately addressed during an onsite review.

a. The Scope of the Readiness Review will include, but will not be limited to, the following deliverables: comprehensive business process flow diagrams, policies and procedures, staffing configuration and detailed plan, data and information exchange, customer service standards, records management, program scripts, materials and program manuals, information systems, and facility components. The Contractor shall submit the final business process flow diagrams for key functions described in this Section 16.a. to the State by March 12, 2015 as required in Section A.20. At the Contractor's option, it may submit the first draft of the business process flow diagrams to the State by March 2, 2015.

b. Onsite reviews will consist of, at a minimum, follow-up on items identified in the desk audit, participation in training activities, system testing, a walk-through of the Contractor's operations, systems demonstrations, administrative, physical and technical safeguards, and interviews with Contractor's staff. The scope of the review may include all requirements of this Contract as determined relevant by the State.

c. The State shall work with the Contractor to determine appropriate dates for onsite reviews and shall notify the Contractor in advance regarding dates for scheduled onsite reviews and expectations.

d. Based on the results of the review activities, the State will issue a letter of findings and, if needed, will request a corrective action plan from the Contractor. The State shall have

the right to postpone the Service Center implementation date based upon inadequate project status determined from the readiness review. State decisions regarding postponement shall not be subject to appeal. Postponement of the Service Center implementation date may result in liquidated damages to the Contractor as detailed in Attachment C. If the Contractor is unable to demonstrate its ability to meet the requirements of this Contract, as determined by the State, within the timeframes specified by the State, the State may terminate this contract in accordance with Section D. and have no liability for payment to the Contractor.

A.17. Problem Change and Management Protocol - The Control Memorandum Process shall be utilized by the State and Contractor to clarify or enforce Contract requirements, to issue instruction to the Contractor or request instruction from the State, to document submission of Contract deliverables, to document required action, approval or disposition, including, but not limited to, disputes or appeals regarding actual or liquidated damages assessments by the State. This process is intended to be a mechanism that allows for the orderly investigation, escalation, and resolution of all matters or questions occurring during the term of the Contract that do not otherwise require a contract amendment as described in Section D.2.

Each party shall designate the individual(s) authorized to initiate Control Memoranda. All Control Memoranda submitted to or by the State shall be reviewed and prioritized by the State's Project Director (or his/her designee). All Control Memoranda submitted to the Contractor shall be signed and approved by the State's Project Director (or his/her designee). All Control Memoranda submitted by the Contractor shall be signed and approved by the Contractor's authorized representative.

Each Control Memorandum issued by either the State or Contractor shall be in writing and contain a unique identification number. All Control Memoranda shall contain the history, background, and any other pertinent information regarding the issue(s) being addressed in the Control Memoranda.

The Contractor shall comply with all Control Memoranda. Contractor's failure to complete or comply with Control Memoranda as required may result in sanctions including liquidated damages listed in Attachment C (Liquidated Damages) and possible termination of the Contract.

The various components of the Control Memorandum Process are described below. When issued by the State, the Control Memorandum may include one (1) or more of the following six (6) notices or instructions, as applicable, and shall designate a reasonable due date for Contractor's reply or other action. When the Control Memorandum pertains to actual damages or liquidated damages, the State may issue consecutive Control Memoranda incorporating the applicable notices or instructions as described below.

a. On Request Report (ORR) – a request included in the Control Memorandum issued by the State directing the Contractor to provide information by the date and time specified by the State.. The State shall treat an ORR as a request for information only, and shall not use it to direct that a given task be completed. Failure to complete or comply with an ORR by the due date may result in the assessment of actual damages, if permitted under this Contract, and/or the assessment of liquidated damages listed in Attachment C.

b. Control Directive- an instruction included in the Control Memorandum issued by the State that requires the Contractor to complete a certain deliverable or perform any other request from the State within the scope of the Contract, by a designated due date. Once a Control Directive has been issued with the Control Memorandum, it shall be considered to be incorporated into this Contract. Contractor's failure to complete or comply with the Control Directive by the due date may result in the assessment of actual damages, if permitted under this Contract, and/or the assessment of liquidated damages listed in Attachment C for each day the Control Directive is not completed or complied with as required.

c. Potential Actual Damages or Potential Liquidated Damages Notice (PADN/PLDN) – a notice included in the Control Memorandum issued by the State to the Contractor where the State has determined that a potential contract performance or compliance issue exists and the State is contemplating assessing actual damages and/or liquidated damages listed in Attachment C. The State shall notify the Contractor of any potential contract performance or compliance issue within ninety (90) days of the Contractor's written notice of the issue to the State through a Control Memorandum or the State's discovery of the issue. The PADN/PLDN shall identify the Contract provision(s) on which the State bases any potential contract performance or compliance issue and, if available, a projection of the potential actual damages and/or liquidated damages. The parties acknowledge that the total amount of actual damages and/or liquidated damages specified in the PADN/PLDN may not be the final amount assessed. Contractor may, in an attempt to settle this matter informally, within ten (10) business days of receipt of the PADN/PLDN, elect to respond to the PADN/PLDN through the Control Memorandum process. If the State, after review of any information provided by Contractor, continues to assert that potential damages are warranted, the State shall so notify the Contractor through a Control Memorandum. The timely issuance of a PADN/PLDN satisfies the State's requirement to provide notice of potential damages and preserves the State's rights under the Contract to assess damages. This is the first step in the assessment of actual or liquidated damages.

d. Calculation of Potential Actual Damages or Potential Liquidated Damages Notice (CPADN/CPLDN) - a notice included in the Control Memorandum issued by the State to Contractor that calculates the amount of potential actual damages or potential liquidated damages. If the Contractor elects to formally appeal either the basis for or calculation of potential actual or potential liquidated damages, the Contractor shall file an appeal by written response to the Control Memorandum within ten (10) business days of receipt of the State's CPADN/CPLDN. The State's Project Director (or his/her designee) shall review the appeal and provide notice of determination through a Control Memorandum. If the Contractor disagrees with the State's initial appeal determination or the Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may request, through a Control Memorandum to the State, escalation of the appeal to the State's Project Director (or his/her designee) for reconsideration and final determination. Contractor shall send such notice within ten (10) business days of receipt of the State's initial appeal determination. The notice of the final determination made by the State's Project Director (or his/her designee) will be provided to the Contractor through a Control Memorandum. If the Contractor loses this formal appeal, the State in its sole discretion, may assess actual or liquidated damages. This is the second step in the assessment of actual or liquidated damages. The State may not issue a CPADN/CPLDN before also issuing a PADN/PLDN.

e. Intent to Assess Final Actual Damages/Liquidated Damages Notice (IADN/IALDN) – a notice included in the Control Memorandum issued by the State to Contractor that the State is assessing actual damages and/or liquidated damages. This notice shall identify the Contract provision(s) on which the State bases the damages and specify the total amount of actual damages and/or liquidated damages the State intends to assess. At this point, the State may elect to withhold damages from payments due to Contractor. This is the third step in the assessment of actual or liquidated damages. The State may not issue an IADN/IALDN without first issuing a CPADN/CPLDN.

f. Assessment of Actual Damages/Liquidated Damages Notice (AADN/ALDN) - a notice included in the Control Memorandum issued by the State containing a final demand for payment of actual and/or liquidated damages. This is the fourth step in the assessment of actual or liquidated damages. The State may not issue an AADN/ALDN before also issuing an IADN/IALDN.

A.18. On-Going Operations Plan. The Contractor's On-Going Operations Project Plan shall include the completion and delivery of all on-going Contractor responsibilities as specified in this Contract, on

schedule and within budget, and shall accurately correspond with Contract P&Ps as specified in Section A.10.f with particular interest in program improvement on issues identified during implementation and as part of early Business Process Compliance and QA efforts.

A.19. End of Contract Transition Plan. As part of its transition plan, the Contractor shall develop an Information Management and Retrieval Services Turnover Plan no later than one hundred and eighty (180) days prior to the Contract end date that includes electronic, searchable inventories of

a. CRM records associated with each applicant and member

b. All CMP and CMS documents including all document versions and revisions

c. All DMS documents

d. All Call Recordings

A.19.1. Transition Requirements. Prior to the end of the Contract term or extension of the Contract term, or in the event of a Contract Termination or Partial Takeover pursuant to Contract Sections D.3, D.4 and E.7, the State may contract with a successor contractor (Successor Contractor) to assume Contactor's duties and requirements upon termination of this Contract. This may result in a period of transition during which Contractor continues to provide services while the Successor Contractor prepares to assume those services, with a switch over from the Contractor to the Successor Contractor occurring on an implementation date specified by the State. Contractor shall be required to participate as directed by the State, at no additional cost, in assisting with the transition by providing information relating to Contractor's duties and attending meetings with the State and/or Successor Contractor. Contractor shall help State and/or successor Contractor develop a Transition Plan. Contractor will at all times act in good faith towards the State and/or Successor Contractor to facilitate as smooth a transition as possible. The State will use the Control Memorandum process to specify deliverables required of the Contractor in aid of the transition process. Failure to fully and timely cooperate with the State's request or provide the requested deliverables may result in liquidated damages as specified in this Contract or in the applicable Control Memorandum. The State shall not be liable to the Contractor for any costs and expenses relating these deliverables or to the services provided by the Contractor during the transition period, other than as set forth in Contract Section C.3.

A.20. Implementation Calendar

Unless otherwise directed in writing by the State, the Contractor shall adhere to the timeline and key dates in the following table. Unless otherwise indicated below the Contractor shall submit draft materials to the State for review at least twelve (12) business days in advance of the date by which final materials are due.

