

TO: The Honorable Ken Yager, Chairman
Krista Lee, Executive Director
Fiscal Review Committee Members

FROM: John M. Webb, Deputy Commissioner 
Department of Intellectual and Developmental Disabilities (DIDD)

DATE: May 11, 2017

SUBJECT: Morning Sun Financial Services of Tennessee, LLC

The Department of Intellectual and Developmental Disabilities (DIDD) requests approval of an amendment adding \$557,654.00 to the maximum liability of a contract with Morning Sun Financial Services of Tennessee, LLC. This contracted service provides financial administration and brokerage support services for individuals participating in the self-determination waiver.

The original contract and proposed contract amendment are enclosed along with a completed "Supplemental Documentation Required for Fiscal Review Committee" form and a letter from Commissioner Payne requesting an exception to the rule for a contract being rolled one Fiscal Review Committee meeting for allowing less than 60 days of review prior to the public hearing.

JMW:oj

Enclosures



STATE OF TENNESSEE
Department of Intellectual and Developmental Disabilities
Citizens Plaza, 10th Floor
400 Deaderick Street
NASHVILLE, TN 37243-0675

TO: The Honorable Senator Ken Yager, Chairman
The Honorable Representative Mark White, Vice Chairman
Krista Lee, Executive Director
Fiscal Review Committee Members

FROM: Debra K. Payne, Commissioner, DIDD *DKP*

DATE: May 11, 2017

SUBJECT: Morning Sun Financial Services of Tennessee, LLC

The Department of Intellectual and Developmental Disabilities (DIDD) requests an exception to the rule requiring that a contract hearing be rolled one Fiscal Review Committee meeting due to the department allowing less than 60 days of review prior to the public hearing.

In the original contract submission, the department miscalculated the annual estimated costs per individual for contracted services. This miscalculation caused the department to exhaust the current maximum funding availability associated with this contract. In addition, personnel changes and shifting staff responsibilities created inefficiencies in monitoring the available funding for the contract. These inefficiencies ultimately resulted in a delay in submitting a contract maximum liability increase amendment for Fiscal Review Committee approval. Due to the importance of these services for individuals participating in the self-determination waiver, DIDD continues to process payments to the vendor while an increased maximum liability amendment is approved. The department sincerely apologizes for this breach in protocol and delayed amendment submission.

The department has implemented measures to reduce the risk of similar situations occurring in the future. Primarily, the department will utilize automated notification systems to alert fiscal, administrative, and program staff when contract funding falls below designated thresholds. This notification will allow staff ample time to review existing contract funding and take appropriate steps to ensure compliance with existing policies and procedures. The request to increase contract funding requirements can be accomplished within existing budgetary resources with no impact to departmental reversion targets.

I look forward to discussing this issue with you further during our June public hearing.

DKP:jmw

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	John Webb	*Contact Phone:	615-253-6710		
*Presenter's name(s):	Debra K. Payne, Commissioner, John Webb, Deputy Commissioner				
Edison Contract Number: <i>(if applicable)</i>	33878	RFS Number: <i>(if applicable)</i>	N/A		
*Original or Proposed Contract Begin Date:	09/01/2012	*Current or Proposed End Date:	08/31/2017		
Current Request Amendment Number: <i>(if applicable)</i>	4				
Proposed Amendment Effective Date: <i>(if applicable)</i>	N/A				
*Department Submitting:	Department of Intellectual and Developmental Disabilities				
*Division:	Administration				
*Date Submitted:	5/11/17				
*Submitted Within Sixty (60) days:	No				
<i>If not, explain:</i>	Management of this contract transitioned to a different unit within the department in the late fall. This transition along with personnel changes within the department's fiscal and admin services unit resulted in this late submission. To prevent this from occurring in the future, the department has established new protocols utilizing features within Edison that will alert contract monitors and key fiscal and administrative staff when contract expenditures exceed an established threshold.				
*Contract Vendor Name:	Morning Sun Financial Services of Tennessee, LLC				
*Current or Proposed Maximum Liability:	\$ 4,557,654.00				
*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:2013	FY:2014	FY:2015	FY:2016	FY2017	FY2018
\$633,080	\$776,660	\$796,660	\$816,660	\$836,660	\$140,280
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY:2013	FY:2014	FY:2015	FY:2016	FY2017	FY2018

Supplemental Documentation Required for
Fiscal Review Committee

\$422,612	\$853,236	\$877,732	\$999,994	\$1,207,688	\$196,392
<p>IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:</p>			<p>The allocated funds for FY2013 represented ten months of payments; however, actual payments to Morning Sun were for only seven months of services. Additionally, the department over estimated the total number of people that would be served under this contract.</p> <p>In FY2013, the department under spent its total budget authority and reverted surplus state funds to the general fund.</p>		
<p>IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:</p>			<p>N/A</p>		
<p>IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:</p>			<p>Contract expenditures exceeded or will exceed the original contract allocation in FY2014, FY2015, FY2016, FY2017 and FY2018 due to an error in estimating the annual cost per individual. This error is partially offset by an over estimate in the total number of people served.</p> <p>In FY2014, FY2015 and FY2016 total expenditures in other DIDD programs were less than budget and these surplus funds were used to cover the contract overages. DIDD is projecting under expenditures in other programs will cover the FY2017 contract funding shortage as well as the slight funding shortage in FY2018.</p>		
*Contract Funding Source/Amount:					
State:			Federal:		
<i>Interdepartmental:</i>	\$ 4,557,654.00		<i>Other:</i>		
If “ <i>other</i> ” please define:					
If “ <i>interdepartmental</i> ” please define:			TennCare Waiver Administration		
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>			Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		

Supplemental Documentation Required for
Fiscal Review Committee

Amendment 1	06/13/2012	Replaced RFP Cost Proposal & Scoring Guide
Amendment 2	06/03/2012	Updates RFP Schedule of Event dates
Amendment 3	09/23/2016	Name change from Morning Star to Morning Sun
Method of Original Award: <i>(if applicable)</i>		RFP
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		The projected cost was \$4,000,000. This was determined based on the number of people served per year times the estimated average cost per person.
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		N/A

1. 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.

The CPO can confirm that there have been no vendor complaints against Morning Star/Morning Sun in Edison. Also, attached is the RFP proposal 34401-00365 that was submitted in 2012, in which Morning Sun states in B.9 there is no material pending litigation against Morning Star/Morning Sun that could adversely affect their ability to meet contract requirements pursuant to this RFP or to have a material adverse effect on their financial condition.

2. 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.

The Department of Intellectual and Developmental Disabilities has consulted with the Central Procurement Office concerning any complaints, disciplinary actions, or other indictments or judgements. The department also contacted Morning Sun Financial Services of Tennessee, LLC and received the following response:

We have had no disciplinary actions nor has there been any fraud associated with our company and the performance of administrating self-directed services.

Department of Intellectual and Developmental Disabilities
Morning Sun Contract 33878- Financial Administration and Supports Brokerage
Payments Fiscal Year 2013 through March 2017 Closing

GL Unit	Journal ID	Vendor ID	Vendor Name	PO No.	Invoice ID	Invoice Date	Voucher ID	Fund	Dept	Program	Location CF	User Code	Account	Descr	Fiscal Year	Acct Period	Acctg Date	Monetary Amount
34401	AP01201570	0000156235	Morning Sun Financial Services of TN LLC	0000012855	October 2012	11/21/2012	00042988	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	6	12/11/2012	20,332.00
34401	AP01201570	0000156235	Morning Sun Financial Services of TN LLC	0000012855	October 2012	11/21/2012	00042988	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	6	12/11/2012	39,300.00
34401	AP01219431	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000005	12/18/2012	00044073	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	7	1/8/2013	20,488.00
34401	AP01219431	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000006	12/18/2012	00044074	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	7	1/8/2013	39,300.00
34401	AP01225931	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000008	1/13/2013	00044665	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	7	1/22/2013	39,400.00
34401	AP01225931	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000009	1/13/2013	00044666	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	7	1/22/2013	20,540.00
34401	AP01255274	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000022	2/15/2013	00046126	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	8	2/21/2013	39,800.00
34401	AP01255274	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000021	2/15/2013	00046127	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	8	2/21/2013	20,696.00
34401	AP01284144	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000016	3/13/2013	00047643	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	9	3/26/2013	20,748.00
34401	AP01284144	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000017	3/13/2013	00047644	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	9	3/26/2013	39,900.00
34401	AP01304272	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000024	4/12/2013	00048995	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	10	4/18/2013	20,696.00
34401	AP01304272	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000025	4/12/2013	00048996	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	10	4/18/2013	39,700.00
34401	AP01326745	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000032	5/12/2013	00050408	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	11	5/15/2013	40,600.00
34401	AP01326745	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000031	5/12/2013	00050409	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2013	11	5/15/2013	21,112.00
Total FY2013																		422,612.00

GL Unit	Journal ID	Vendor ID	Vendor Name	PO No.	Invoice ID	Invoice Date	Voucher ID	Fund	Dept	Program	Location CF	User Code	Account	Descr	Fiscal Year	Acct Period	Acctg Date	Monetary Amount
34401	AP01394838	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000042	6/13/2013	00054180	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	1	7/31/2013	21,476.00
34401	AP01394838	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000043	7/12/2013	00054181	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	1	7/31/2013	41,300.00
34401	AP01400427	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000037	6/13/2013	00054364	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	2	8/5/2013	21,320.00
34401	AP01400427	0000156235	Morning Sun Financial Services of TN LLC	0000012855	000038	6/13/2013	00054365	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	2	8/5/2013	41,000.00
34401	AP01415837	0000156235	Morning Sun Financial Services of TN LLC	0000018061	000045	8/15/2013	00055270	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	2	8/19/2013	41,700.00
34401	AP01415837	0000156235	Morning Sun Financial Services of TN LLC	0000018060	000044	8/15/2013	00055271	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	2	8/19/2013	21,684.00
34401	AP01440195	0000156235	Morning Sun Financial Services of TN LLC	0000018875	000047	9/16/2013	00056722	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	3	9/20/2013	21,788.00
34401	AP01440195	0000156235	Morning Sun Financial Services of TN LLC	0000018876	000048	9/16/2013	00056723	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	3	9/20/2013	41,900.00
34401	AP01461256	0000156235	Morning Sun Financial Services of TN LLC	0000019416	000049	10/8/2013	00058259	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	4	10/16/2013	21,892.00
34401	AP01461256	0000156235	Morning Sun Financial Services of TN LLC	0000019417	000050	10/8/2013	00058260	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	4	10/16/2013	42,100.00
34401	AP01499530	0000156235	Morning Sun Financial Services of TN LLC	0000020443	#000051	11/13/2013	00060251	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	5	11/26/2013	22,896.00
34401	AP01499530	0000156235	Morning Sun Financial Services of TN LLC	0000020444	#000052	11/13/2013	00060252	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	5	11/26/2013	43,248.00
34401	AP01533093	0000156235	Morning Sun Financial Services of TN LLC	0000021408	#000060	12/12/2013	00062174	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	7	1/10/2014	43,044.00
34401	AP01533093	0000156235	Morning Sun Financial Services of TN LLC	0000021409	#000062	12/12/2013	00062175	11000	3440200001	344134	19049	103408	70803000	Financial Administration and S	2014	7	1/10/2014	22,788.00
34401	AP01535682	0000156235	Morning Sun Financial Services of TN LLC	0000021535	#000071	1/14/2014	00062679	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	7	1/16/2014	43,044.00
34401	AP01535682	0000156235	Morning Sun Financial Services of TN LLC	0000021536	#000072	1/14/2014	00062680	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	7	1/16/2014	22,788.00
34401	AP01555413	0000156235	Morning Sun Financial Services of TN LLC	0000022207	#000086	1/14/2014	00063780	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	8	2/10/2014	23,058.00
34401	AP01555413	0000156235	Morning Sun Financial Services of TN LLC	0000022207	#000087	2/7/2014	00063781	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	8	2/10/2014	43,554.00
34401	AP01582224	0000156235	Morning Sun Financial Services of TN LLC	0000023552	90	3/12/2014	00065865	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	9	3/13/2014	23,220.00
34401	AP01582224	0000156235	Morning Sun Financial Services of TN LLC	0000023051	#000091	3/12/2014	00065866	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	9	3/13/2014	43,860.00
34401	AP01612187	0000156235	Morning Sun Financial Services of TN LLC	0000023616	#000095	4/16/2014	00067568	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	10	4/22/2014	43,962.00
34401	AP01612187	0000156235	Morning Sun Financial Services of TN LLC	0000023615	96	4/17/2014	00067570	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	10	4/22/2014	23,274.00
34401	AP01633324	0000156235	Morning Sun Financial Services of TN LLC	0000024181	#000100	5/13/2014	00068661	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	11	5/14/2014	44,370.00
34401	AP01633324	0000156235	Morning Sun Financial Services of TN LLC	0000024180	101	5/13/2014	00068662	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	11	5/14/2014	23,490.00
34401	AP01662244	0000156235	Morning Sun Financial Services of TN LLC	0000024949	#000105	6/13/2014	00070675	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	12	6/17/2014	44,982.00
34401	AP01662245	0000156235	Morning Sun Financial Services of TN LLC	0000024948	106	6/13/2014	00070735	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	12	6/18/2014	23,814.00
34401	AP01675122	0000156235	Morning Sun Financial Services of TN LLC	0000025297	#000049 Revised	6/27/2014	00071926	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	12	6/30/2014	842.00
34401	AP01675122	0000156235	Morning Sun Financial Services of TN LLC	0000025298	#000050 Revised	6/27/2014	00071927	11000	3440200001	344134	19049	103408	70899000	Financial Administration and S	2014	12	6/30/2014	842.00
Total FY2014																		853,236.00

GL Unit	Journal ID	Vendor ID	Vendor Name	PO No.	Invoice ID	Invoice Date	Voucher ID	Fund	Dept	Program	Location CF	User Code	Account	Descr	Fiscal Year	Acct Period	Acctg Date	Monetary Amount
34401	AP01697020	0000156235	Morning Sun Financial Services of TN LLC	0000025577	110	7/14/2014	00072565	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	1	7/16/2014	23,976.00
34401	AP01697020	0000156235	Morning Sun Financial Services of TN LLC	0000025576	#000111	7/14/2014	00072566	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	1	7/16/2014	45,288.00

Department of Intellectual and Developmental Disabilities
Morning Sun Contract 33878- Financial Administration and Supports Brokerage
Payments Fiscal Year 2013 through March 2017 Closing

34401	AP01723065	0000156235	Morning Sun Financial Services of TN LLC	0000026314	120	8/14/2014	00073745	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	2	8/19/2014	24,030.00
34401	AP01737117	0000156235	Morning Sun Financial Services of TN LLC	0000026321	#000119	8/11/2014	00074589	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	3	9/8/2014	45,390.00
34401	AP01758629	0000156235	Morning Sun Financial Services of TN LLC	0000026919	122	8/14/2014	00075892	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	3	9/24/2014	24,408.00
34401	AP01758629	0000156235	Morning Sun Financial Services of TN LLC	0000026922	121	9/6/2014	00075893	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	3	9/24/2014	46,104.00
34401	AP01775355	0000156235	Morning Sun Financial Services of TN LLC	0000027579	128	10/10/2014	00077622	11000	3440200001	500000	19049	103408	70899000	Contract # 33878 - Financial A	2015	4	10/21/2014	25,312.00
34401	AP01775355	0000156235	Morning Sun Financial Services of TN LLC	0000027576	127	9/6/2014	00077625	11000	3440200001	500000	19049	103408	70899000	Contract # 33878 - Financial A	2015	4	10/21/2014	47,008.00
34401	AP01796516	0000156235	Morning Sun Financial Services of TN LLC	0000028283	130	11/11/2014	00079116	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	5	11/19/2014	25,480.00
34401	AP01796516	0000156235	Morning Sun Financial Services of TN LLC	0000028282	131	11/11/2014	00079117	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	5	11/19/2014	47,320.00
34401	AP01832112	0000156235	Morning Sun Financial Services of TN LLC	0000028862	136	12/11/2014	00080747	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	6	12/19/2014	47,528.00
34401	AP01832112	0000156235	Morning Sun Financial Services of TN LLC	0000028860	135	12/11/2014	00080748	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	6	12/19/2014	25,592.00
34401	AP01845779	0000156235	Morning Sun Financial Services of TN LLC	0000029278	000139	1/12/2015	00081916	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	7	1/15/2015	25,872.00
34401	AP01845779	0000156235	Morning Sun Financial Services of TN LLC	0000029280	000140	1/12/2015	00081917	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	7	1/15/2015	48,048.00
34401	AP01871314	0000156235	Morning Sun Financial Services of TN LLC	0000029800	000147	2/10/2015	00083273	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	8	2/23/2015	25,928.00
34401	AP01871314	0000156235	Morning Sun Financial Services of TN LLC	0000029799	148	2/10/2015	00083275	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	8	2/23/2015	48,152.00
34401	AP01917820	0000156235	Morning Sun Financial Services of TN LLC	0000031006	000164	4/13/2015	00086560	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	10	4/17/2015	26,376.00
34401	AP01917820	0000156235	Morning Sun Financial Services of TN LLC	0000031004	163	4/13/2015	00086561	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	10	4/17/2015	48,984.00
34401	AP01944627	0000156235	Morning Sun Financial Services of TN LLC	0000031711	000156	3/11/2015	00088371	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	11	5/20/2015	26,040.00
34401	AP01944627	0000156235	Morning Sun Financial Services of TN LLC	0000031717	171	5/15/2015	00088372	11000	3440200001	500000	19049	103408	70899000	33878 - Financial Administrati	2015	11	5/20/2015	49,296.00
34401	AP01944627	0000156235	Morning Sun Financial Services of TN LLC	0000031718	170	5/15/2015	00088373	11000	3440200001	500000	19049	103408	70899000	33878 - Financial Administrati	2015	11	5/20/2015	26,600.00
34401	AP01949230	0000156235	Morning Sun Financial Services of TN LLC	0000031710	155	3/11/2015	00088370	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	11	5/20/2015	48,360.00
34401	AP01971959	0000156235	Morning Sun Financial Services of TN LLC	0000032438	175	6/15/2015	00090484	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	12	6/22/2015	49,816.00
34401	AP01971959	0000156235	Morning Sun Financial Services of TN LLC	0000032437	174	6/15/2015	00090486	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2015	12	6/22/2015	26,824.00
Total FY2015																		877,732.00

GL Unit	Journal ID	Vendor ID	Vendor Name	PO No.	Invoice ID	Invoice Date	Voucher ID	Fund	Dept	Program	Location CF	User Code	Account	Descr	Fiscal Year	Acct Period	Acctg Date	Monetary Amount
34401	AP01992480	0000156235	Morning Sun Financial Services of TN LLC	0000032936	185	7/9/2015	00091709	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	1	7/17/2015	50,128.00
34401	AP02002449	0000156235	Morning Sun Financial Services of TN LLC	0000032935	184	6/30/2015	00091707	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	1	7/17/2015	26,992.00
34401	AP02021520	0000156235	Morning Sun Financial Services of TN LLC	0000033676	#192	8/11/2015	00093149	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	2	8/17/2015	27,328.00
34401	AP02043133	0000156235	Morning Sun Financial Services of TN LLC	0000033675	191	8/11/2015	00094274	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	3	9/8/2015	50,648.00
34401	AP02045372	0000156235	Morning Sun Financial Services of TN LLC	0000034323	205	9/10/2015	00094674	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	3	9/16/2015	52,208.00
34401	AP02045372	0000156235	Morning Sun Financial Services of TN LLC	0000034322	#204	9/10/2015	00094675	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	3	9/16/2015	28,112.00
34401	AP02070317	0000156235	Morning Sun Financial Services of TN LLC	0000035035	#206	10/8/2015	00096159	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	4	10/13/2015	29,638.00
34401	AP02070317	0000156235	Morning Sun Financial Services of TN LLC	0000035036	207	10/8/2015	00096160	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	4	10/13/2015	53,954.00
34401	AP02098875	0000156235	Morning Sun Financial Services of TN LLC	0000035624	#219	11/5/2015	00097664	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	5	11/18/2015	29,696.00
34401	AP02098875	0000156235	Morning Sun Financial Services of TN LLC	0000035623	218	11/5/2015	00097670	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	5	11/18/2015	54,272.00
34401	AP02124578	0000156235	Morning Sun Financial Services of TN LLC	0000036230	#229	12/8/2015	00099152	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	6	12/17/2015	29,870.00
34401	AP02124578	0000156235	Morning Sun Financial Services of TN LLC	0000036231	230	12/8/2015	00099153	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	6	12/17/2015	54,590.00
34401	AP02153922	0000156235	Morning Sun Financial Services of TN LLC	0000037039	#231	1/7/2016	00100975	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	7	1/28/2016	29,870.00
34401	AP02153922	0000156235	Morning Sun Financial Services of TN LLC	0000037041	232	1/7/2016	00100977	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	7	1/28/2016	54,484.00
34401	AP02165376	0000156235	Morning Sun Financial Services of TN LLC	0000037367	233	2/8/2016	00101854	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	8	2/16/2016	54,696.00
34401	AP02165376	0000156235	Morning Sun Financial Services of TN LLC	0000037365	#234	2/8/2016	00101855	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	8	2/16/2016	29,928.00
34401	AP02197750	0000156235	Morning Sun Financial Services of TN LLC	0000038063	247	3/8/2016	00103268	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	9	3/11/2016	55,014.00
34401	AP02197750	0000156235	Morning Sun Financial Services of TN LLC	0000038064	246	3/8/2016	00103269	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	9	3/11/2016	30,102.00
34401	AP02213626	0000156235	Morning Sun Financial Services of TN LLC	0000038698	255	4/7/2016	00104840	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	10	4/12/2016	55,332.00
34401	AP02218401	0000156235	Morning Sun Financial Services of TN LLC	0000038697	256	4/7/2016	00104834	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	10	4/18/2016	30,276.00
34401	AP02251714	0000156235	Morning Sun Financial Services of TN LLC	0000039510	268	5/5/2016	00107058	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	11	5/31/2016	30,450.00
34401	AP02251714	0000156235	Morning Sun Financial Services of TN LLC	0000039512	269	5/5/2016	00107059	11000	3440200001	500000	19049	103408	70899000	Financial Administration and S	2016	11	5/31/2016	55,650.00
34401	AP02270689	0000156235	Morning Sun Financial Services of TN LLC	0000039940	278	6/7/2016	00108386	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	12	6/21/2016	56,074.00
34401	AP02270689	0000156235	Morning Sun Financial Services of TN LLC	0000039928	277	6/7/2016	00108390	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2016	12	6/21/2016	30,682.00
Total FY2016																		999,994.00

GL Unit	Journal ID	Vendor ID	Vendor Name	PO No.	Invoice ID	Invoice Date	Voucher ID	Fund	Dept	Program	Location CF	User Code	Account	Descr	Fiscal Year	Acct Period	Acctg Date	Monetary Amount
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Department of Intellectual and Developmental Disabilities
Morning Sun Contract 33878- Financial Administration and Supports Brokerage
Payments Fiscal Year 2013 through March 2017 Closing