Date	Description
February 2, 2015	Contract Start Date
February 19, 2015	**Final Project Management Plan** as described in Section A.14. due to the State. The Contractor may submit draft on February 12, 2015.
March 12, 2015	**Final business process flow diagrams** for key functions as described in Section 16.a. due to State. Given iterative nature of the diagramming process, the Contractor may submit the first draft of the flow diagrams by March 2, 2015.
March 19, 2015	**Final Staffing Plan** and accompanying materials as described in Section A.15.a. due to State.
March 24, 2015	**Final Systems Development Plan** and accompanying materials as described in Section A.15.d. due to the State.

Date	Description
March 26, 2015	**Final Training Plan** and accompanying materials as described in Section A.15.b. due to the State.
April 2, 2015	The Contractor shall establish process and protocol in accessing and interfacing with State systems (as described in Section A.15.d.iv.).
April 2, 2015	**Final Service Center SOPs** and accompanying materials as described in Section A.10.e. due to the State.
April 9, 2015	**Final comprehensive training materials** described at the beginning at Section A.8 due to the State.
April 16, 2015	**Final Service Center scripts** and accompanying materials as described in Section A.7.i.i (including voicemail scripts described in Section A.4.b.iii.) due to the State.
April 23, 2015	**Final Contract P&Ps** and accompanying materials as described in Section A.10.f. due to the State.
April 30, 2015	**Final BC-DR Plan** and accompanying materials as described in Section A.12. due to State.
May 7, 2015	**Final System Security Plan (SSP)** and accompanying materials as described in Section A.15.e. due to the State.
May 14, 2015	**Final reporting templates** and accompanying materials as described in Section A.11. due to the State.
May 14, 2015	**Final Business Process Compliance Plan** and accompanying materials as described in Section A.15.c. due to the State.
May 14, 2015	**Final comprehensive QA materials** described at the beginning at Section A.9 due to the State.
May 20, 2015	Contractor shall provide testing outcomes of all interfaces with systems (as described in Section A.15.d.iv.) to the State.
May 21, 2015	Readiness Review
June 1, 2015	Contractor begins to accept documents and implement **Document Management Services (DMS)** functions and operate systems required under Sections A.4.c and A.7.k.
July 1, 2015	Service Center implementation date or "go-live" date
September 1, 2015	**Final Ongoing Operations Plan** described in Section A.18 due to the State.
October 1, 2015	Earliest date that Contractor, at State's option, can begin accepting medical appeals as described in Section A.5.

A.21. Nondiscrimination Compliance Requirements

A.21.1. The Contractor shall comply with Section D.7 of this Contract regarding nondiscrimination, proof of non-discrimination, and notices of non-discrimination.

A.21.2. In order to demonstrate compliance with the applicable federal and state civil rights laws, the Contractor shall designate a staff person to be responsible for non-discrimination compliance as required in section A.6.h.ix . The Contractor's Nondiscrimination Compliance Coordinator shall be responsible for compliance with the requirements set forth in sections A.21 and A.22. Within thirty (30) days of Contract implementation, this person shall develop a HCFA approved Contractor non-discrimination compliance plan, which will include a section on nondiscrimination training. This person shall be responsible for ensuring that nondiscrimination training is provided to all staff providing services under this contract within sixty (60) days of Contract implementation or at a later date approved by HCFA, and to direct service subcontractors within ninety (90) days of Contract implementation or at a later date approved by HCFA. The Contractor shall be able to show documented proof that nondiscrimination training has been provided.

A.21.3. The Contractor's nondiscrimination compliance plan shall include written policies and procedures that demonstrate non-discrimination in the provision of services to callers/members/applicants. The policies shall include topics, such as, the provision of language services for callers/members/applicants with Limited English Proficiency and those requiring communication assistance in alternative formats and providing assistance to individuals with disabilities. The nondiscrimination policies and procedures shall be prior approved in writing by HCFA.

A.21.4. The Contractor shall, at a minimum, emphasize nondiscrimination in its personnel policies and procedures as it relates to hiring, promoting, operational policies, contracting processes and participation on advisory/planning boards or committees.

A.21.5. The Contractor shall request all staff providing services under this contract to provide their race or ethnic origin and sex. The Contractor is required to request this information from all Contractor and subcontractor staff providing services under this contract, however, staff response is voluntary. The Contractor is prohibited from utilizing information obtained pursuant to such a request as a basis for decisions regarding employment or in determination of compensation amounts.

A.21.6. All discrimination complaints against the Contractor, Contractor's employees, and Contractor's subcontractors related to the provision of services and/or access to services provided under this Contract shall be resolved according to the provisions of this Section A.21.6.

a. Discrimination Complaints against the Contractor and/or Contractor's Employees. When complaints concerning alleged acts of discrimination committed by the Contractor and/or its employees related to the provision of and/or access to services provided under this Contract are reported to the Contractor, the Contractor's nondiscrimination compliance officer shall send such complaints within two (2) business days of receipt to HCFA. HCFA shall investigate and resolve all alleged acts of discrimination committed by the Contractor and/or its employees. The Contractor shall assist HCFA during the investigation and resolution of such complaints. HCFA reserves the right to request that the Contractor's nondiscrimination compliance officer assist with conducting the initial investigations and to suggest resolutions of alleged discrimination complaints. If a request for assistance with an initial investigation is made by HCFA, the Contractor's nondiscrimination compliance officer shall provide HCFA with all requested information, including but not limited to, the identity of the party filing the complaint; the complainant's relationship to the Contractor; the circumstances of the complaint; date complaint filed; and the Contractor's suggested resolution. HCFA shall review the Contractor's initial investigations and determine the appropriate resolutions for the complaints as set forth in Section A.21.6(c) below. Any documentation or materials related to such investigation

shall be considered confidential and not subject to disclosure to any third party, unless disclosure is otherwise required by law.

b. Discrimination Complaints against the Contractor's Subcontractors. Should complaints concerning alleged acts of discrimination committed by the Contractor's subcontractors related to the provision of and/or access to services provided under this Contract be reported to the Contractor, the Contractor's nondiscrimination compliance officer shall inform HCFA of such complaints within two (2) business days from the date Contractor learns of such complaints. If HCFA requests that the Contractor's nondiscrimination compliance officer assist HCFA with conducting the initial investigation, the Contractor's nondiscrimination compliance officer within five (5) business days from the date of the request shall start the initial investigation. Once an initial investigation has been completed, the Contractor's nondiscrimination compliance officer shall report his/her determinations to HCFA. At a minimum, the Contractor's nondiscrimination compliance officer's report shall include the identity of the party filing the complaint; the complainant's relationship to the Contractor; the circumstances of the complaint; date complaint filed; and the Contractor's suggested resolution. HCFA shall review the Contractor's initial investigations and determine the appropriate resolutions for the complaints as set forth in Section A.21.6(c) below. HCFA reserves the right to investigate and resolve all complaints concerning alleged acts of discrimination committed by the Contractor's providers, and subcontractors.

c. Corrective Action Plans to Resolve Discrimination Complaints. If a discrimination complaint against the Contractor, Contractor's employees, Contractor's subcontractors is determined by HCFA to be valid, HCFA shall at its option and pursuant liquidated damages as set forth in Attachment C either (i) provide the Contractor with a corrective action plan to resolve the complaint or (ii) request that the Contractor submit a proposed corrective action plan to HCFA for review and approval that specifies what actions the Contractor proposes to take to resolve the discrimination complaint. Upon provision of the corrective action plan to Contractor by HCFA, or approval of the Contractor's proposed corrective action plan by HCFA, the Contractor shall implement the approved corrective action plan to resolve the discrimination complaint. HCFA, in its sole discretion, shall determine when a satisfactory discrimination complaint resolution has been reached and shall notify Contractor of the approved resolution. A discrimination complaint resolution corrective action plan may consist of approved nondiscrimination training on relevant discrimination topics. Prior to use, the nondiscrimination training material shall be reviewed and approved by HCFA. Time periods for the implementation of the corrective action plan nondiscrimination training shall be designated by HCFA.

A.21.7. The Contractor shall use and have available to callers/members/applicants CoverKid's Discrimination complaint form located on CoverKid's website under the nondiscrimination link at http://www.covertn.gov/web/coverkids_fair_treatment.html and TennCare's Discrimination complaint form located on TennCare's website at http://www.tn.gov/tenncare/forms/complaintform.pdf. A caller/member/applicant may be directed to where the complaint forms are located on CoverKid's and TennCare's websites, however, in some cases a discrimination complaint form may need to be provided to caller/members/applicant upon request. When requests for assistance to file a discrimination complaint are made by callers/members/applicants, the Contractor shall assist these individuals with submitting complaints to HCFA. In addition, the Contractor shall inform its employees and subcontractors how to assist these individuals with obtaining discrimination complaint forms and assistance from the Contractor and with submitting the forms to HCFA.

The CoverKids and TennCare complaint forms are considered Vital Documents and shall be available at a minimum in the English and Spanish languages.

A.21.8. The Contractor shall report on nondiscrimination activities as described in this Contract, which includes, but is not limited to Section A.22 Non-Discrimination Compliance Reports.

A.22. Nondiscrimination Compliance Reports

A.22.1. On an annual basis the Contractor shall submit a copy of the Contractor's nondiscrimination policies that demonstrates non-discrimination in the provision of and/or access to services provided under this Contract, which includes polices set forth in Section A.21.3. This shall include a report that lists all interpreter/translator services used by the Contractor in providing services to callers/applicants/members with Limited English Proficiency or that need communication assistance in an alternative format. The listing shall identify the language/communication assistance service provider by full name, address, phone number, languages spoken, and hours services are available.