34401	AP02301770	0000156235	Morning Sun Financial Services of TN LLC	0000040521	280	7/8/2016	00109961	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	1	7/27/2016	56,710.00
34401	AP02301770	0000156235	Morning Sun Financial Services of TN LLC	0000040521	279	7/8/2016	00109962	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	1	7/27/2016	31,030.00
34401	AP02321374	0000156235	Morning Sun Financial Services of TN LLC	0000041047	290	8/17/2016	00111072	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	2	8/19/2016	31,146.00
34401	AP02321374	0000156235	Morning Sun Financial Services of TN LLC	0000041047	289	8/17/2016	00111074	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	2	8/19/2016	56,922.00
34401	AP02351417	0000156235	Morning Sun Financial Services of TN LLC	0000041983	299	9/9/2016	00112929	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	3	9/20/2016	31,320.00
34401	AP02351417	0000156235	Morning Sun Financial Services of TN LLC	0000041983	298	9/9/2016	00112931	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	3	9/20/2016	57,240.00
34401	AP02379648	0000156235	Morning Sun Financial Services of TN LLC	0000042448	316	10/5/2016	00114909	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	4	10/26/2016	32,700.00
34401	AP02379648	0000156235	Morning Sun Financial Services of TN LLC	0000042448	317	10/5/2016	00114910	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	4	10/26/2016	58,860.00
34401	AP02395045	0000156235	Morning Sun Financial Services of TN LLC	0000043016	318	11/8/2016	00115512	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	5	11/14/2016	33,000.00
34401	AP02395045	0000156235	Morning Sun Financial Services of TN LLC	0000043016	319	11/8/2016	00115513	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	5	11/14/2016	59,400.00
34401	AP02435086	0000156235	Morning Sun Financial Services of TN LLC	0000043677	335	12/9/2016	00118074	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	7	1/4/2017	33,480.00
34401	AP02435086	0000156235	Morning Sun Financial Services of TN LLC	0000043677	336	12/9/2016	00118076	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	7	1/4/2017	60,264.00
34401	AP02453337	0000156235	Morning Sun Financial Services of TN LLC	0000044225	338	1/10/2017	00119354	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	7	1/27/2017	33,600.00
34401	AP02454476	0000156235	Morning Sun Financial Services of TN LLC	0000044225	339	1/10/2017	00119355	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	7	1/27/2017	60,480.00
34401	AP02476262	0000156235	Morning Sun Financial Services of TN LLC	0000044660	348	2/7/2017	00120337	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	8	2/16/2017	33,720.00
34401	AP02476262	0000156235	Morning Sun Financial Services of TN LLC	0000044660	349	2/7/2017	00120338	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	8	2/16/2017	60,696.00
34401	AP02490876	0000156235	Morning Sun Financial Services of TN LLC	0000045047	360	3/6/2017	00121555	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	9	3/13/2017	33,720.00
34401	AP02490876	0000156235	Morning Sun Financial Services of TN LLC	0000045047	361	3/9/2017	00121556	11000	3440200001	500000	19049	103408	70803000	Financial Administration and S	2017	9	3/13/2017	60,696.00
Total FY2017																		<u>824,984.00</u>
Total FY2013 to March 2017																		<u>3,978,558.00</u>

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: Agsprrs.Agsprsr@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	34401-00365	
1. Procuring Agency	Department of Intellectual and Developmental Disabilities	
2. Contractor	Morning Sun Financial Services of Tennessee, LLC	
3. Edison contract ID #	156235	
4. Proposed amendment #	4	
5. Contract's Original Effective Date	09/1/12	
6. Current end date	08/31/17	
7. Proposed end date	08/31/17	
8. Current Maximum Liability or Estimated Liability	\$ 4,000,000.00	
9. Proposed Maximum Liability or Estimated Liability	\$ 4,557,654.00	
10. Strategic Technology Solutions Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
11. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed	Contract expenditures exceeded or will exceed the original contract allocation due to an error in estimating the annual cost per individual. This error is partially offset by an over estimate in the total number of people served.	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.	N/A	

Agency request tracking #	34401-00365
<p>Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)</p> <p><i>Julia K Payne</i> 5/16/17</p>	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34401-00365	Edison ID 156235	Contract # 33878	Amendment # 4
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Contractor Legal Entity Name Morning Sun Financial Services of Tennessee, LLC	Edison Vendor ID 156235
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Amendment Purpose & Effect(s)
The purpose of this amendment is to increase the maximum liability.

Amendment Changes Contract End Date: YES NO **End Date:** 8/31/2017

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **\$557,654.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013			\$422,612.00		\$422,612.00
2014			\$853,236.00		\$853,236.00
2015			\$877,732.00		\$877,732.00
2016			\$999,994.00		\$999,994.00
2017			\$1,207,688.00		\$1,207,688.00
2018			\$196,392.00		\$196,392.00
TOTAL:			\$4,557,654.00		\$4,557,654.00

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

Melinda Lange 5/12/17

Speed Chart (optional)	Account Code (optional)
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**AMENDMENT 4
OF CONTRACT 33878**

This Amendment is made and entered by and between the State of Tennessee, Department of Intellectual and Developmental Disabilities, hereinafter referred to as the "State" and Morning Sun Financial Services of Tennessee, LLC, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract section C1. 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 four million, five hundred fifty seven thousand, six hundred fifty four dollars and no cents (\$4,557,654.00). 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

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 3/1/2017. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

MORNING SUN FINANCIAL SERVICES OF TENNESSEE, LLC:

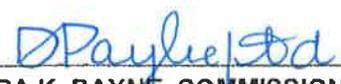


SIGNATURE 6/7/17
DATE

Toni Thullen, CFO

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES:



DEBRA K. PAYNE, COMMISSIONER 6/8/17
DATE



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34401-00365	Edison ID 156235	Contract # 33878	Amendment # 3
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Contractor Legal Entity Name Morning Star Financial Services of Tennessee, LLC	Edison Vendor ID 156235
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Amendment Purpose & Effect(s)
Morning Star Financial Services of Tennessee, LLC has changed their name to Morning Sun Financial Services of Tennessee, LLC. There will also be an update to the contact information.

Amendment Changes Contract End Date: YES NO **End Date:** n/a

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): \$ n/a

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013			\$633,080.00		\$633,080.00
2014			\$776,660.00		\$776,660.00
2015			\$796,660.00		\$796,660.00
2016			\$816,660.00		\$816,660.00
2017			\$836,660.00		\$836,660.00
2018			\$140,280.00		\$140,280.00
TOTAL:			\$4,000,000.00		\$4,000,000.00

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.

Melinda Lanza 4/21/17

Melinda Lanza 615-253-3166

CPO USE

Speed Chart (optional)	Account Code (optional)
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**AMENDMENT 3
OF CONTRACT # 33878**

This Amendment is made and entered by and between the State of Tennessee, Department of Intellectual and Developmental Disabilities, hereinafter referred to as the "State" and Morning Star Financial Services of Tennessee, LLC hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following is added as Contract section E. 22.:

E.22. Contractor Name. All references to "Morning Star Financial Services of Tennessee, LLC" shall be deleted and replaced with "Morning Sun Financial Services of Tennessee, LLC."

2. Contract section E.2. Communications and Contacts is deleted in its entirety and replaced with the following:

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. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Debbie Payne, Commissioner
Department of Intellectual and Developmental Disabilities
Citizens Plaza State Office Building
400 Deaderick Street, 10th Floor
Nashville, Tennessee 37243
debbie.payne@tn.gov
Telephone # 615-253-6885

DIDD Program:

Courtney Kelly, Director of Person Centered Practice
Department of Intellectual and Developmental Disabilities
400 Deaderick Street, 9th Floor
Nashville, Tennessee 37243
courtney.kelly@tn.gov
Telephone # 615-741-6148

State Fiscal Contact:

Arlen Munden, Department Controller
Department of Intellectual and Developmental Disabilities
400 Deaderick Street, 9th Floor
Nashville, Tennessee 37243
arlen.munden@tn.gov
Telephone # 615-532-3031
Fax # 615-253-6713

The Contractor:

Cheryl Vennerstrom, Chief Operating Officer
Morning Sun Financial Services
9400 Golden Valley Road
Golden Valley, MN 55427
Telephone # 612-239-3768 or 763-450-5007
cvennerstrom@morningsunfs.com

Toni Thulen, Chief Financial Officer
Morning Sun Financial Services
9400 Golden Valley Road
Golden Valley, MN 55427
Telephone # 612-386-3739 or 763-450-5060

Brandi J. Osborne, Program Administrator
Morning Sun Financial Services of Tennessee
618 Church Street, Suite 320
Nashville, TN 37219
Telephone # 885-767-4871
Fax # 855-450-6762
bosborne@morningsunfs.com

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 05/05/2017. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

Morning Sun Financial Services of Tennessee, LLC:



SIGNATURE 4/21/2017
DATE

Toni M. Thulen, CFO

PRINTED NAME AND TITLE OF SIGNATORY (above)

Department of Intellectual and Development Disabilities:



AGENCY HEAD NAME & TITLE 4/21/17
DATE



CONTRACT

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



Begin Date 9/1/2012	End Date 8/31/2017	Agency Tracking # 34401-00365	Edison Record ID 33878
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Contractor Legal Entity Name MORNING STAR FINANCIAL SERVICES OF TENNESSEE, LLC	Edison Vendor ID 156235
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Service Caption (one line only)
Financial Administration and Support Brokerage Services

Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA #
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013			\$633,080.00		\$633,080.00
2014			\$776,660.00		\$776,660.00
2015			\$796,660.00		\$796,660.00
2016			\$816,660.00		\$816,660.00
2017			\$836,660.00		\$836,660.00
2018			\$140,280.00		\$140,280.00
TOTAL:			\$4,000,000.00		\$4,000,000.00

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

Ownership/Control

African American Asian Hispanic Native American Female

Person w/Disability Small Business Government NOT Minority/Disadvantaged

Other:

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

RFP The procurement process was completed in accordance with the approved RFP document and associated regulations.

Competitive Negotiation The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.

Alternative Competitive Method The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.

Non-Competitive Negotiation The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.

Other The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.	OCR USE - FA
<i>Melinda Lanza 8/14/12</i>	
Melinda Lanza 253-3166	

Speed Chart (optional)	Account Code (optional)
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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
AND
MORNING STAR FINANCIAL SERVICES OF TENNESSEE, LLC**

This Contract, by and between the State of Tennessee, Department of Intellectual and Developmental Disabilities, hereinafter referred to as the "State" or "DIDD", and Morning Star Financial Services of Tennessee, LLC, hereinafter referred to as the "Contractor", is for the provision of Financial Administration and Supports Brokerage Services, as further defined in the "SCOPE OF SERVICES".

The Contractor is a limited liability company.
Contractor Place of Incorporation or Organization: Minnesota
Contractor Edison Registration ID # 156235

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.
- A.2. The Contractor shall provide the financial administration and supports brokerage functions for self direction of the Tennessee Self-Determination Waiver Program (SDWP) for DIDD waiver participants eligible for Home and Community Based Services (HCBS).
 - a. Financial administration functions are functions related to the performance of payroll and related tasks such as procedures for approving payment for services and obtaining necessary payroll and employment information as defined in the DIDD Provider Manual Chapter 21, Section 21.3d.
 - b. Supports brokerage functions are those functions that assist the participant (or his/her representative, as applicable) with non-payroll-related employer tasks such as recruiting and training workers.
 - c. The Contractor's financial administration and support brokerage functions are available only to SDWP participants who elect to self direct a waiver service. The use of the Contractor's financial administration and supports brokerage functions shall be mandatory for all SDWP participants electing to self direct a waiver service.
 - d. Definitions relative to this Contract are included as Attachment A of this Contract. All uses herein of the defined terms included on Attachment A shall be construed in accordance therewith whether such defined terms are capitalized or appear in lowercase in this Contract.
 - e. The Contractor shall maintain a physical office in the Metropolitan-Davidson County area of Tennessee or in counties contiguous to Metropolitan-Davidson County. All Contractor's staff (employed or subcontracted) providing supports brokerage functions, must be physically located within the State of Tennessee. Staff providing customer service and financial administration functions is permitted to be located outside of Tennessee, so long as the Contractor remains compliant with all contractual (including payment) time lines and requirements.

Federal and State Approval to be a Fiscal Employer Agent (FEA)

- A.3. Before the Contractor may begin performing financial administration and supports brokerage functions as specified in this Contract for a SDWP participant (or their designated representative, as applicable) the Contractor must have received federal and State approval to be the Fiscal Employer Agent (FEA) for that participant. This shall include the following tasks and/or any others required by federal or State law or policy:



- a. File a Form SS-4 in order to obtain a separate federal employer identification number (FEIN) from the Internal Revenue Service (IRS) for the sole purpose of withholding, filing, and depositing certain federal employment tax forms and making federal tax payments. This FEIN should only be used for processing wages and federal forms and taxes for the individual employers (participants) it represents as agent. The FEIN shall not be used for processing wages and related federal forms and taxes for workers of a parent organization or sub-entity. A reporting agent uses this separate FEIN when performing FEA services on behalf of a SDWP participant;
- b. Have a system in place for obtaining and retiring a FEIN for each participant it represents. The Contractor shall maintain the participant's FEIN in the participant's file;
- c. Have a system in place for preparing and submitting a signed IRS Form 2678: Employer Appointment of Agent for each participant it represents and for each maintaining all relevant documentation (copy of IRS Form 2678, Request for Approval Letter and IRS Notification of FEA Approval) on file;
- d. Have a system in place for revoking IRS Form 2678 for each participant it no longer represents in accordance with IRS requirements and for maintaining the relevant documentation in each participant's file;
- e. Have a system in place for filing, renewing and revoking an IRS Form 8821, Tax Information Authorization for each participant it represents and for maintaining copies of the form in each participant's file;
- f. Have a system in place for revoking IRS Form 8821 for each participant it no longer represents in accordance with IRS requirements and for maintaining the relevant documentation in each participant's file, and
- g. Have a system in place for obtaining and revoking state power of attorney (for state income tax, unemployment tax or both, as required by the State) from each participant it represents, and for maintaining the relevant documentation in each participant's file.

Educational Materials

- A.4. The Contractor shall coordinate with the DIDD to conduct educational activities for SDWP participants, as specified herein. The educational activities shall be targeted to SDWP participants interested in self directing, but the participants have not yet chosen to participate in self direction of HCBS. The Contractor's educational activities shall focus on providing information about self direction of HCBS option (e.g., how it works, using a representative, roles and responsibilities, program requirements, how to enroll in self direction, assistance provided to a participant/representative by the Contractor, coordination between the Contractor and the DIDD).
 - a. DIDD shall review the submitted educational materials and either approve or deny them within fifteen (15) calendar days from the date of submission. In the event DIDD does not approve the materials, DIDD may provide written comments, and the Contractor shall resubmit the materials. The Contractor shall not utilize any educational materials until receipt of written approval from DIDD.
 - b. Prior to modifying any approved educational materials, the Contractor shall submit for written approval by DIDD a detailed description of the proposed modification; DIDD reserves the right to notify the Contractor to discontinue or modify educational materials after approval.
- A.5. The Contractor shall ensure that all participant materials, including educational materials, meet the following DIDD specifications:



- a. All participant materials and educational materials shall be worded at a sixth (6th) grade reading level, unless approved otherwise by DIDD;
 - b. Unless otherwise approved in writing by DIDD, all written participant materials shall be clearly legible with a minimum font size of 12pt;
 - c. All written participant materials shall be printed with the assurance of non-discrimination on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law;
 - d. All Contractor participant materials shall be translated and available in Spanish. Within ninety (90) calendar days of notification by DIDD, all vital Contractor documents shall be translated and available to each Limited English Proficiency group identified by DIDD;
 - e. All written participant materials shall notify enrollees that oral interpretation is available for any language at no expense to them and how to access those services, and
 - f. All written participant materials shall be made available in alternative formats (Braille, Spanish, Arabic, etc) for persons with special needs at no expense to the participant.
- A.6. The Contractor shall provide written notice to participants of any changes in the Contractor's policies or procedures described in written materials previously sent to participants. These written notices shall be provided at least thirty (30) days prior to the effective date of the change.
- A.7. The Contractor shall not include the following on any written materials, including but not limited to educational materials, without the written approval of DIDD:
- a. The Seal of the State of Tennessee;
 - b. The DIDD name unless the initials "SM" denoting a service mark, is superscripted to the right of the name (Department of Intellectual and Developmental Disabilitiessm); or
 - c. The word "free" unless the service is at no cost to all participants. If participants have cost sharing or patient liability responsibilities, the service is not free. Any conditions of payments shall be clearly and conspicuously disclosed in close proximity to the "free" good or service offer.

Referrals for Self Direction of HCBS Services

- A.8. The Contractor shall, within two (2) business days of receipt of a referral by either fax or email, assign a supports broker to the participant, notify the person's DIDD case manager of the assignment (as applicable) and provide the name and contact information of the supports broker. Within five (5) days of receipt of the referral, the Contractor shall contact the participant to inform the participant of his/her assigned supports broker, provide contact information for the supports broker, and begin the process of initiating self direction of HCBS waiver services.
- A.9. The Contractor shall assist the participant/representative as needed in developing a back-up plan within the Individual Support Plan (ISP) for waiver services that are self-directed that adequately identifies how the participant/representative will address situations when a scheduled worker is not available or fails to show up as scheduled.
- A.10. The Contractor shall notify the participant's case manager immediately when there are changes in the participant's needs and/or circumstances that warrant a reassessment of needs and/or risk, or changes to the ISP or risk assessment.



Service Authorization and Initiation

- A.11. The State shall provide the Contractor access to the ISP, approved by DIDD, and is the authorizing document for the provision of services and the State shall provide access to reports and other documentation of approved services listing specifying individuals and service limitations. The reports and other documentation shall be reviewed against the approved ISP and the Contractor shall notify DIDD of any exceptions to the ISP within 10 working days. Upon authorization of services, the Contractor shall:
- a. Work with the participant/representative to determine the appropriate level of assistance necessary to recruit, interview and hire workers, and provide the required level of assistance;
 - b. As needed, assist the participant/representative in developing job descriptions;
 - c. As needed, assist the participant/representative in locating and recruiting workers;
 - d. Periodically update the participant's case manager of the status of completing required functions necessary to initiate self direction, including obtaining completed paperwork from the participant/representative, obtaining workers for each identified self directed service, completing worker paperwork and training, and any anticipated timeframes by which qualified workers will be secured and self direction services may begin;
 - e. Once potential workers are identified, verify that a potential worker meets all applicable qualifications;
 - f. Notify the DIDD when all requirements have been fulfilled and the date that the participant is ready to begin self direction of specified eligible HCBS;
 - g. Ensure that services provided via self direction of HCBS are not initiated for a SDWP participant until the following activities at a minimum are completed: (1) the Contractor verifies that the participant's enrollment (including employer) paperwork and related documentation is in order; (2) the Contractor verifies that workers meet all qualifications, including participation in required training and completion of required paperwork; and (3) the DIDD issues to the Contractor an approved ISP for services to be delivered through self direction, and
- A.12. The Contractor shall have a system in place for receiving and maintaining participant specific information received from DIDD, including a participant's ISP for the authorized waiver services, via the format agreed to with DIDD.
- A.13. The Contractor shall have a comprehensive information system in place to receive waiver payments, disburse payroll for waiver services provided and track funds disbursed. The Contractor will only submit claims to the DIDD and pay workers for those services that have been authorized by the DIDD.
- A.14. The Contractor shall provide a web-based interface for DIDDs and participants/representatives to review information on the services authorized and reimbursed.
- A.15. The Contractor, in conjunction with DIDD, shall facilitate a seamless transition between contract providers and workers with no interruptions or gaps in services if applicable.

Participant Enrollment Packet

- A.16. The Contractor shall develop and distribute an enrollment packet to each SDWP participant referred by DIDD to self-direct waiver services. The enrollment packet shall be pre-populated with required data and made available for the DIDD and participants/ representatives to access



on-line and shall be available in hard copy format. The enrollment packet shall contain, at a minimum, the following:

- a. An introductory letter;
 - b. Information about the Contractor's services and operations (e.g., roles and responsibilities of the Contractor, hours of operation, contact information, customer service toll-free number, and complaint system);
 - c. Information regarding the role of the supports broker;
 - d. Federal forms that the participant/representative must complete, sign and return (e.g., IRS Forms SS-4, 2678, 8821);
 - e. Any applicable State forms the participant/representative must complete, sign and return;
 - f. Instructions regarding the process for completing and submitting the required forms to the Contractor; and
 - g. State power of attorney form(s) as applicable.
- A.17. The Contractor shall assist the participant/representative, as appropriate, in completing the enrollment packet. The Contractor shall have a system in place for collecting and processing all required forms and information contained in the enrollment packet and for maintaining copies in each participant's file. Sufficient copies of enrollment packet materials shall be available and provided to the State upon request.

Participant Education and Training

- A.18. The Contractor shall provide education and training activities for SDWP participants, as specified herein. The education and training activities shall be limited to SDWP participants who have chosen to participate in self direction of HCBS and for whom the Contractor has received an authorization from DIDD. All participant education and training materials shall meet DIDD specifications.
- A.19. The Contractor shall be responsible for providing or arranging for initial and ongoing training of participants/representatives. Ongoing training shall be provided upon request of the participant/representative or if a case manager or supports broker determines that additional training is warranted. When the Contractor does not directly provide training, the Contractor shall validate completion of training. Initial training must be completed prior to initiation of self direction services. At a minimum, self direction training for participants and/or representatives shall address the following issues:
- a. Understanding the role of participants and/or representatives in self direction;
 - b. Understanding the role of the FA and Supports Broker, including as it relates to the DIDD case manager;
 - c. Selecting workers;
 - d. Protection From Harm;
 - e. Being an employer, evaluating worker performance and managing workers;
 - f. Fraud and abuse prevention and reporting;
 - g. Performing administrative tasks such as reviewing and approving timesheets, and



- h. Scheduling workers and back-up planning.
- A.20. The Contractor and DIDD shall develop mutually acceptable specifications for education and training concerning self direction of HCBS, including definition of roles and responsibilities.

Worker Qualifications and Enrollment

- A.21. The Contractor shall ensure that workers meet the following requirements prior to delivering self directed services.
- a. Be at least eighteen (18) years of age.
 - b. Pass a background check which includes criminal background check (including fingerprinting), or, as an alternative, a background check from a licensed private investigation company, verification that the person's name does not appear on the State abuse registry, verification that the person's name does not appear on the State and national sexual offender registries, and verification that the person has not been excluded from participation in Medicare, Medicaid, SCHIP, or any Federal health care programs (as defined in Section 1128B(f) of the Social Security Act). Except for lapses in employment (i.e., when a worker is not employed by any SDWP participant participating in self direction or his/her representative) which exceed 365 days, a background check is required only once prior to the person's initial employment as a self direction worker in the SDWP program, even if s/he is subsequently employed by multiple participants and/or representatives participating in self direction.
 - c. Complete all required training (refer to Section A.24. of this Contract);
 - d. Complete all applicable required applications to become a DIDD provider;
 - e. A valid driver's license and proof of insurance must be provided if a Worker provides transportation services to a program participant.
- A.22. The Contractor shall have a system in place to process criminal background checks on prospective workers (selected by a SDWP participant), and for maintaining copies of the documentation in the worker's file.
- A.23. The Contractor shall develop and produce for workers an employment packet that shall be partially populated in advance, where appropriate, in order to assist in accurate completion, and for obtaining signatures on all relevant forms and documents (including required IRS forms). The Contractor shall assist workers in completing the forms (as appropriate), collect and process all required information contained in the worker employment packet, and maintain copies in each worker's file. The Contractor shall notify the participant/representative within five (5) business days of receiving a portion of the worker's employment packet if a worker's employment packet is not correct or is incomplete. The Contractor shall notify the participant/representative when the worker has completed the enrollment packet. The employment packet should include at a minimum:
- a. Form that collects worker information (e.g. name, social security number);
 - b. U.S. Citizenship and Immigration and Naturalization Services (USCIS) Form I-9: Employment Eligibility Verification Form;
 - c. IRS Form W-4: Employee's Withholding Allowance Certificate;
 - d. IRS Notice 797: Possible Federal Tax Refund Due to the Earned Income Credit (EIC);
 - e. Worker payroll schedule;



- f. Notice about option for direct deposit and instructions for how to request direct deposit;
 - g. Change of Address/Contact Form;
 - h. Information about how to receive assistance, including the Contractor's toll-free number;
 - i. Information about the customer service and complaint systems; and
- A.24. The Contractor shall be responsible for providing or arranging for initial and ongoing training of all workers, except that the participant or his/her representative shall be responsible for training the worker(s) regarding individualized service needs and preferences of the participant. When the Contractor does not directly provide training, the Contractor shall validate completion of training. Initial training must be completed prior to initiation of services and payment for services. At a minimum, training shall consist of the following required elements:
- a. Overview of the program and self direction of HCBS;
 - b. Protection from Harm;
 - c. Cardiopulmonary resuscitation (CPR) and first aid certification;
 - d. Submission of required documentation and withholdings; and
 - e. Contractor verification that workers have successfully completed all required training prior to service initiation and payment for services.
- A.25. The Contractor shall ensure that workers maintain CPR and first aid certification and receive required refresher training as a condition of continued employment and shall arrange for the appropriate training. Additional training components may be provided to a worker to address issues identified by the supports broker, case manager, participant and/or the representative or at the request of the worker. Refresher training may be provided more frequently if determined necessary by the supports broker, case manager, and participant/representative or at the request of the worker.