A.22.2. Annually, HCFA shall provide the Contractor with a Nondiscrimination Compliance Plan Template. The Contractor shall answer the questions contained in the Compliance Plan Template and submit the completed Compliance Plan to HCFA within ninety (90) days of the end of the calendar year with any requested documentation, which shall include, but is not limited to, the Assurance of Nondiscrimination. The signature date of the Contractor's Nondiscrimination Compliance Plan shall be the same as the signature date of the Contractor's Assurance of Nondiscrimination. These deliverables shall be in a format specified by HCFA.

A.22.3. The Contractor shall submit a quarterly Nondiscrimination Compliance Report which shall include the following:

a. A summary listing totaling the number of supervisory personnel providing services of this contract by race or ethnic origin and sex. This report shall provide the number of male supervisors who are White, Black (not of Hispanic origin), American Indian or Alaskan Native, Asian or Pacific Islander, Hispanic origin and other race/ethnicity as indicated by HCFA and number of female supervisors who are White, Black (not of Hispanic origin), American Indian or Alaskan Native, Asian or Pacific Islander, Hispanic origin and other race/ethnic origin females as indicated by HCFA;

b. A listing of all complaints filed by callers/members/applicants, employees, and subcontractors in which discrimination is alleged related to the provision of services provided under this Contract. Such listing shall include, at a minimum, the identity of the party filing the complaint, the complainant's relationship to the Contractor, the circumstances of the complaint, date complaint filed, the Contractor's resolution, date of resolution, and the name of the Contractor staff person responsible for implementation of the complaint resolution; and

c. A listing of all caller/member/applicant requests for language and communication assistance. The report shall list the name of the individual, the member's identification number or tracking number for the caller/applicant, the date of the request, the date the service was provided, and the name of the service provider.

B. CONTRACT PERIOD:

B.1. This Contract shall be effective for the period beginning February 2, 2015, and ending on June 30, 2018. 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.

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 five (5) years and five (5) months, 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 a term extension necessitates additional funding beyond that which was included in the original Contract, an increase of the State's maximum liability will also be effected through contract amendment, and shall be based upon payment rates provided in the original Contract.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Fifty-Six Million Four Hundred Seventy-Eight Thousand Two Hundred Fifty-Five Dollars ($56,478,255.00). 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.

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:

(1) With the exception of Document Management which begins June 1, 2015, the transition period of February 2, 2015 – June 30, 2015 shall be no cost to the State.

(2) For services performed from July 1, 2015 through June 30, 2018 the following rates shall apply:

Service Description	**Amount** (per compensable increment)
Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements	**$1,036,465.00 per month** **(up to and including 75,000 inbound calls per month)**

(excluding document management and outbound calls) **(Up to and including 75,000 inbound calls per month)**	
Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements (excluding document management and outbound calls) **(Per each increment of 1,000 inbound calls above 75,000 calls per month)**	**$ 9,695.00 per month** **(per each increment of 1,000 inbound calls above 75,000 calls per month)**
Outbound Calls **(Up to and including 10,000 outbound calls per month)**	**$202,260.00 per month** **(up to and including 10,000 outbound calls per month)**
Outbound Calls **(per each increment of 500 outbound calls above 10,000 calls per month)**	**$ 6,051.00 per month** **(per each increment of 500 outbound calls above 10,000 per month)**
Document Management Fee (Up to and including 25,000 documents per month) **(Begins June 1, 2015)**	**$ 305,403.00 per month** **(up to and including 25,000 documents per month)**
Document Management Fee (Per each increment of 500 documents above 25,000 documents per month)	**$ 483.00 per month** **(per each increment of 500 documents above 25,000 documents per month)**
Optional State Medical Appeals Services	**Amount**
TennCare Medical Appeals Services (Section A.5, only as Requested by TennCare to begin on or after January 1, 2016)	**$ 139,361.00 per Month**

(3) Should Term Extension Option (Section B.2) be utilized, the following rates shall apply for services performed from July 1, 2018 through June 30, 2020.

Service Description	**Amount** (per compensable increment)
Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements (excluding document management and outbound calls) **(Up to and including 75,000 inbound calls per month)**	**$ 945,028.00 per month** **(up to and including 75,000 inbound calls per month)**

Administrative Fee Including all Services, hosting, licensing, Operations, Maintenance and Enhancements (excluding document management and outbound calls) **(Per each increment of 1,000 inbound calls above 75,000 calls per month)**	**$ 10,435.00 per month** **(per each increment of 1,000 inbound calls above 75,000 calls per month)**
Outbound Calls **(Up to and including 10,000 outbound calls per month)**	**$ 184,250.00 per month** **(up to and including 10,000 outbound calls per month)**
Outbound Calls **(per each increment of 500 outbound calls above 10,000 calls per month)**	**$ 6,573.00 per month** **(per each increment of 500 outbound calls above 10,000 per month)**
Document Management Fee **(Up to and including 25,000 documents per month)**	**$ 276,309.00 per month** **(up to and including 25,000 documents per month)**
Document Management Fee **(Per each increment of 500 documents above 25,000 documents per month)**	**$ 520.00 per month** **(per each increment of 500 documents above 25,000 documents per month)**
Optional State Medical Appeals Services	**Amount**
TennCare Medical Appeals Services (Section A.5, only as Requested by TennCare)	**$139,361.00 per month**

c. Pursuant to Section A.4.e, the State shall reimburse the Contractor for actual expenditures related to production and postage of the appropriate blank paper application form to any caller who requests a hard copy application.

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 present said invoices no more often than monthly, with all necessary supporting documentation, to:

310 Great Circle Road
Nashville, TN 37243

a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

(1) Invoice Number (assigned by the Contractor)
(2) Invoice Date

(3) Contract Number (assigned by the State)
(4) Customer Account Name: Department of Finance and Administration, Division of Health Care Finance and Administration
(5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
(6) Contractor Name
(7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
(8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
(9) Contractor Remittance Address
(10) Description of Delivered Service
(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
v. Total Amount Due for the invoice period

b. The Contractor understands and agrees that an invoice 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) only be submitted for completed service and shall not include any charge for future work;
(3) not include sales tax or shipping charges; and
(4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

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

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

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

b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to 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, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

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

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

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

D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-3-309, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment B, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-3-309, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

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

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

representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

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

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

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

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

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

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

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

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

D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

D.21. 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").

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 such information without entering into a business associate agreement or signing another such 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.

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:

Deputy Commissioner
Department of Finance and Administration
Division of Health Care Finance and Administration
Bureau of TennCare
310 Great Circle Road
Nashville TN 37243
(615) 507-6443 (Phone)
(615) 253-5607 (FAX)

Darin.j.gordon@tn.gov

The Contractor:

Joseph W. Nocito, Chief Executive Officer
Automated Health Systems, Inc.
300 Arcadia Court
9370 McKnight Road
Pittsburgh, PA 15237
(412) 367-3030 ext. 2203 (Phone)
(412) 367-1213 (Fax)
ceo@automated-health.com

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

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.

E.5 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.

E.6. 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 offence 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.7. 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 C 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.8. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);

b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;

c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;

d. any technical specifications provided to proposers during the procurement process to award this Contract;

e. the Contractor's proposal seeking this Contract.

f. the project plan and related documents.

g. any Control Memorandum containing a Control Directive issued pursuant to Section A.17.b hereof.

E.9. Applicable Laws, Rules, Policies and Court Orders. The Contractor agrees to comply with all applicable federal and State laws, rules, regulations, executive orders, TennCare waivers, and all current, modified or future Court decrees, orders or judgments applicable to the State's TennCare and CHIP programs. Such compliance shall be performed at no additional cost to the State.

E.10. 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.11. 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-31865-00380 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.12. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

a. Reporting of Total Compensation of the Contractor's Executives.

(1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:

i. 80 percent or more of the Contractor's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

ii. $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.).

Executive means officers, managing partners, or any other employees in management positions.

(2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings on deferred compensation which is not tax qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life

insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.

c. If this Contract is amended to extend its term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the amendment to this Contract becomes effective.

d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: http://fedgov.dnb.com/webform/

The Contractor's failure to comply with the above requirements is a material breach of this Contract for which the State may terminate this Contract for cause. The State will not be obligated to pay any outstanding invoice received from the Contractor unless and until the Contractor is in full compliance with the above requirements.