Supports Brokerage Functions

- A.26. The Contractor shall provide directly, or through a subcontractor, supports brokerage functions. The Contractor shall assign a supports broker to each waiver participant referred by DIDD for self direction of HCBS and ensure that each supports broker provides the following:
- a. Facilitate the linkage between the participant/representative and his/her workers and the Contractor;
 - b. Maintain contact with the participant or the participant's representative to ensure that needed services are being provided,
 - c. Participate in development of the participant's ISP and the risk assessment upon notification by the case manager.
 - d. Trains participant with self-directing other/contact person/conservator on self-direction;
 - e. Review voluntary/involuntary procedures of leaving the SDWP with participant;
 - f. Reviews enrollment documentation, trains Employer on how to complete provider's forms, and follows up with Fiscal Administrator on status;
 - g. Assists participants in recruiting, managing, scheduling, hiring and terminating staff;



- h. Assists participants on training their providers regarding required trainings & individual -specific supports;
 - i. Instructs Employer and Provider on how to submit timesheets correctly;
 - j. Works closely with the Contractor to troubleshoot payroll issues;
 - k. Assists participants in identifying backup supports;
 - l. Conduct monthly voice-to-voice contact calls, and open enrollment/family sessions and document type of contact and concerns discussed;
 - m. Conduct semi-annually in person visits; at least one has to be in the home.
 - n. Ensure all services and items outlined in the ISP remain within SDWP parameters, service maximums and waiver limits established by DIDD;
 - o. Works with Case Manager to calculate the budget allotment for the ISP;
 - p. Collaborates with the case manager and the Contractor regarding participant concerns, missing documentation, calculate budget allotments and review ISPs for errors that may delay payment or interruption of services;
 - q. Report any instances of abuse, neglect, exploitation to DIDD and reviews regulations with Employer and provider during an investigation;
 - r. Assists in community resources such as conservatorship, provider trainings, certification courses, social security limits, and human service agencies for financial, recreational and leisure assistance;
 - s. Furnishes program binder, reviews at each home visit for daily notes, under utilization forms, individual specific training;
 - t. Adheres to audits from TennCare, DIDD and other State entities;
 - u. Stays up to date on changes in program, DIDD administration, Provider Manual; and
 - v. Identify problem areas for those who are not successful at self-direction. Work with DIDD Case Manager on how to support family to become successful.
 - w. Bilingual services/translation services, culturally diverse and hearing/sight impaired services.
- A.27. The Contractor shall provide access for supports brokers to the Contractor's financial management system for review of participant transactions; ensure that an adequate number of supports brokers are available and that sufficient supports broker-to-participant ratios are maintained to address the needs of participants and to meet all requirements specified in this Contract. Support broker ratios shall be monitored and ratios adjusted as necessary to ensure that supports brokers are able to meet the requirements of this Contract and address participants' needs.
- A.28. Caseloads shall not exceed a 50-1 ratio.

Monitoring and Oversight

- A.29. The Contractor shall:
- a. Monitor the quality of services provided by workers;



- b. Monitor timeliness of service delivery;
 - c. Monitor service utilization and worker payments;
 - d. Monitor to ensure compliance with the Fair Labor Standards Act and all other applicable federal and state law and regulation, as well as DIDD policies and/or protocols regarding worker compensation, overtime, and overtime pay, including services delivered in a back-up capacity. The Contractor shall work with the participant and/or representative to develop an adequate supply of reliable workers;
 - e. Adhere to the quality requirements for service delivery that are required by DIDD for the SDWP;
 - f. Provide a web portal for DIDD to review and monitor participant status at any time;
 - g. Establish and maintain a system for tracking and monitoring all information including but not limited to: adherence to timeframes for initiation of services; name of case manager and contact information; authorizations for self direction of HCBS; supports broker visits and outcomes; results of monitoring activities; supports broker assignments; notification to DIDD of supports broker assignment; information received from DIDD and information transmitted to DIDD; and service utilization;
 - h. Assist the participant/representative in monitoring and evaluating the performance of workers;
 - i. Assist the participant/representative in managing and monitoring payments to workers;
 - j. Work with the participant/representative to help identify and find replacement workers;
 - k. Communicate with the DIDD any concerns regarding participant health, safety and welfare and/or change in condition and concerns regarding workers, and
 - l. Within three (3) business days of becoming aware, notify the DIDD of changes to representative contact information.
- A.30. The Contractor shall conduct a semi-annual face-to-face visit in the participant's place of residence and conduct at least monthly phone contacts. These visits and contacts shall supplement and not supplant the minimum case manager contacts. The Contractor shall document the dates of each visit, the purpose and outcome in the participant's files and shall use these visits to monitor the quality of service delivery including, at a minimum:
- a. Identifying any service delivery issues regarding services being self- directed; and
 - b. Determining the adequacy and appropriateness of documentation of service delivery.
- A.31. The Contractor shall, at a minimum, conduct annual reports and daily notes or monthly reviews and reports of hours billed for services across all waiver participants, by each worker.
- A.32. The Contractor shall establish and maintain a system for responding to and tracking complaints from participants, representatives and workers regarding the Contractor. The Contractor shall:
- a. Within five (5) business days of receipt of the complaint, provide written notice to the participant that the complaint has been received and the expected date of resolution. However, if the Contractor resolved the complaint and verbally informed the participant of the resolution within five (5) business days of receipt of the complaint, the Contractor shall not be required to provide written acknowledgement of the complaint. Both verbal and written responses to complaints shall be documented in its system;



- b. Resolve and notify the participant of the resolution of each complaint as expeditiously as possible but no later than thirty (30) days from the date the complaint is received by the Contractor; the notice shall include the resolution and the basis for the resolution;
 - c. Assist participants with the complaint process, including but not limited to completing forms.
- A.33. The Contractor shall identify, report, and participate in the investigation of, as appropriate, abuse and neglect and critical incidents.
- A.34. The Contractor shall, within 24 hours, report to the DIDD on worker and/or staff identification of reportable incidents in accordance with the DIDD's incident reporting process, including the form to be used to report all incidents and reporting timeframes. Reportable incidents shall include, but may not be limited to, the following incidents when they occur in a home or community setting in accordance with the DIDD Provider Manual Chapter 18:
- a. Unexpected death of a SDWP participant;
 - b. Suspected physical or mental abuse of a SDWP participant;
 - c. Theft or financial exploitation of a SDWP participant;
 - d. Severe injury sustained by a SDWP participant;
 - e. Medication error involving a SDWP participant self-directing medication administration; and
 - f. Sexual abuse and/or suspected abuse and neglect of a SDWP participant.
- A.35. The notification of a reportable incident shall include at a minimum: the participant's name; date of allegation reported and/or identified; description of issue; measures taken to mitigate risk; status of reporting to DIDD, Department of Human Services, Adult Protective Services (APS), or Department of Children's Services, Child Protective Services (CPS) as appropriate.
- A.36. If the allegation is in reference to a worker or representative, the Contractor shall report the incident to DIDD and DIDD will inform the case manager and Support Broker of the process to release the person from their duties until the investigation is complete. The Contractor shall notify the DIDD regarding this communication with the participant/representative and the participant or representative's decision. The Support Broker shall work with the participant to find a new representative and the Contractor shall work with the participant/representative to find a suitable replacement worker, if applicable.
- A.37. Supports brokers shall refer all instances of suspected abuse, neglect or exploitation as defined in TCA 71-6-103 to DIDD and to APS for investigation.
- A.38. The supports broker shall report to the DIDD all reportable incidents identified per DIDD Provider Manual Chapter 18, including incidents referred to APS, corrective actions determined by the participant or his/her representative (as applicable), and any concerns regarding the participant's health and safety, including updates to the plan of care or risk assessment and/or risk agreement, as appropriate.
- A.39. If the allegations are substantiated as a result of the investigation, the representative and/or worker shall no longer be allowed to participate in the SDWP in any capacity. If the investigation is inconclusive, the participant may elect to retain the worker or representative.
- A.40. On an annual basis, the Contractor shall conduct a survey of participating participants/representatives to determine satisfaction with the Contractor and participation in self direction of



HCBS and such results shall be submitted to DIDD. This survey shall represent a statistically valid sample size of the existing SDWP participants enrolled in self direction of HCBS.

- A.41. The Contractor shall make available to DIDD or its representative and other authorized State and federal personnel, all records, books, documents, and other evidence pertaining to this Contract, as well as appropriate administrative and/or management personnel who administer the services provided by the Contractor. The monitoring shall occur periodically during the contract period and may include announced or unannounced visits, or both.
- A.42. The Contractor shall implement internal auditing processes to demonstrate compliance with requirements of this Contract and keep current with all federal and State laws and regulations related to fiscal employer agents. The Contractor shall be subject to scheduled audits by the State.

Reporting

- A.43. The Contractor shall develop and submit a Participant Utilization Report, using a format prescribed by DIDD and available to DIDD.
 - a. The report shall have the capability to be sorted by selected date ranges as specified by the requestor.
 - b. The Participant Utilization Report shall provide, at a minimum, the following information by month and for the cumulative quarter:
 - (1) Name and identification number of each SDWP participant participating in self direction of HCBS;
 - (2) Services authorized and rate per service for each worker;
 - (3) Units of services provided, amount of payments made on each participant's behalf;
 - (4) Total units of each service and payments made on each participant's behalf; and
 - (5) Identification of participants enrolled in self direction that does not incur any self direction services for a period of at least thirty (30) consecutive days.

Withdrawal from Waiver or Self Directed Services

- A.44. In the event that the Contractor has concerns that a worker is unable to deliver appropriate care as prescribed in the service agreement and the plan of care, the Contractor shall notify the case manager and the support broker regarding those concerns within one (1) business day of identifying issue(s) as well as inform the participant and/or representative of any potential risks associated with continuing to use the worker, and in conjunction with the DIDD shall:
 - a. Collaborate to develop strategies to address identified issues and concerns;
 - b. Abide by DIDD's decision regarding disenrollment of a participant from self direction;
 - c. Facilitate a seamless transition from workers to contract providers and ensure there are no interruptions or gaps in services, and
 - d. For participants who have been involuntarily withdrawn and choose to be reinstated in self direction of HCBS, ensure that the issues previously identified as reasons for withdrawal have been adequately addressed prior to reinstatement. All participants shall be required to participate in self direction training programs prior to re-instatement in self direction of HCBS.



Data Exchange and Sharing of Information

- A.45. The Contractor shall have the capability to accept all relevant DIDD data files in accordance with agreed upon standards, have a comprehensive information system in place to receive and disburse funds and track funds authorized and disbursed for each participant, by worker, individually and in the aggregate.
- A.46. The Contractor shall have a system in place for collecting and processing all required forms and information contained in participant enrollment packets and worker employment packets for each participant and worker and for maintaining copies in each participant's file, and shall adhere to all applicable HIPAA requirements for transmission, protection and identification of health information.
- A.47. The Contractor shall establish with the DIDD a process that allows for the efficient exchange of all relevant participant information between entities (e.g. information is submitted timely and using appropriate format).