E.13. 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.14. Business Associate. Contractor hereby acknowledges its designation as a business associate under HIPAA and agrees to comply with all applicable HIPAA regulations. In accordance with the HIPAA regulations, the Contractor shall, at a minimum:

a. Comply with requirements of the HIPAA, including, but not limited to, the transactions and code sets, privacy, security, and identifier regulations. Compliance includes meeting all required transaction formats and code sets with the specified data sharing agreements required under the regulations;
b. Transmit/receive from/to its providers, subcontractors, clearinghouses and HCFA all transactions and code sets required by HIPAA in the appropriate standard formats, utilizing appropriate and adequate safeguards, as specified under the law and as directed by HCFA so long as HCFA direction does not conflict with the law;

c. Agree that if it is not in compliance with all applicable standards defined within the transactions and code sets, privacy, security and all subsequent HIPAA standards, that it will be in breach of this Contract and will then take all reasonable steps to cure the breach or end the violation as applicable. Since inability to meet the transactions and code sets requirements, as well as the privacy and security requirements can bring basic business practices between HCFA and the Contractor and between the Contractor and its providers and/or subcontractors to a halt, if for any reason the Contractor cannot meet the requirements of this Section, HCFA may terminate this Contract.

d. Ensure that Protected Health Information (PHI) exchanged between the Contractor and HCFA is used only for the purposes of treatment, payment, or health care operations and health oversight and its related functions. All PHI not transmitted for these purposes or for purposes allowed under the federal HIPAA regulations shall be de-identified to secure and protect the individual enrollee's PHI;

e. Report to HCFA's Privacy Office immediately upon becoming aware of any use or disclosure of PHI in violation of this Contract by the Contractor, its officers, directors, employees, subcontractors or agents or by a third party to which the Contractor disclosed PHI;

f. Specify in its agreements with any agent or subcontractor that will have access to PHI that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section;

g. Specify in its agreements with any agent or subcontractor that will have access to PHI that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section;

h. Make its internal policies and procedures, records and other documentation related to the use and disclosure of PHI available to the U.S. Secretary of Health and Human Services for the purposes of determining compliance with the HIPAA regulations upon request;

i. Create and adopt policies and procedures to periodically audit adherence to all HIPAA regulations;

j. Agree to ensure that any agent, including a subcontractor, to whom it provides PHI that was created, received, maintained, or transmitted by or on behalf of HCFA agrees to use reasonable and appropriate safeguards to protect the PHI.

k. Agree to ensure that any agent, including a subcontractor, to whom it provides PHI that was created, received, maintained, or transmitted by or on behalf of HCFA agrees to use reasonable and appropriate safeguards to protect the PHI.

l. If feasible, return or destroy all PHI, in whatever form or medium (including any electronic medium) and all copies of any data or compilations derived from and allowing identification of any individual who is a subject of that PHI upon termination, cancellation, expiration or other conclusion of the Agreement, and in accordance with this Section of this Contract. The Contractor shall complete such return or destruction as promptly as possible, but not later than thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement. The Contractor shall identify any PHI that cannot feasibly be returned or destroyed. Within such thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement, the Contractor shall: (1) certify on oath in writing that such return or destruction has been completed; (2) identify any PHI which cannot feasibly be returned or destroyed; and (3) certify that it will only use or disclose such PHI for those purposes that make its return or destruction infeasible;

m. Implement all appropriate administrative, physical and technical safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Contract and, including, but not limited to, privacy, security and confidentiality requirements in 45 CFR Parts 160 and 164;

n. Set up appropriate mechanisms to limit use or disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure;

o. Create and implement policies and procedures to address present and future HIPAA regulatory requirements as needed, including, but not limited to: use and disclosure of data; de-identification of data; minimum necessary access; accounting of disclosures; enrollee's right to amend, access, request restrictions; notice of privacy practices and right to file a complaint;

p. Provide an appropriate level of training to its staff and employees regarding HIPAA related policies, procedures, enrollee rights and penalties prior to the HIPAA implementation deadlines and at appropriate intervals thereafter;

q. Track training of Contractor staff and employees and maintain signed acknowledgements by staff and employees of the Contractor's HIPAA policies;

Be allowed to use and receive information from HCFA where necessary for the management and administration of this Contract and to carry out business operations where permitted under the regulations;

r. Be permitted to use and disclose PHI for the Contractor's own legal responsibilities;

s. Adopt the appropriate procedures and access safeguards to restrict and regulate access to and use by Contractor employees and other persons performing work for the Contractor to have only minimum necessary access to PHI and personally identifiable data within their organization;

t. Continue to protect and secure PHI and personally identifiable information relating to enrollees who are deceased; and

u. Track all security incidents as defined by HIPAA and, as required by the HIPAA Reports. The Contractor shall periodically report in summary fashion such security incidents.

E.15. Information Holders. HCFA and the Contractor are "information holders" as defined in TCA 47-18-2107. In the event of a breach of the security of Contractor's information system, as defined by TCA 47-18-2107, the Contractor shall indemnify and hold HCFA harmless for expenses and/or damages related to the breach. Such obligations shall include, but not be limited to, mailing notifications to affected enrollees. Substitute notice to written notice, as defined by TCA 47-18-2107(e)(2) and (3), shall only be permitted with HCFA's express written approval. The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of any security incident that would constitute a "breach of the security of the system" as defined in TCA 47-18-2107.

E.16. Notification of Breach and Notification of Suspected Breach. - The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of any incident, either confirmed or suspected, that represents or may represent unauthorized access, use or disclosure of encrypted or unencrypted computerized data that materially compromises the security, confidentiality, or integrity of enrollee PHI maintained or held by the Contractor, including any unauthorized acquisition of enrollee PHI by an employee or otherwise authorized user of the Contractor 's system. This includes, but is not limited to, loss or suspected loss of remote computing or telework devices such as laptops, PDAs, Blackberrys or other Smartphones, USB drives, thumb drives, flash drives, CDs, and/or disks.

E.17. All information or data that is necessary for one or more deliverable set forth in this Contract shall be transmitted between HCFA and Contractor via the data transfer method specified in advance by HCFA. This may include, but shall not be limited to, transfer through HCFA's SFTP system. Failure by the Contractor to transmit information or data that is necessary for a deliverables in the manner specified by HCFA, may, at the option of HCFA, result in liquidated damages as set forth on Contract Attachment C hereto.

E.18. Social Security Administration (SSA) Required Provisions for Data Security. The Contractor shall comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. §3541, *et seq.*), and related National Institute of Standards and Technology guidelines. In addition, the Contractor shall have in place administrative, physical, and technical safeguards for data.

a. The Contractor shall not duplicate in a separate file or disseminate, without prior written permission from TennCare, the data governed by the Contract for any purpose other than that set forth in this Contract for the administration of the TennCare program. Should the Contractor propose a redisclosure of said data, the Contractor must specify in writing to TennCare the data the Contractor proposes to redisclose, to whom, and the reasons that justify the redisclosure. TennCare will not give permission for such redisclosure unless the redisclosure is required by law or essential to the administration of the TennCare program.

b. The Contractor agrees to abide by all relevant federal laws, restrictions on access, use, and disclosure, and security requirements in this Contract.

c. The Contractor shall provide a current list of the employees of such contractor with access to SSA data and provide such lists to TennCare.

d. The Contractor shall restrict access to the data obtained from TennCare to only those authorized employees who need such data to perform their official duties in connection with purposes identified in this Contract. The Contractor shall not further duplicate, disseminate, or disclose such data without obtaining TennCare's prior written approval.

e. The Contractor shall ensure that its employees:

(1) properly safeguard PHI/PII furnished by TennCare under this Contract from loss, theft or inadvertent disclosure;

(2) understand that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee is at his or her regular duty station;

(3) ensure that laptops and other electronic devices/ media containing PHI/PII are encrypted and/or password protected;

(4) send emails containing PHI/PII only if encrypted or if to and from addresses that are secure; and,

(5) limit disclosure of the information and details relating to a PHI/PII loss only to those with a need to know.

Contractor employees who access, use, or disclose TennCare or TennCare SSA-supplied data in a manner or purpose not authorized by this Contract may be subject to civil and criminal sanctions pursuant to applicable federal statutes.

f. Loss or Suspected Loss of Data–If an employee of the Contractor becomes aware of suspected or actual loss of PHI/PII, he or she must immediately contact TennCare immediately upon becoming aware to report the actual or suspected loss. The Contractor will use the Loss Worksheet located at http://www.tn.gov/tenncare/forms/phi_piiworksheet.pdf to quickly gather and organize information about the incident. The Contractor must provide TennCare with timely updates as any additional information about the loss of PHI/PII becomes available.

If the Contractor experiences a loss or breach of said data, TennCare will determine whether or not notice to individuals whose data has been lost or breached shall be provided and the Contractor shall bear any costs associated with the notice or any mitigation.

g. TennCare may immediately and unilaterally suspend the data flow under this Contract, or terminate this Contract, if TennCare, in its sole discretion, determines that the Contractor has: (1) made an unauthorized use or disclosure of TennCare SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this Contract.

h. In order to meet certain requirements set forth in the State's Computer Matching and Privacy Protection Act Agreement (CMPPA) with the SSA, the Parties acknowledge that this Section shall be included in all agreements executed by or on behalf of the State. The Parties further agree that FISMA and NIST do not apply in the context of data use and disclosure under this Agreement as the Parties shall neither use nor operate a federal information system on behalf of a federal executive agency. Further, NIST is applicable to federal information systems; therefore, although encouraged to do so, the State, its contractors, agents and providers are not required to abide by the NIST guidelines.

i. This Section further carries out Section 1106(a) of the Act (42 U.S.C. 1306), the regulations promulgated pursuant to that section (20 C.F.R. Part 401), the Privacy of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget ("OMB") guidelines, the Federal Information Security Management Act of 2002 ("FISMA") (44 U.S.C. 3541 et seq.), and related National Institute of Standards and Technology ("NIST") guidelines, which provide the requirements that the SSA stipulates that the Contractor must follow with regard to use, treatment, and safeguarding data in the event data is exchanged with a federal information system.

j. Definitions

(1) "SSA-supplied data" – information, such as an individual's social security number, supplied by the Social Security Administration to TennCare to determine entitlement or eligibility for federally-funded programs (CMPPA between SSA and F&A; IEA between SSA and TennCare).

(2) "Protected Health Information/Personally Identifiable Information" (PHI/PII)(45 C.F.R. 160.103; OMB Circular M-06-19) – Protected health information means individually identifiable health information that is: (i) Transmitted by electronic media; (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium.

(3) "Individually Identifiable Health Information"– information that is a subset of health information, including demographic information collected from an individual, and: (1) Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and (2) relates to the past, present, or

future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

(4) "Personally Identifiable Information" – any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, Social Security Number, date and place of birth, mother's maiden name, biometric records, including any other personal information which can be linked to an individual.

E.19. Medicaid and CHIP - The Contractor must provide safeguards that restrict the use or disclosure of information concerning applicants and beneficiaries to purposes directly connected with the administration of the plan:

i. Purposes directly related to the administration of Medicaid and CHIP include:
(a) establishing eligibility;
(b) determining the amount of medical assistance;
(c) providing services for beneficiaries; and,
(d) conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to Medicaid or CHIP administration.

ii. The Contractor must have adequate safeguards to assure that—
(a) Information is made available only to the extent necessary to assist in the valid administrative purposes of those receiving the information, and information received under 26 USC is exchanged only with parties authorized to receive that information under that section of the Code; and,
(b) the information is adequately stored and processed so that it is protected against unauthorized disclosure for other purposes.

iii. The Contractor must have criteria that govern the types of information about applicants and beneficiaries that are safeguarded. This information must include at least--
(a) Names and addresses;
(b) Medical services provided;
(c) Social and economic conditions or circumstances;
(d) Contractor evaluation of personal information;
(e) Medical data, including diagnosis and past history of disease or disability; and
(f) Any information received for verifying income eligibility and amount of medical assistance payments, including income information received from SSA or the Internal Revenue Service,
(g) Any information received for verifying income eligibility and amount of medical assistance payments
(h) Income information received from SSA or the Internal Revenue Service must be safeguarded according to Medicaid and CHIP requirements
(i) Any information received in connection with the identification of legally liable third party resources.
(j) Social Security Numbers.

iv. The Contractor must have criteria approved by TennCare specifying
(a) the conditions for release and use of information about applicants and beneficiaries:

(b) Access to information concerning applicants or beneficiaries must be restricted to persons or Contractor representatives who are subject to standards of confidentiality that are comparable to those of TennCare.
(c) The Contractor shall not publish names of applicants or beneficiaries.
(d) The Contractor shall obtain permission from a family or individual, whenever possible, before responding to a request for information from an outside source, unless the information is to be used to verify income, eligibility and the amount of medical assistance payment to an authorized individual or entity;
(e) If, because of an emergency situation, time does not permit obtaining consent before release, the Contractor shall notify TennCare, the family or individual immediately after supplying the information.
(f) The Contractor's policies must apply to all requests for information from outside sources, including governmental bodies, the courts, or law enforcement officials.
(i.) The Contractor shall notify TennCare of any requests for information on applicants or beneficiaries by other governmental bodies, the courts or law enforcement officials ten (10) days prior to releasing the requested information.
(g) If a court issues a subpoena for a case record or for any Contractor representative to testify concerning an applicant or beneficiary, the Contractor must notify TennCare at least ten (10) days prior to the required production date so TennCare may inform the court of the applicable statutory provisions, policies, and regulations restricting disclosure of information, effective until Jan. 1, 2014.
(h) The Contractor shall not request or release information to other parties to verify income, eligibility and the amount of assistance under Medicaid or CHIP, prior to express approval from TennCare.

E.20. Employees Excluded from Medicare, Medicaid or CHIP. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare, Medicaid, and/or CHIP programs pursuant to Sections 1128 of the Social Security

E.21. Offer of Gratuities. By signing this contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the Center for Medicare and Medicaid Services, or any other state or federal agency has or will benefit financially or materially from this Contract. This Contract may be terminated by HCFA as provided in Section D.4, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

E.22. Ownership. The Contractor may furnish the State with reports, analyses or other such materials (the "Materials"). The State shall own all right, title, and interest, including, without limitation, all intellectual property rights, in and to the Materials, except that the Contractor shall retains all right, title and interest, including, without limitation, intellectual property rights, in and to the Contractor Tools (as defined below). To the extent that the Materials include any Contractor Tools, the Contractor hereby grants to the State a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free, perpetual license to use and copy the Contractor Tools solely for internal purposes and solely as part of the Materials. The Contractor Tools consist of any and all concepts, analyses, know-how, tools, frameworks, models, and industry information and perspectives used by Contractor in connection with services hereunder.

E.23. The Contractor shall be responsible for compliance with the Patient Protection and Affordable Care Act (PPACA) regarding health insurance for the Contractor and its employees. The Contractor will indemnify the State and hold it harmless for any costs to the State caused by the Contractor's noncompliance with PPACA.

E.24. Transmission of Contract Deliverables. Notwithstanding the provisions of Contract Section E.2, HCFA may elect to have the Contractor transmit contract deliverables via an alternate method than is set forth in Section E.2. Contractor shall be notified of such election in writing, with the notice to identify the specific deliverable and exact method of transmission to be used. Contractor agrees to comply with such transmission notice, including, without limitation, the use of a secure State web portal and any specific software required to access the portal.

IN WITNESS WHEREOF,

AUTOMATED HEALTH SYSTEMS, INC.:

Joseph W. Nocito January 19, 2015

CONTRACTORSIGNATURE **DATE**

Joseph W. Nocito, Chief Executive Officer

PRINTED NAME AND TITLE OF CONTRACTORSIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE:

Larry B. Martin/CD January 20, 2015

LARRY B. MARTIN, COMMISSIONER **DATE**

ATTACHMENT A

Scope of Services Terms and Definitions

Term	Definition
Abandoned Call	A call in which the caller elects an option and is either not permitted access to that option or disconnects from the system.
After Hours	Any time period beyond the Service Center Operational Hours specified in Section A.3.c.
Average Speed of Answer (ASA)	The mean time between (a) the moment at which a caller to the Contractor's Service Center first hears an introductory greeting and enters the queue and (b) the time at which a Service Center representative answers the call. For this definition, the term "answer" shall mean begin an uninterrupted dialogue with the caller. If a Service Center representative asks the caller to hold during the first 60 seconds of the dialogue, the Contractor shall not consider the call to be "answered" for purposes of this definition until the Service Center representative returns to the caller and begins an uninterrupted dialogue. If a caller requested a returned call using the dial-back feature ASA shall be defined as the time between (a) the moment at which a caller to the Contractor's Service Center first hears an introductory greeting and enters the queue and (b) the time of the returned call (regardless of whether the applicant or member answered).
Blocked Call	A call that cannot be connected immediately because no circuit is available at the time the call arrives or the telephone system is programmed to block calls from entering the queue when the queue backs up behind a defined threshold.
Business Days	Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Holidays are excluded.
Calendar Days	All seven days of the week.
Call Calibration Protocol	Procedures by which call quality evaluations made by both the Contractor and the State use the same objective standards to obtain the same evaluation results.
CHIP	The Childrens Health Insurance Program (CHIP) authorized by Title XXI of the Social Security Act. "CoverKids" is Tennessee's brand for the CHIP program. Additional information is available at www.coverkids.com.
Days	Unless otherwise specified, refers to calendar days.
Deliverable	A document, manual, or report (in hard copy, electronic format or specific medium as required) that the Contractor submits to the State to fulfill requirements of this Contract.
FFM	Federally Facilitated Marketplace (also known as healthcare.gov)
Federal Data Services Hub	The Federal data services hub (DSH) is a web-based application that accepts transactional requests for known data elements. The HUB provides data verification services including, but not limited to, Social Security Number (SSN) verification via the Social Security Administration

Term	Definition
	(SSA); Citizenship verification via SSA or the Department of Homeland Security (DHS) when relevant; Incarceration verification via SSA; Title II benefit income information via SSA (monthly and annual amounts); Quarters of coverage information via SSA; MAGI income information from the Internal Revenue Service (IRS); Max APTC from IRS; Immigration status verification via DHS, as well as a translation to indicators for lawful presence, qualified non-citizen, and five year bar status; and Public minimum essential coverage (MEC) verification from Federal agencies.
FTI	Federal Tax Information regulated by the Internal Revenue Service
HCFA	The Division of Health Care Finance and Administration, which encompasses the Bureau of TennCare, CoverKids, and other programs.
Holidays	Days on which official holidays and commemorations as defined in Tennessee Code Annotated (T.C.A.) § 15-1-101 et seq., are observed.
HIPAA	Health Insurance Portability and Accountability Act of 1996 (HIPAA) addresses the security and privacy of protected health information as well as requirements regarding electronic transaction standards.
HITECH	Health Information Technology for Economic and Clinical Health Act of 2009. Established enhanced privacy and security protections, including the notification of breach incidents and OCR enforcement of security risk assessments.
Individually Identifiable Health Information	Information that is a subset of health information, including demographic information collected from an individual, and: (1) Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and (2) Relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (3) That identifies the individual; or (4) With respect to which there is a reasonable basis to believe the information can be used to identify the individual.
Individuals with Limited English Proficiency	Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English.
Information Technology	A combination of computing hardware and software that is used in: (a) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of information, i.e. structured data (which may include digitized audio and video) and documents; and/or (b) the processing of such information for the purposes of enabling and/or facilitating a business process or related transaction.
InterChange	The State's Medicaid Management Information System (MMIS).
MAGI	Modified Adjusted Gross Income as defined at 42 CFR § 435.4 and further described at § 435.603 *et seq.*
Personally	Personally Identifiable Information means any information about an