Customer Service

- A.48. The Contractor shall operate a toll free telephone line for participants/representatives and workers to use to contact the Contractor for questions on administrative and support functions. The toll free telephone line shall handle calls from callers with Limited English Proficiency as well as calls from callers who are hearing impaired. The Contractor shall:
 - a. Ensure that the toll free telephone line is staffed adequately to respond to participants'/representatives' questions during normal business hours, defined as 8 a.m. to 5 p.m. in the time zone applicable to the Grand Region being served by the DIDD, Monday through Friday, except State of Tennessee holidays. At all other times, the Contractor shall have an answering service available. Calls shall be returned within one (1) business day from the time the message is recorded;
 - b. Provide a toll free facsimile number for participants/representatives to use as needed for communication and sharing relevant information and documentation;
 - c. Have a secured HIPAA compliant e-mail address to use as needed for communication and sharing of relevant information and documentation with participants/representatives. The parties acknowledge that the Contractor cannot be responsible for the HIPAA compliance of messages prior to their receipt at the HIPAA-compliant e-mail address. The Contractor shall also provide general information regarding the Contractor's services and program materials;
 - d. Establish and maintain a system for receiving, returning, and tracking calls from individuals during and after regular business hours. This system should capture, at a minimum: the name of the caller; date and time call received; purpose of the call; name of person who received the call; if after business hours, when the call was returned (date and time) and by whom; and if the call required additional time to resolve, when the caller was contacted with the additional information (date and time) and by whom;
 - e. Provide assistance to participants/representatives over the phone, via e-mail, facsimile, or in-person, as necessary to complete required forms;
 - f. Communicate effectively with all participants/representatives including those who are culturally diverse and have a variety of disabilities. The Contractor shall use telecommunication devices for participants/representatives who are hearing and speech impaired and shall hire bilingual customer service representatives. Participants/representatives and customer service representatives shall have the ability to access



interpreter services when needed. The Contractor shall have the capacity to access translation services when needed, and

- g. Respond to telephone inquiries and requests for information regarding self direction and transfer calls as appropriate, using a warm transfer whenever possible, to the DIDD.

A.49. Information regarding the Contractor's customer service system (as noted in Section A.48. of this Contract), including the hours of operation, the response time for returning messages and responding to mail inquiries shall be provided to participants/representatives as part of the enrollment packet and workers as part of the employment packet.

Staffing Requirements

A.50. The Contractor shall have sufficient staff with relevant experience and qualifications to fulfill all specified requirements per the terms of this Contract, and implement a policy to ensure service coverage for all SDWP participants participating in self direction of HCBS during the absence of staff and vacated positions. All supports brokers and other staff, including subcontractors, whose job functions include direct contact with or responsibility for SDWP participants must pass a background check which includes complying with all requirements of *Tennessee Code Annotated*, Section 33-2-1202 for obtaining a criminal background check and/or fingerprint check from the Tennessee Bureau of Investigation or, as an alternative, a criminal background check from a licensed private investigation company. The Contractor shall not be entitled to reimbursement for any services delivered by staff for whom background and registry checks have not been completed. In addition, the Contractor shall be responsible for verifying through the State of Tennessee website or other appropriate databases that all supports brokers and other staff, including subcontractors, whose job functions include direct contact with or responsibility for SDWP participants are not listed on:

- a. the Tennessee Department of Health Elderly or Vulnerable Abuse Registry. The Department of Health pursuant to *Tennessee Code Annotated*, Section 68-11-1001 *et. seq.* maintains this registry for individuals substantiated for abuse, neglect, mistreatment and exploitation of vulnerable persons, which includes persons with intellectual disabilities. The law contains all pertinent provisions for notice to individuals and procedures for an administrative appeal before any registry placement;
- b. the Tennessee Sexual Offender List. The Tennessee Sexual Offender List is maintained pursuant to *Tennessee Code Annotated*, Section 40-39-201 *et. seq.* and provides a list of individuals convicted by a court of law of sexual offenses in Tennessee or who have been judicially determined to have some other sort of qualifying condition. Such sexual offenses are contained in the law and in *Tennessee Code Annotated*, Title 39 of the state criminal code;
- c. the Tennessee Felony Offender Information Lookup (FOIL). The information available on this list pertains to Tennessee felony offenders who are or who have been in the custody of the Tennessee Department of Correction or under the Supervision of the Tennessee Board of Probation and Parole. The information is submitted by various jurisdictions within Tennessee. Confirmation and/or elaboration should be obtained from the originating jurisdiction. Said criminal background/fingerprint and registry checks shall be on all employees, contractors, and volunteers whose job functions include direct contact with or direct responsibility for service recipients regardless of hire date; and
- d. the federal government's List of Excluded Individuals/Entities (LEIE) excluded provider database, and appropriate licensure verification, as applicable.

A.51. The Contractor shall verify the qualifications of all staff and employees prior to hire.

A.52. The Contractor shall possess and maintain applicable State of Tennessee business license, be approved by the IRS to be an FEA and carry out financial administration activities under the



supervision of a certified public accountant licensed by the State of Tennessee. Additionally, the Contractor shall ensure that staff providing support brokerage functions meet one of the following minimum qualifications:

- a. Four (4) year degree in Human Services (psychology, sociology, social work, recreational therapy, education, nursing, Physical Therapy (PT), Occupational Therapy (OT), speech, etc).
- b. and at least one year professional experience working with persons who have an intellectual disability; or
- c. a two (2) year degree in Human Services (psychology, sociology, social work, recreational therapy, education, nursing, PT, OT, speech, etc.): and at least three (3) years professional experience working with persons who have an intellectual disability; or
- d. a four (4) year degree in any other subject and at least two (2) years professional experience working with persons who have an intellectual disability; or
- e. five (5) years professional experience working with persons who have an intellectual disability.

Record Management and Retention

A.53. The Contractor shall have in place the following Record Management and Retention process:

- a. Establish and maintain a recordkeeping system for managing participant/representative and worker files in a secure and confidential manner as required by Federal and State statutes and regulations, including meeting all HIPAA requirements;
- b. Maintain current and archived participant/representative, worker and Contractor files including the maintenance of original and file copies of all forms and documents needed to comply with Federal, State and local (if applicable) payments of income, FICA and unemployment tax, and workers' compensation insurance payments, if applicable, and all other reporting requirements of employers and for the required period of time;
- c. Maintain current and archived participant/representative, worker and Contractor files in a secure and confidential manner and for the prescribed period of time as required by Federal and State statutes and regulations, including Federal and State record retention rules and applicable HIPAA requirements, and
- d. Establish and maintain a documented disaster recovery plan for electronic and hard copy files including a disaster recovery plan for restoring software and master files and hardware back-up if management information systems are disabled and for continuation of payment of worker, independent contractors and other entities as applicable.

Payroll Processing

A.54. The Contractor shall have in place the following procedures and policies for payroll processing:

- a. Establish the accounting and information systems necessary for processing and paying workers as specified in the authorization of self directed services and establish the reporting functions and the internal controls necessary to track and manage these functions in an effective and timely manner. This includes ensuring that payment to workers is only made for eligible HCBS authorized by DIDD at the time of service delivery, and for ensuring compliance with the Fair Labor Standards Act and all other applicable federal and state law and regulations;



- b. Develop and implement a twice-monthly payment schedule for workers or as otherwise agreed upon with DIDD;
- c. Develop and implement a process for immediately notifying the participant and his/her worker when a payroll discrepancy cannot be resolved and the worker will not be reimbursed for services delivered.
- d. Obtain necessary documentation from the participant/representative to ensure that services were provided prior to paying workers.
- e. Periodically review, during visits to the participant's home, detailed documentation of service delivery including but not limited to the specific tasks and functions performed for the participant to help ensure that services are being provided and that the participant's needs are being met.
- f. Facilitate resolution of any disputes regarding payment to workers for services rendered;
- g. Compute, withhold, and file federal and state income tax withholding, FICA, FUTA, and SUTA per State and federal periodicity requirements;
- h. Have a system in place for determining if the participant's workers are family participants who might be exempt from FICA, FUTA, and SUTA and for processing them accordingly;
- i. Deposit FICA and federal income tax withholding in the aggregate for all participants it represents using the Contractor's separate FEIN, in accordance with IRS depositing rules and maintain relevant documentation in the Contractor's files;
- j. Deposit FUTA in the aggregate using its separate FEIN quarterly for all participants it represents and maintain the relevant documentation in the Contractor's files;
- k. Pay unemployment taxes individually for each participant it represents per the State's payment schedule and maintain the relevant documentation in the Contractor's files;
- l. Obtain each participant's employer number for State unemployment tax filing and payment purposes for each participant it represents and maintain the relevant documentation in the Contractor's files;
- m. Retire a participant's State unemployment tax registration number when the participant is no longer the employer of workers (permanently);
- n. Ensure that workers are paid in compliance with federal and State Department of Labor wage and hour rules for regular and overtime pay (if program permits a worker working more than forty (40) hours in a work week). The Contractor is not responsible for paying the worker prior to completion of all required paperwork or for wages that exceed the authorized number of hours or funding amount approved for the participant. The Contractor will provide workers with the option to receive payment via either mailed check or Electronic Funds Transfer (once total enrollment has exceeded 100 participants).
- o. Report new hires per State requirements;
- p. Submit to DIDD a list of checks reportable under the State's Unclaimed Property Act each year. DIDD will designate a staff person who is authorized to receive and approve the list of abandoned checks from the Contractor. DIDD will receive a remittance check from the Contractor that is equal to the face value of checks reported on the abandoned property report. The Contractor will void all items on the abandoned property report, providing an internal control to prevent re-issuance. DIDD shall assume responsibility for managing the abandoned property filing and for performing any reconciliation related to Medicaid escheatment or CMS-64 reporting. When a check that was previously reported



as abandoned by the Contractor is presented for payment, DIDD shall remit the funds to the holder in due course;

- q. Refund over-collected FICA to applicable individual-employers (or State or county government) and workers in accordance with the December 18, 2000 IRS letter and maintain the relevant documentation in the Contractor's files;
- r. Prepare, file, and distribute IRS Forms W-2 for participant's workers per IRS instructions for agents, for electronic filing when processing 250 or more IRS Forms W-2 and maintain the relevant documentation in the Contractor's files;
- s. Prepare, file, and distribute IRS Forms W-3 in the aggregate for all participants the agent represents per IRS instructions and maintain the relevant documentation in the Contractor's files;
- t. Have a system in place for managing Federal Advanced Earned Income Credit (EIC) for each eligible worker in an accurate and timely manner and for maintaining the relevant documentation in the Contractor's files, and
- u.
- v. Pay workers for authorized services rendered within authorized timeframes and have a system in place for processing workers' direct deposit and for maintaining the relevant documentation in the Contractor's files.

Claims Submission

A.55. The Contractor shall submit claims in a format and frequency identified by DIDD. Adjustments and corrections of claims shall occur in a timely manner, within 120 days of date of service. Any extension of this time frame must be approved by DIDD.

Claiming and Payment for Self Directed Services

A.56. For reimbursement for authorized services, the Contractor shall:

- a. Only bill for services that have been authorized by DIDD for an eligible waiver participant enrolled in self direction at the time of service delivery. The Contractor must provide a web-based interface for participants to review information on the funds authorized, disbursed, and remaining balances.
- b. Submit all claims for services rendered timely in accordance with requirements agreed to with DIDD.
- c. Track receipt of service funds in its financial information system.
- d. Maintain a dedicated bank account for the deposit of service funds.
- e. Be reimbursed via Automated Clearing House (ACH) Credits and shall be provided a detailed remittance advice.

A.57. For reimbursement for administrative services, the Contractor shall:

- a. Submit an administrative invoice monthly per DIDD prescribed requirements, which includes at a minimum: number of current participants and new participants; number of current workers and new workers; names, social security numbers and IDs for each participant and worker.
- b. Have a comprehensive information system in place for submitting the administrative invoice billing to DIDD electronically.



- c. Provide an accurate report of current enrollment/participant activity.