Term	Definition
Identifiable Information (PII)	individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, Social Security Number, date and place of birth, mother's maiden name, biometric records, including any other personal information which can be linked to an individual.
Protected Health Information (PHI)	(1) Means individually identifiable health information: that is: (i) Transmitted by electronic media; (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium. (2) Protected health information excludes individually identifiable health information in: (i) Education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; (ii) Records described at 20 U.S.C. 1232g(a)(4)(B)(iv); and (iii) Employment records held by a covered entity in its role as employer.
Remote Access	Any access to an organization information system by a user (or an information system) communicating through an external, non-organization-controlled network (e.g., the Internet). Examples of remote access methods include dial-up, broadband, and wireless.
Social Security or SSA	The federal Social Security Administration
Span of Control	Information Technology and telecommunications capabilities that the Contractor itself operates or for which it is otherwise legally responsible according to the terms and conditions of this Contract. The span of control also includes Systems and telecommunications capabilities outsourced by the Contractor.
Speed to Answer	The total time between (a) the moment at which a caller to the Contractor's Service Center first hears an introductory greeting and enters the queue and (b) the time at which a Service Center representative answers the call. For this definition, the term "answer" shall mean begin an uninterrupted dialogue with the caller. If a Service Center representative asks the caller to hold during the first 60 seconds of the dialogue, the Contractor shall not consider the call to be "answered" for purposes of this definition until the Service Center representative returns to the caller and begins an uninterrupted dialogue.
State Fiscal Year (SFY)	The twelve (12) month period that runs from July 1 through June 30.
System Unavailability	As measured within the Contractor's information technology Span of Control, when a system user does not get the complete, correct full-

Term	Definition
	screen response to an input command within three (3) minutes after depressing the "Enter" or other function key.
Telecommunications Relay Service (TRS)	Telephone transmission services that provide the ability for an individual who has a hearing or speech disability to engage in communication by wire or radio with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing or speech disability to communicate using voice communication services by wire or radio. Such term includes services that enable two-way communication between an individual who uses a text telephone or other non-voice terminal device and an individual who does not use such a device, speech-to-speech services, video relay services and non–English relay services. TRS supersedes the terms "dual party relay system," "message relay services," and "TDD Relay."
TennCare	Tennessee's Medicaid program operated by the Bureau of TennCare, Department of Finance and Administration, as a 1115 Demonstration Waiver program (No. 11-W-00151/4). Additional information is available at http://www.tn.gov/tenncare/index.shtml.
Tennessee Eligibility Appeals Management System (TEAMS)	The State's system for tracking and managing eligibility appeals; this system is separate (and functions independently) from TEDS. References to TEAMS herein expressly cover any successor system(s) to the eligibility appeals system now in use.
Tennessee Eligibility Determination System (TEDS)	The State's new eligibility determination system for TennCare or CoverKids.
Tennessee Relay Service (TNRS)	A program of the Tennessee Regulatory Authority (TRA) that provides free, statewide assisted telephone service to those with speech, hearing, and visual impairments. More information is available at http://www.tn.gov/tra/consumerfiles/relaycenter.shtml.
TNHC	Tennessee Health Connection, which is the public name for the Service Center under this Contract.
TN Anytime	The portal through which health care providers and other qualified entities can verify TennCare eligibility (and, following the implementation of TEDS, CoverKids eligibility) of a particular individual or patient.
Validation	The review of information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias and in accord with standards for data collection and analysis.
Warm Transfer	Executing a telephonic transfer to a specific individual within or outside of the Contractor's place of business to include introducing the caller to the individual to whom the caller is transferred before hanging up.
Week	The traditional seven-day week, Sunday through Saturday.
Workforce Members	Employees, volunteers, trainees, and other persons whose conduct, in the performance of work for a covered entity or business associate, is under the direct control of such covered entity or business associate, whether or not they are paid by the covered entity or business associate.

ATTACHMENT B

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	44715
CONTRACTOR LEGAL ENTITY NAME:	Automated Health Systems, Inc.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	[redacted]

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.

Joseph W. Nocito

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.

Joseph W. Nocito, Chief Executive Officer

PRINTED NAME AND TITLE OF SIGNATORY

January 19, 2015

DATE OF ATTESTATION

Performance Standards and Liquidated Damages

The Performance Standards described in the table below shall be in effect throughout the contract term. In the sole discretion of the State, Contractor may not be held liable for any liquidated damages resulting from circumstances beyond the Contractor's control, such as the unavailability of State technology systems or the inability to accept electronic data caused by entities outside the Contractor's control. In cases in which the performance failure is determined to have been caused at least in part by fault of the State or outside entity, the State may determine the percentage of responsibility it or the outside entity bears for the failure of performance and reduce any liquidated damage by said percentage.

The State may assess liquidated damages in the event the Contractor fails to properly perform its obligations under this Contract in a proper and/or timely manner. Upon determination that the Contractor has failed to meet one or more of the requirements described in this Contract in a proper and/or timely manner, the State will notify the Contractor in writing of the deficiency and of the potential liquidated damages to be assessed pursuant to the Control Memorandum Process set forth in Contract Section A.17.

Liquidated damages may be assessed in the amounts indicated below for the time period in which the deficiency occurs. Liquidated damages may be retroactive to the date of notice of deficiency and continue until such time as the Deputy Commissioner of HCFA determines the deficiency has been cured. The liquidated damages will be deducted by the State from any monthly payment due to the Contractor.

For all Performance Standards measured in percentages, calculations for said percentages shall be made using the following standard: less than five-tenths (.5) of a percentage point will round down to the nearest percentage point and five-tenths (.5) and over will round up to the nearest percentage point.

A general liquidated damage of five hundred dollars ($500.00) per day/occurrence, as applicable, may be assessed at the sole discretion of the State for any violation of a contract provision that is not specifically listed in the following table.

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
1	Readiness Review	Meet Readiness Review requirements defined in Section A.16.		A maximum of ten thousand dollars ($10,000) per week or pro-rated for a part of a week for failing to meet the Readiness Review requirements.

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
2	On time submissions	Provide Start-Up deliverables as described in Section A.15 by the dates specified in Section A.20.		A maximum of one thousand dollars ($1000.00) for each day on and after the Contractor fails to submit a start-up deliverable that in the State's judgment substantially complies with the requirements described in Section A.15.
3	On time deployment	Provide Service Center operations consistent with the requirements defined in Sections A.3. and A.4. effective on the Service Center implementation date.		A maximum of one thousand dollars ($1000.00) for each separate component of the Service Center operations that is not operating correctly for each day or portion of a day on and after the Service Center implementation date that the Contractor fails to provide Service Center operations consistent with the requirements defined in Sections A.3. and A.4.
4	Facilities	Office space, telephones and equipment consistent with the requirements defined in Section A.3.c. are in place and functioning throughout the Contract period.		For all occurrences not utilizing the Contractor's Business Continuity/Disaster Recovery Plan, a maximum of five thousand dollars ($5,000) per occurrence for each business day during the Contract period in which these facilities are not in place and functioning.

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
5	Hours of operation	Accessibility via phone, mail, and fax to Service Center support within the operating hours requirements defined in Section A.3.c.		A maximum of one thousand dollars ($1,000.00) for each 15 minute increment where the Contractor's Service Center is not performing their work within operating hours defined in Section A.3.c.
6	Staffing	All key personnel and Service Center staff defined in Section A.6. shall be in place by dates specified in the Contract and key personnel vacancies must be filled within thirty (30) days from the date the key personnel left his/her position. Contractor shall provide a corporate staff resource to temporarily fill any key personnel vacancy within three (3) business days of the occurrence of the vacancy as required in Section A.6.g.		A maximum of one thousand dollars ($1,000.00) per day for each business day that key personnel (or their temporary corporate staff replacements) and Service Center staff are not in place by dates specified in the Contract or for each business day past the thirty (30) days vacant period as described in Section A.6.g. In addition, a maximum of twenty-five thousand dollars ($25,000) per occurrence if the Contractor replaces any Key Personnel between the Contract Start Date and 90 days following the Service Center implementation date described in Section A.20. However, the State shall not impose this liquidated damage if the Contractor removes a Key Personnel staff

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
				member at the request of the State.
7	Daily Maximum Speed to Answer	The Contractor's Service Center MRs shall answer 100% of calls each day within 300 seconds as specified in Section A.3.g. For calls answered after 300 seconds, Liquidated Damages in the amount specified in this item 8 may be assessed against the Contractor.	Using the definition of Speed-to-Answer provided in Attachment A, the Contractor shall calculate the number of instances during each operating day in which the time it takes an MR to answer exceeds this threshold.	A maximum of five hundred dollars ($500) for each instance of each call answered within 301 seconds – 600 seconds during each operating day; provided, however, total liquidated damages under this section shall not exceed twenty five thousand dollars ($25,000) per operating day. A maximum of one thousand dollars ($1,000) for each instance of each call answered in 601 seconds or more during each operating day; provider, however, total liquidated damages under this section shall not exceed fifty thousand dollars ($50,000) per operating day.

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
8	Daily Abandonment Rate	Maintain an average daily abandonment rate of 5% or less for each queue on each day the Service Center is open for business excluding calls abandoned before thirty seconds as specified in Section A.3.g.	Using the definition of abandoned calls in Attachment A, the Daily Abandonment Rate will be calculated using the total number of all calls (including abandoned calls and blocked calls) received during the business hours as the denominator and the total number of abandoned calls during the same period used as the numerator.	A maximum of five hundred dollars ($500.00) per queue per day for a daily abandonment rate of 6% - 10%. A maximum of one thousand five hundred dollars ($1500.00) per queue per day for a daily abandonment rate of over 10%.
9	Daily Average Seconds to Answer	Maintain an Average Speed of Answer (ASA) per queue per day of 60 seconds or less as specified in Section A.3.g. ASA is to be calculated from the time that a call comes into the queue from the IVR and when it is answered by an MR.	Using the definition of Average Speed of Answer in Attachment A, the Contractor shall use the number of answered calls during the operating day as the denominator and the sum of the speed to answer for all calls during the same period as the numerator.	A maximum of five hundred dollars ($500.00) per queue per day for an ASA of 61 seconds – 180 seconds. A maximum of one thousand five hundred dollars ($1500.00) per queue per operating day for an ASA of 181 seconds or more.
10	Blocked call rate (voice line)	Maintain a daily blocked call rate of 1% or less as specified in Section A.3.g.	Using the definition of blocked calls in Attachment A, the Blocked Call Rate shall	A maximum of one thousand dollars ($1,000.00) for each percentage point above 1%.