Ownership and Financial Disclosure

A.58. The Contractor shall:

- a. Disclose to the State, and the Comptroller General of the United States, or Centers for Medicaid and Medicare Services (CMS) full and complete information regarding ownership, financial transactions and persons convicted of criminal activity related to Medicare, Medicaid, or the federal Title XX programs in accordance with federal and state requirements, including Public Chapter 379 of the Acts of 1999. The Contractor shall screen its employees and any subcontractors initially and on an ongoing monthly basis to determine whether any of them has been excluded from participation in Medicare, Medicaid, SCHIP, or any Federal health care programs (as defined in Section 1128B (f) of the Social Security Act) and not employ or contract with an individual or entity that has been excluded, as listed in the LEIE database. The Contractor shall disclose the following information to the State in a format provided by the State:
 - (1) The name, address, and social security number of each person with an ownership or control interest in the disclosing entity or in any provider or subcontractor in which the disclosing entity has direct or indirect ownership of five percent (5%) or more and whether any of the persons named pursuant to this requirement is related to another as spouse, parent, child, or sibling. This disclosure shall include the name of any other disclosing entity in which a person with an ownership or control interest in the disclosing entity also has an ownership or control interest;
 - (2) The identity of any provider or subcontractor with whom the Contractor has had significant business transactions, defined as those totaling more than twenty-five thousand dollars (\$25,000) during the twelve (12) month period ending on the date of the disclosure, and any significant business transactions between the Contractor, any wholly owned supplier, or between the Contractor and any provider or subcontractor, during the five (5) year period ending on the date of the disclosure;
 - (3) The identity of any person who has an ownership or control interest in the Contractor, or is an agent or managing employee of the Contractor and who has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or the federal Title XX services program since the inception of those programs; and
 - (4) Disclosure from officials in legislative and executive branches of government as to possible conflicts of interest.

A.59. The Contractor shall be responsible for the following:

- a. Accounting System

The Contractor shall establish and maintain an accounting system in accordance with generally accepted accounting principles. The accounting system shall maintain records pertaining to the tasks defined in the contract and any other costs and expenditures made under the contract. Accounting records and procedures are subject to state and federal approval. Accounting procedures, policies, and records shall be completely open to state and federal personnel at any time during the contract period and for five (5) years thereafter.

- b. Availability of Records



- (1) Ensure within its own organization and pursuant to any agreement the Contractor may have with any other providers of service, including, but not limited to providers, subcontractors or any person or entity receiving monies directly or indirectly by or through DIDD, that DIDD representatives and authorized federal, state and Office of the Comptroller of the Treasury personnel, including, but not limited to DIDD, the Office of the Inspector General (OIG), the Tennessee Bureau of Investigations, Medicaid Fraud Control Unit (TBI MFCU), the Department of Health and Human Services, Office of Inspector General (DHHS OIG) and the Department of Justice (DOJ), and any other duly authorized state or federal agency shall have immediate and complete access to all records pertaining to services provided to DIDD enrollees.
- (2) Ensure that it and any of its subcontractors and any providers of service, including, but not limited to providers or any person or entity receiving monies directly or indirectly by or through DIDD shall make all records available at the Contractor's, provider's, and/or the subcontractor's expense for administrative, civil and/or criminal review, audit, or evaluation, inspection, investigation and/or prosecution by authorized federal, state, and Office of the Comptroller of the Treasury personnel, including representatives from or from the agencies mentioned in Section A.59.(b)(1) of this Contract or from any duly authorized state or federal agency. Access will be either through on-site review of records or through the mail at the government agency's discretion and during normal business hours, unless there are exigent circumstances, in which case access will be at any time. The Contractor shall send all records to be sent by mail to DIDD within twenty (20) business days of request unless otherwise specified by DIDD or DIDD rules and regulations. Requested records shall be provided at no expense to DIDD, authorized federal, state, and Office of the Comptroller of the Treasury personnel, including representatives from the agencies mentioned in Section A.59.(b)(1) of this Contract or from any duly authorized state or federal agency. Records related to appeals shall be forwarded within the timeframes specified in the appeal process portion of this Contract. Such requests made by DIDD shall not be unreasonable.
- (3) Ensure that it as well as any of its subcontractors, providers or any entity or person directly or indirectly receiving monies originating from DIDD, shall make all records available to any duly authorized government agency, including but not limited to DIDD, and the agencies mentioned in Section A.59.(b)(1) of this Contract, upon any authorized government agency's request. Any authorized government agency, including but not limited to the agencies mentioned in Section A.59.(b)(1) of this Contract may use these records to carry out their authorized duties, reviews, audits, administrative, civil and/or criminal investigations and/or prosecutions.
- (4) Ensure that it as well as any of its management company and any subcontractor shall cooperate with the State, or any of the State's contractors and agents, including, but not limited to DIDD, agencies mentioned in Section A.59.(b)(1) of this Contract, and the Office of the Comptroller of the Treasury, and any other duly authorized governmental agency, during the course of any financial or operational examinations or during any administrative, civil or criminal investigation, hearing or prosecution. This cooperation shall include, but shall not be limited to the following:
 - i. Provide full cooperation and direct and unrestricted access to facilities, information, and staff, including facilities, information and staff of any management company or subcontractor, to the State or any of the State's contractors and agents, which includes, but is not limited to DIDD, agencies mentioned in Section A.59.(b)(1) of this Contract, and



the Office of the Comptroller of the Treasury and any duly authorized governmental agency, including federal agencies; and

- (5) In the event of termination of this Contract between DIDD and the Contractor for any reason, the Contractor shall immediately make available, to DIDD, or its designated representative, in a usable form, any or all records related to the Contractor's activities undertaken pursuant to this Contract. The provision of such records shall be at no expense to DIDD.

c. Auditing Requirements/Records Maintained for five (5) years.

The Contractor and its providers, subcontractors and other entities receiving monies originating by or through DIDD shall maintain books, records, documents, and other evidence pertaining to services rendered, equipment, staff, financial records, and the administrative costs and expenses incurred pursuant to this Contract relating to the individual enrollees as required for the purposes of audit, or administrative, civil and/or criminal investigations and/or prosecution or for the purposes of complying with the requirements set forth in the contractor risk agreement. Records may be kept in an original paper state or preserved on micromedia or electronic format. These records, books, documents, etc., shall be available for any authorized federal, state, including, but not limited to DIDD, agencies mentioned in Section A.59.(b)(1) of this Contract, and Office of the Comptroller of the Treasury personnel during the contract period and five (5) years thereafter, unless an audit, administrative, civil or criminal investigation or prosecution is in progress or audit findings or administrative, civil or criminal investigations or prosecutions are yet unresolved in which case records shall be kept until all tasks or proceedings are completed. During the contract period, these records shall be available at the Contractor's chosen location in Tennessee subject to the written approval of DIDD. If the records need to be sent to DIDD, the Contractor shall bear the expense of delivery. Prior approval of the disposition of Contractor, subcontractor or provider records must be requested and approved by DIDD in writing.

d. Safeguarding Participant Information:

The Contractor shall ensure that all material and information, in particular Information relating to participants or potential participants, which is provided to or obtained by or through the Contractor's performance under this Contract, whether verbal, written, tape, or otherwise, shall be treated as confidential information to the extent confidential treatment is provided under state and federal laws. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor pursuant to this Contract shall be regarded as confidential information in accordance with the provisions of state and federal law and ethical standards and 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 state and federal law and ethical standards. The Contractor shall comply with all state and federal law regarding information security and confidentiality of information. In the event of a conflict among these requirements, the Contractor shall comply with the most restrictive requirement. The use or disclosure of information concerning participants/potential participants shall be limited to purposes directly connected with the administration of this Contract and shall comply with federal and state law.

Readiness Review

- A.60. Prior to SDWP implementation, DIDD shall verify that the Contractor is ready to begin operations. DIDD shall conduct a readiness review that consists of a desk audit of requested deliverables, one or more onsite reviews and any necessary follow-up regarding issues stemming from an onsite review or that are not adequately addressed during an onsite review.



The requested deliverables may include, but shall not be limited to: policies and procedures regarding supports broker roles and responsibilities, qualifications, staffing ratios, and management of staffing ratios and turnover; communication with Support Brokers and case managers; payroll and claims processing, data and information exchange, customer service, records management, incident management, investigation and reporting, fraud and abuse plan, and program materials such as copies of worker employment and participant enrollment packets and program manuals.

Onsite reviews will consist of, at a minimum, follow-up on items identified in desk audit, participation in training activities, system testing and a walk-through of the Contractor's operations, system demonstrations, and interviews with Contractor's staff. The scope of the review may include all requirements of this Contract related to the SDWP program, as determined by DIDD. Based on the results of the review activities, DIDD will issue a letter of findings and, if needed, will request a corrective action plan from the Contractor.

- a. DIDD shall notify the Contractor in advance of the specific deliverables to be submitted for the desk audit, timeframes for submission, and general requirements for submitting materials.
- b. DIDD 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.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning September 1, 2012, and ending on August 31, 2017. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor that were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed four million dollars and no cents (\$4,000,000.00). 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:

Service Description	Amount (per compensable increment)				
	YEAR 1 9/1/2012- 8/31/2013	YEAR 2 9/1/2013- 8/31/2014	YEAR 3 9/1/2014- 8/31/2015	YEAR 4 9/1/2015- 8/31/2016	YEAR 5 9/1/2016- 8/31/2017
Financial Administration Contract Section A.2.a. and A.54. – A.57.	\$ 52.00 Per Participant Per Month * (PPPM)	\$ 54.00 Per Participant Per Month * (PPPM)	\$ 56.00 Per Participant Per Month * (PPPM)	\$ 58.00 Per Participant Per Month * (PPPM)	\$ 60.00 Per Participant Per Month * (PPPM)
Supports Brokerage Contract Section A.2.b. and A.26.	\$ 100.00 Per Participant Per Month * (PPPM)	\$ 102.00 Per Participant Per Month * (PPPM)	\$ 104.00 Per Participant Per Month * (PPPM)	\$ 106.00 Per Participant Per Month * (PPPM)	\$ 108.00 Per Participant Per Month * (PPPM)

INITIAL SUBMISSION OF CLAIMS	
SERVICE DATE	DATE CLAIM DUE TO DIDD CENTRAL OFFICE
January 1-31	May 31
February 1-28/29	June 30
March 1-31	July 31
April 1-30	August 31
May 1-31	September 30
June 1-30	October 31
July 1-31	November 30
August 1-31	December 31
September 1-30	January 31
October 1-31	February 28/29
November 1-30	March 31
December 1-31	April 30

LATE BILLING DUE DATE	
SERVICE DATE	DATE CLAIM DUE TO DIDD CENTRAL OFFICE
January 1-31	July 31
February 1-28/29	August 31



LATE BILLING DUE DATE	
March 1-31	September 30
April 1-30	October 31
May 1-31	November 30
June 1-30	December 31
July 1-31	January 31
August 1-31	February 28/29
September 1-30	March 31
October 1-31	April 30
November 1-30	May 31
December 1-31	June 30

* The Per Participant Per Month (PPPM) payment shall be based only on participants enrolled in self direction of HCBS, defined as the number of SDWP participants with an active authorization for self directed services that are receiving self directed services.

- 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:

Director of Person Centered Practices
 Department of Intellectual and Developmental Disabilities
 500 Deaderick Street, Suite 1500
 Nashville, Tennessee 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 Intellectual and Developmental Disabilities
 - (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 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 12-4-124, *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 12-4-124, *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.

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:

James M. Henry, Commissioner
Department of Intellectual and Developmental Disabilities
500 Deaderick Street, Suite 1500
Nashville, Tennessee 37243



james.henry@tn.gov
Telephone # 615-532-6538
FAX # 615-532-9940

DIDD Program:

Courtney Kelly, Director of Person Centered Practice
Department of Intellectual and Developmental Disabilities
500 Deaderick Street, Suite 1500
Nashville, Tennessee 37243
courtney.kelly@tn.gov
Telephone # 615-741-6148
FAX # 615-532-9940

State Fiscal Contact:

Stephen Beaty
Department of Intellectual and Developmental Disabilities
500 Deaderick Street, Suite 1500
Nashville, Tennessee 37243
stephen.beaty@state.tn.us
Telephone # 615-253-2378
FAX # 615-661-6011

The Contractor:

Cheryl Vennerstrom, Chief Operations Officer
Morning Star Financial Services of Tennessee, LLC
9400 Golden Valley Road
Golden Valley, Minnesota 55427
cherlyv@OrionAssoc.net
Telephone/Office # 763-450-5007
Telephone/Cell # 612-239-3768
FAX # 763-450-5005

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. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.

a. The Contractor shall maintain, at minimum, the following insurance coverage:

- (1) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than seven hundred fifty thousand dollars (\$750,000) per occurrence and one million five hundred thousand dollars (\$1,500,000) aggregate.

b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.6. 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.7. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep



the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.