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
			be calculated using the total number of all calls (including abandoned calls and blocked calls) received during the business hours as the denominator and the total number of blocked calls during the same period used as the numerator.	
11	Call documentation	Document each caller encounter in the CRM completely as defined in the Section A.7.i. as measured by inbound and outbound call reports generated from the CRM which are compared to the total number of inbound and outbound calls reported through the phone system.		A maximum of one hundred dollars ($100.00) for each instance where an encounter with a caller has not been documented in the CRM.
12	Mail and fax documentation	Document in the CRM per Section A.7.i. each mail and faxed document as measured by inbound mail and fax volume in DMS compared to the documents uploaded in CRM.		A maximum of one hundred dollars ($100.00) for each instance where a mailed or faxed document has not been documented in the CRM.
13	Use of approved scripts	Use scripts reviewed and approved by the		A maximum of one hundred dollars ($100.00) for each

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
		State prior to implementation as described in Section A.10.d. as determined through call monitoring.		instance where the Service Center has used unapproved scripts, including using an outdated script or no script at all.
14	Contract Management Portal	The CMP must be accessible to the State and the Contractor during operating hours listed in Section A.3.c. and must contain all documents specified in Section A.7.g.		A maximum of five hundred dollars ($500.00) for each business day that contains an occurrence(s) of unavailability of the CMP. A maximum of five hundred dollars ($500.00) for each business day in which documents specified in Section A.7.g. are not present in the CMP.
15	Telecommunication Systems	The Telecommunication Systems shall meet all requirements listed in Section A.7.h.		A maximum of one thousand dollars ($1000.00) for each business day for each requirement in Section A.7.h. that is not met.
16	Customer Relationship Management	The CRM shall meet all requirements listed in Section A.7.i.		A maximum of one thousand dollars ($1000.00) for each business day for each requirement in Section A.7.i. that is not met.
17	Document Management	The DMS shall meet all requirements listed in Section A.7.k.		A maximum of one thousand dollars ($1000.00) for each business day for each requirement in Section A.7.k. that is not met.
18	Document Management	The Contractor shall (as required		A maximum of five hundred dollars

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
		by Section A.7.k.iii and iv) ensure that any scanned and uploaded file(s) for a member or applicant only includes information about that member, applicant, or related individuals and not materials related to a separate case		($500.00) for each occurrence in which the Contractor does not comply with this requirement.
19	Document Management	The Contractor shall (as required by Section A.7.k.i, iiii, and iv) upload files to the associated member's record within the required timeframe.		A maximum of one hundred dollars ($100.00) for each occurrence in which the Contractor does not comply with this requirement; provided, however, total liquidated damages under this section shall not exceed twenty-five thousand dollars ($25,000) for occurrences involving documents received on the same day.
20	Content Management System	The CMS shall meet all requirements listed in Section A.7.j.		A maximum of five hundred dollars ($500.00) for each business day for each requirement in Section A.7.j. of the Contract that is not met.
21	Reports	Accurately produce and deliver all reports specified in Section A.11. and Attachment E according to the date and frequency indicated.		A maximum of one hundred dollars ($100.00) for each day following the date that a reporting error is discovered in which the corrected report is not delivered. A maximum of five

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
				hundred dollars ($500.00) for each day for each report the Contractor fails to deliver by the frequency specified in Attachment E. A maximum of five hundred dollars ($500.00) for each day for each ORR report the Contractor fails to deliver as specified in Section A.11.
22	Reports and Notifications	Provide timely and complete notice as required by A.13.		A maximum of fifty thousand dollars ($50,000) for each failure of the Contractor to notify the State or provide the written documentation and Corrective Action Plan as required by Section A.13. However, a maximum of $1,000 per day of reporting delay for each separate occurrence shall apply for those events described in Section A.13.b.
23	Business Continuity and Disaster Recovery	The Contractor's BC-DR plan shall be developed and executed as described in Section A.12.		A maximum of five thousand dollars ($5,000) for each finding for each business day the Contractor fails to implement its business continuity and disaster recovery plan in compliance with Section A.12. of the Contract

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
24	Project management	Submit all project management plans and associated documents listed in Section A.14 through A.15. Produce all deliverables and meet each milestone for which the Project Management Office (PMO) is responsible inclusive of project management, project management reporting, risk management plans, resource management plans, communication management plans, and status reporting.		A maximum of two thousand dollars ($2000.00) for each instance where the Contractor fails to submit a project management document. A maximum of one thousand dollars ($1000.00) for each day for each milestone/deliverable established in the Contractor's approved project plan that the Contractor fails to meet. Rescheduling of a milestone/deliverable does not stop the accumulation of liquidated damages from the time of the original missed due date.
25	HIPAA/HITECH, Privacy/Security	Failure to comply with HIPAA and HITECH Rules resulting in an unauthorized disclosure of PHI as described in Section E. and Attachment D.		Up to fifty thousand dollars ($50,000.00) per incident.
26	HIPAA/HITECH, Privacy/Security	Failure to have adequate Privacy and Security Safeguards and Policies as described in Section E and		Up to twenty-five thousand dollars ($25,000.00) or Five hundred dollars ($500.00) per recipient per occurrence, AND If

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
		Attachment D.		the State deems credit monitoring and/or identity theft safeguards are needed to protect those State recipients whose PHI was placed at risk by CONTRACTOR's failure to comply with the terms of this Agreement, the CONTRACTOR shall be liable for all costs associated with the provision of such safeguard services.
27	HIPAA/HITECH, Privacy/Security	Failure to timely report violations in use and Disclosure of PHI as described in Section E and Attachment D.		Five hundred dollars ($500.00) per day that the reporting was not conducted according to time requirements.
28	HIPAA/HITECH, Privacy/Security	Failure to timely report Privacy/Security incidents as described in Section E. and Attachment D.		Five hundred dollars ($500.00) per day that the reporting was not conducted according to time requirements.
29	HIPAA/HITECH, Privacy/Security	Failure to seek express written approval from the State, including the execution of the appropriate agreements to effectuate transfer and exchange of State recipient PHI or State confidential information including, but not limited to, a data		Five hundred dollars ($500.00) per recipient per occurrence.

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
		use agreement, trading partner agreement, business associate agreement or qualified protective order prior to the use or disclosure of PHI to a third party for any purpose other than the purpose of this Agreement. (See ancillary Business Associate Agreement executed between the parties) as described in Section E and Attachment D.		
30	HIPAA/HITECH, Privacy/Security	Failure by the Contractor to prevent the use or disclosure of State recipient data or State confidential data in any form via any medium with any third party beyond the boundaries and jurisdiction of the United States (See ancillary Business Associate Agreement executed between the parties) as described in Section E and Attachment D.		One thousand dollars ($1,000.00) per recipient per occurrence.
31	Medicaid/CHIP Safeguards	Knowing and willful disclosure of PII in violation of Section E.		One thousand dollars ($1,000.00) per person or entity, per use or disclosure.

Item	Topic	Performance Standard	Measurement	Liquidated Damage Amount
32	SSA	Failure to secure PII as described in Section E		$500 per recipient, per occurrence.
33	FTI	Failure to secure FTI pursuant to Contract A.6.f.		$500 per recipient, per occurrence.

Key Business Processes

Note: There are some significant differences in the processes listed in the table below between a current(pre-TEDS) model and a TEDS-implemented model. Under Contract Section A.4.f., the Contractor may need to operate in the "pre-TEDS" environment for a short period. However, the common/key Business Processes for all of these are:

1. **CRM Documentation**: Documentation of every call answered in the CRM and of every document received in the DMS with a CRM contact record and DMS link.

2. **Call and Document Types:** Accurate documentation of call reasons/types and document types in the CRM.

3. **Workflow to State:** Accurate and timely delivery to the correct State entities of all work resulting from calls, fax, and mail. METHOD OF DELIVERY is critical.

4. **Workflow to TEDS, InterChange, and TEAMS systems:** Accurate and timely entry in TEDS, InterChange, and TEAMS of all work resulting from calls, fax, and mail.

5. **Reconciliation:** Systematic reconciliation that ensures:
   a) Every call and document is documented in the CRM, and the DMS as appropriate.
   b) Work for the State resulting from every call and document is actually sent to the State.
   c) Work to be performed in TEDS, InterChange, and TEAMS resulting from every call and document is accounted for.

	Processes	Prior to TEDS/TEAMS Implementation	Post-Implementation of TEDS/TEAMS	Change in Process?
Inbound Calls				
1.	Applications/ redeterminations for TennCare/CoverKids	Document in CRM and refer to the FFM, or mail a paper application.	Document in CRM and key application into TEDS while on the phone call.	YES
2.	Applications/ redeterminations for LTSS/MSP/Hospice	Document in CRM and refer to AAAD or MCO, or mail a paper application.	Document in CRM, complete an electronic LTSS/MSP/Hospice application form and send to State staff.	YES
3.	Inquiries about Applications/ redeterminations	Document in CRM, refer to the FFM, or request a call back from State staff.	Document in CRM and research in TEDS to provide information.	YES
4.	Reporting Case Changes	Document in CRM and send to State staff.	Document in CRM and make case change in TEDS.	YES
5.	Requests to add deemed newborns	Document in CRM and send to State staff.	Document in CRM and add newborn in TEDS.	YES
6.	Requests to file Eligibility Appeals	Document in CRM, complete an electronic Eligibility Appeal form and send to State appeals staff.	Document in CRM and complete an electronic Eligibility Appeal form and either 1) drag and drop into TEAMS or 2) manually key case in TEAMS and drag and drop appeal form into	YES

	Processes	Prior to TEDS/TEAMS Implementation	Post-Implementation of TEDS/TEAMS	Change in Process?
			case in TEAMS.	
7.	Inquiries about Eligibility Appeals	Document in CRM and dependent on type of inquiry, perform a warm transfer of caller to State Appeals staff, and complete an electronic Appeal Call Record form and send to State appeals staff	Document in CRM and dependent on type of inquiry, perform a warm transfer of caller to State Appeals staff, and complete an electronic Appeal Call Record form and send to State appeals staff.	NO
8.	Inquiries about the TennCare, CoverKids, CHOICES, MSP programs	Document in CRM and provide information or refer to appropriate agency/entity.	Document in CRM and provide information or refer to appropriate agency/entity.	NO
9.	Requests for program termination	Document in CRM and complete an electronic Termination Request form and send to State staff.	Document in CRM and complete an electronic Termination Request form and send to State staff.	NO
10.	Requests for creditable coverage notices	Document in CRM and complete the request for creditable coverage notice in InterChange.	Document in CRM and complete the request for creditable coverage notice in InterChange.	NO
11.	Requests for duplicate QMB cards	Document in CRM and complete the request for QMB card in InterChange.	Document in CRM and complete the request for QMB card in InterChange.	NO
12.	Requests for paper applications/redetermina tions for TennCare/CoverKids	Document in CRM and mail paper application.	Document in CRM and mail paper application.	NO
13.	Requests for paper applications/ redeterminations for LTSS/MSP/Hospice	Document in CRM and mail paper application.	Document in CRM and mail paper application.	NO
Document Intake Processing				
14.	Applications/redetermina tions for TennCare/CoverKids	Document in DMS/CRM and send electronically to State staff.	Document in DMS/CRM and key into TEDS.	YES
15.	Applications/redetermina tions for LTSS/MSP/Hospice	Document in DMS/CRM and send electronically to State staff.	Complete an electronic LTSS application, document activity in CRM/DMS, register a case into TEDS, and upload the LTSS app into TEDS.	NO
16.	Reporting Case Changes	Document in DMS/CRM and send electronically to State staff.	Document in DMS/CRM and make case change in TEDS.	YES
17.	Verifications	Document in DMS/CRM and send electronically to State staff.	Document in DMS/CRM, locate case in TEDS, upload verifications to TEDS	YES

	Processes	Prior to TEDS/TEAMS Implementation	Post-Implementation of TEDS/TEAMS	Change in Process?
18.	Item D documents	Document in DMS/CRM and send electronically to State staff.	Document in DMS/CRM, locate case in TEDS, upload Item D document to TEDS	YES
19.	Eligibility Appeals	Document in DMS/CRM and send electronically to State Appeals staff.	Document in DMS/CRM and either 1) drag and drop document into TEAMS or 2) manually key case in TEAMS and drag and drop document into case in TEAMS.	YES
20.	Eligibility Appeal-related documents	Document in DMS/CRM and send electronically to State Appeals staff.	Document in DMS/CRM and send electronically to State appeals staff.	NO
21.	Requests for program termination	Document in DMS/CRM and send electronically to State staff.	Document in DMS/CRM and send electronically to State staff.	NO
22.	Requests for creditable coverage notices	Document in DMS/CRM and complete the request for creditable coverage notice in InterChange.	Document in DMS/CRM and complete the request for creditable coverage notice in InterChange.	NO
23.	Requests for duplicate QMB cards	Document in DMS/CRM and complete the request for QMB card in InterChange.	Document in DMS/CRM and complete the request for QMB card in InterChange.	NO
24.	Requests to add deemed newborns	Document in DMS/CRM and send electronically to State staff.	Document in DMS/CRM with demographics and add newborn in TEDS.	YES
25.	Returned mail and forwarding address changes, and Change of Address cards received from the United States Postal Service	Document (front of envelope only) in DMS/CRM and courier hard copy of returned mail and Change of Address cards to the TennCare mailroom at 310 Great Circle.	Document (front of envelope and card only) in DMS/CRM and make address change in TEDS as appropriate (and in TEAMS if the returned mail relates to an appeal).	YES

CENTRAL PROCUREMENT OFFICE

Reporting Requirements

Report #	Report Name	Report Description	Frequency
RPT-01	Cumulative Incoming Call Performance Report	A report of the following three (3) components in in two-hour increments that rolls into daily, weekly, day-of-week, and monthly totals. (1) ACD statistics for total incoming call performance and for each queue: • Number of calls received • Number of calls answered • Number of calls abandoned (breakdown of number of calls abandoned in 0 – 30 seconds and number of calls abandoned in 31 seconds or more) • Total Abandonment rate • Abandonment Rate, excluding calls abandoned before thirty (30) seconds) • Maximum speed of answer (breakdown of number of calls answered within 300 seconds, number of calls answered within 301 seconds – 600 seconds, and number of calls answered in 601 seconds or more). • Average seconds to answer • Average talk time • Number of MRs available (2) CRM statistics • Numbers of documented incoming calls by primary call type (3) IVR statistics • Number of incoming calls handled by the IVR • Number of incoming calls transferred by the IVR to other organizations or systems	Daily unless otherwise directed by the State
RPT-02	Cumulative Document Management Report	A report of the following three (3) components in a daily breakdown that rolls into weekly and monthly totals. (1) Incoming Mail • Number and types of mail items received • Number and types of mail items scanned into DMS • Number and types of mail items assigned in queue (2) Incoming Fax • Number and types of fax items received • Number and types of fax items scanned into DMS	Daily

Report #	Report Name	Report Description	Frequency
		• Number and types of fax items assigned in queue •	
RPT-03	Contractor's Quality Assurance Report	A report of the following two (2) components in a monthly breakdown, including a summary of goals for the next month, and progress toward achieving goals established in the previous month. (1) <u>Call Processing Transaction Audit</u> • Total number of calls received for the designated time period • Total number of calls monitored for the designated time period • Sampling percentage • List of calls and processing records evaluated by MR, call type, score, and comments (2) <u>Document Processing Transaction Audit</u> • Total number of documents (mail and fax) received for the designated time period • Total number of documents audited for the designated time period • Sampling percentage • List of documents and processing records evaluated by MR, document type, score, and comments	Monthly
RPT -04	Training Report	A report of examination results for each new hire.	Each instance
RPT-05	Incident Report	A report of each operational issue that impacts Performance Expectations, a root cause analysis and any corrective action taken to prevent future incidents.	Each instance
RPT-06	Nondiscrimination Compliance Plan Report	The State shall provide the Contractor with a Nondiscrimination Compliance Plan Template. The Contractor shall answer the questions contained in the Compliance Plan Template and submit the completed Compliance Plan to the State within ninety (90) days of the end of the calendar year with any requested documentation. The Nondiscrimination Compliance Template shall include, but is not limited to requests for racial and ethnic data demonstrating the extent of applicants and members served by the Contractor and data that lists oral interpretation and TRS services provided to LEP applicants and members and individuals with disabilities. The Nondiscrimination Compliance Plan shall include, an attached Assurance of Nondiscrimination. The signature date of the Contractor's Nondiscrimination Compliance Plan shall be the same as the signature date of the Contractor's Assurance of Nondiscrimination. The Nondiscrimination Compliance Plan deliverables shall be in a format specified during the implementation phase and approved by the State.	Annually

Report #	Report Name	Report Description	Frequency
RPT-07	Privacy/Security Incident Report	The Contractor shall submit a Privacy/Security Incident Report. This report shall be provided at least annually, but the Contractor shall provide the report more frequently if requested by the State. "Port scans" or other unsuccessful queries to the Contractor's information system shall not be considered a privacy/security incident for purposes of this report	Annually

Security Levels, Roles, and Functions

	ROLES		
	Level 1 (Contractor): Service Center Member Representative (MR)	**Level 2 (Contractor): Service Center Senior Member Representative (SMR)**	**Level 3 (State): State Eligibility Specialist**
FUNCTIONS	• Inbound call handling • Application intake • Basic client questions • Document intake/scanning • Appeal intake using scripts • Maintain issue logs • Document upload to TEDS • Warm/cold call transfers • Process returned mail • Assign cases to the caseload pool for auto assignment to Level 2 staff • Accept and record case changes in TEDS • Triage call types and escalate when appropriate	• Inbound/Outbound calls • Processing/entry of verification documents • Completion of non-automated MAGI case processing • Outreach and applicant follow up • Data entry to drive/trigger TEDS generated verification requests • Apply case changes resulting from verification received • Applicant/member issue resolution tracking • "Wrap up" work following calls • Completion of moderately complex applications • Taking needed case action(s) indicated by alerts generated by TEDS or by Level 1 staff. • Triage for Level 3 unit level auto assignment	• Mostly outbound calls • Non-MAGI case processing • Eligibility related case management activities for aged, blind, disabled population • Finalize non-MAGI eligibility determination • Policy decisions • Manage and process cases contained in a confidential caseload • Complete processing for complex Medicaid Waiver cases • Stakeholder interfacing - Taking needed case action(s) indicated by alerts generated by TEDS or by Level 1&2 staff.