- E.8. Annual Report and Audit. The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.
- E.9. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, *et. seq.*, shall be printed pursuant to this contract unless a printing authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).
- E.10. 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.
- E.11. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.



- E.12. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.13. Public Accountability. If the Contractor is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor shall display in a prominent place, located near the passageway through which the public enters in order to receive services pursuant to this Contract, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

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

- E.14. 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.15. 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.16. 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-34401-00365 (Attachment 6.2.B.15.) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

- E.17. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.18. 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.19. **Partial Takeover.** The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.20. **Procedures upon Termination.** The Contractor shall promptly supply all material necessary for continued program operation and related systems operation. This material includes but may not be limited to:
- a. Computer Programs and software;
 - b. Data and paper files pertaining to active clients in program services;
 - c. User and operation manuals, and other documentation pertaining to software/computer programs;
 - d. System and program documentation regarding daily program/business operation; and
 - e. Training programs for Medicaid agency staff, their agents or designated representatives in the operation and maintenance of the system.
- E.21. The Contractor shall offer to the State one or both of the following options if the Contractor or the contractor's subcontractor has a proprietary right to material specified in Section E.20. of this Contract:
- a. Purchasing the material; or
 - b. Purchasing the use of the material through leasing or other means.



IN WITNESS WHEREOF,

MORNING STAR FINANCIAL SERVICES OF TENNESSEE, LLC:

[Handwritten Signature]

8-7-2012

CONTRACTOR SIGNATURE

DATE

DR. REBECCA S. HAGE THOMLEY, PRESIDENT

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES:

James M. Henry
JAMES M. HENRY, COMMISSIONER *(FH)*

8-7-2012

DATE

APPROVAL:

DEPARTMENT OF FINANCE AND ADMINISTRATION,
BUREAU OF TENNCARE:

Mark A. Emkes
MARK EMKES, COMMISSIONER

8-7-2012

DATE



ATTACHMENT A

DEFINITIONS

Adult Protective Services (APS) – An office within the Tennessee Department of Human Services that investigates reports of abuse, neglect (including self-neglect) or financial exploitation of vulnerable adults. APS staffs assess the need for protective services and provide services to reduce the identified risk to the adult.

Case manager - For purposes of the SDWP, a person who is employed or contracted by DIDD to perform the continuous process of care coordination:

- (a) Assessing a Participant's physical, behavioral, functional, and psychosocial needs;
- (b) Identifying the physical health, behavioral health, and other social support services and assistance (e.g., housing or income assistance) necessary to meet identified needs;
- (c) Ensuring timely access to and provision, coordination and monitoring of physical health, and behavioral health services needed to help the Participant maintain or improve his physical or behavioral health status or functional abilities and maximize independence; and
- (d) Facilitating access to other social support services and assistance needed in order to ensure the Participant's health, safety and welfare, and as applicable, to delay or prevent the need for more expensive institutional placement.

Child Protective Services (CPS) – A program division of the Tennessee Department of Children's Services whose purpose is to investigate allegations of child abuse and neglect and provide and arrange preventive, supportive, and supplementary services.

Confidential Information – Any non-public, confidential or proprietary information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression, which is created under this Agreement. Any such information relating to individuals enrolled in the TennCare program ("TennCare participants") or relating to individuals who may be potentially enrolled in the TennCare program, which is provided to or obtained under this Agreement, shall also be treated as "Confidential Information" to the extent that confidential status is afforded such information under State and Federal laws or regulations. All confidential Information shall not be subject to disclosure under the Tennessee Public Records Act.

Contract Provider - A provider who is under contract with DIDD.

Employee – The worker hired by the SDWP participant to deliver eligible HCBS.

Employer of Record – The participant participating in self direction of HCBS or a representative designated by the participant to assume the self direction of HCBS functions on the participant's behalf.

Fiscal Employer Agent (Contractor) – An entity contracting with the State that helps SDWP participants participating in self direction of HCBS. The Contractor provides both Financial Administration and Supports Brokerage functions for SWDP participants participating in self direction of HCBS. This term is used by the IRS to designate an entity operating under Section 3504 of the IRS code, Revenue Procedure 70-6 and Notice 2003-70 as the agent to participants for the purpose of filing certain federal tax forms and paying federal income tax withholding, FICA and FUTA taxes. The Contractor also files state income tax withholding and unemployment insurance tax forms and pays the associated taxes and processes payroll based on the eligible HCBS authorized and provided.



HIPAA – Health Insurance Portability and Accountability Act of 1996, 45 CFR Parts 160 and 164.

Home and Community-Based Services (HCBS) – Services not covered by Tennessee’s Title XIX state plan that are provided as an alternative to long-term care institutional services in a nursing facility or an Intermediate Care Facility for Intellectual Disabilities (ICF/ID). HCBS does not include home health or private duty nursing services.

Individual Support Plan (ISP) –An individualized written plan that identifies enrollee preferences, capacities, needs and resources and that identifies supports and services to meet such needs; and by which enrollees and their families are assisted to access Waiver and other necessary services.

Legal Representative – In general, for SDWP participants, a person who is at least eighteen (18) years of age and is authorized by the participant to participate in care planning and implementation and to speak and make decisions on the participant’s behalf, including but not limited to identification of needs, preference regarding services and service delivery settings, and communication and resolution of complaints and concerns. As it relates to self direction of HCBS, a person who is authorized by the participant to serve as the employer of record, and to direct and manage the participant’s worker(s). The representative for self direction of HCBS must also: be at least 18 years of age; have a personal relationship with the participant and understand his/her support needs; know the participants daily schedule and routine, functional status, medication regimen, likes and dislikes, and strengths and weaknesses; and be physically present in the participant’s residence on a regular basis or at least at a frequency necessary to supervise and evaluate workers.

List of Excluded Individuals/Entities (LEIE) – List of Excluded Individuals/Entities is the database maintained by the Office of the Inspector General in the Department of Human Services containing the names of providers excluded from participation in federally financed healthcare programs by the authority granted in 42 USCA 1320a-7.

Participant – Person that receives waiver services.

Provider - Provider shall mean an appropriately licensed institution, facility, agency, person, corporation, partnership, or association that delivers health care services. Providers are categorized as either TennCare Providers or Non-TennCare Providers. TennCare Providers may be further categorized as being one of the following:

- (a) Participating Providers or In-Network Providers
- (b) Non-Participating Providers or Out-of-Network Providers
- (c) Out-of-State Emergency Providers

Definitions of each of these terms are contained in TennCare Rule 1200-13-13-.01.

Provider does not include Self Directed Workers (See Self Directed Worker); nor does provider include the Contractor (Fiscal Employer Agent).

Provider Agreement – An agreement, using the provider agreement template approved by DIDD, between DIDD and a provider or between the subcontractor and a provider that describes the conditions under which the provider agrees to furnish covered services to the waiver participants.

Regulatory Requirements - Any requirements imposed by applicable federal, state or local laws, rules, regulations, court orders and consent decrees, a program contract, or otherwise imposed by TennCare in connection with the operation of the program or the performance required by either party under this agreement.



Risk Assessment – An agreement signed by a participant who will receive HCBS (or his/her representative) that includes, at a minimum, identified risks to the participant of residing in the community and receiving HCBS, the consequences of such risks, strategies to mitigate the identified risks, and the participant's decision regarding his/her acceptance of risk. For participants electing to participate in self direction, the Risk Assessment must include any additional risks associated with the participant's decision to act as the employer of record, or to have a Representative act as the employer of record on his/her behalf.

Safeguarding Enrollee Information – To maintain reasonable and appropriate administrative, technical and physical safeguards, ensure the integrity and confidentiality, and protect against any reasonably anticipated threats or hazards to the security or integrity or unauthorized uses or disclosures of information regarding a TennCare participant.

Self-Determination Waiver Participant (SDWP) Participant – A participant who has been enrolled by DIDD into SDWP.

State – The State of Tennessee, including, but not limited to, any entity or agency of the state, such as the Tennessee Department of Finance and Administration, the Office of Inspector General, the Bureau of TennCare, the Tennessee Bureau of Investigation, Medicaid Fraud Control Unit, the Tennessee Department of Mental Health and Developmental Disabilities, the Tennessee Department of Children's Services, the Tennessee Department of Health, the Tennessee Department of Commerce and Insurance, and the Office of the Attorney General.

Supports Broker – An individual assigned by the Contractor to each participant who assists the participant/representative in performing employer functions including, but not limited to, developing job descriptions, locating, recruiting, interviewing, scheduling, monitoring and evaluating workers. The supports broker collaborates with, but does not duplicate, the functions of the participant's case manager. The supports broker does not have authority or responsibility for self direction. The participant or participant's representative must retain authority and responsibility for self direction.

TennCare or TennCare Program – The program administered by the single state agency, as designated by the state and CMS, pursuant to Title XIX of the Social Security Act and the Section 1115 research and demonstration waiver granted to the State of Tennessee and any successor programs.

Warm Transfer – A telecommunications mechanism in which the person answering the call facilitates transfer to a third party, announces the caller and issue, and remains engaged as necessary to provide assistance.



ATTACHMENT B

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	Morning Star Financial Services of Tennessee, LLC
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.

[Handwritten Signature]

 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.

DR. REBECCA S. HAGE THOMLEY, PRESIDENT

PRINTED NAME AND TITLE OF SIGNATORY

8-7-2012

 DATE OF ATTESTATION



ATTACHMENT C

Liquidated Damages

It is acknowledged by DIDD and the Contractor that in the event of failure to meet the requirements provided in this Contract and all documents incorporated herein, DIDD will be harmed. The actual damages that DIDD will sustain in the event of and because of such failure are uncertain, since it is extremely difficult and impractical to ascertain and determine. The parties, therefore, acknowledge that the Contractor shall be subject to damages and/or sanctions as described below. It is further agreed that the Contractor shall pay DIDD liquidated damages as directed by DIDD and not to exceed the fixed amount as stated below; provided however, that if it is finally determined that the Contractor would have been able to meet the Contract requirements listed below but for DIDD's failure to perform as provided in this Contract, the Contractor shall not be liable for damages resulting directly therefrom.

In addition to the specific liquidated damages listed below, DIDD shall have the right to assess a general liquidated damages claim of five hundred dollars (\$500) per calendar day for each day that the Contractor fails to comply with the provisions and requirements of this Contract. The damage that may be assessed shall be \$500 per calendar day for each separate failure to comply with the Contract.

	PROGRAM ISSUE	DAMAGE
1.	Failure to obtain written approval of any written participant materials including educational materials prior to using such materials as outlined in Sections A.4. and A.18. of this Contract.	\$250 per participant or educational material (i.e., per document, regardless of the number of persons to whom such document may have been disseminated) for which prior approval was not obtained.
2.	Failure to complete and process all required employer paperwork, including but not limited to IRS Forms SS-4, 2678, and 8821, for the participant or his/her representative, as applicable prior to initiating self direction of HCBS for the participant as outlined in Section A.3. of this Contract.	\$500 per participant for which all required employer paperwork is not completed and processed prior to initiating self direction of HCBS for the participant.
3.	Failure to ensure that each self directed worker completes all required employee paperwork, prior to authorizing the worker to deliver self direction services for a participant, as outlined in Sections A.21. and A.23. of this Contract.	\$500 per worker for which all required employee paperwork was not completed prior to authorizing the worker to deliver self direction services for a participant.
4.	Failure to ensure that each self directed worker completes all training requirements prior to authorizing the worker to deliver self directed services as outlined in Sections A.24. and A.25. of this Contract.	\$500 per worker for which all training requirements were not completed prior to authorizing the worker to deliver self directed services for a participant.



	PROGRAM ISSUE	DAMAGE
5.	Failure to ensure that each self directed worker meets all qualifications specified in this Contract and passes a background check as outlined in Section A.21.b. of this Contract (including all applicable registry and database checks); failure to maintain documentation of such qualifications and background (including registry and database) checks; or failure to allow a worker who has failed his/her background check to provide self directed services only as permitted pursuant to Section A.21.b. of this Contract.	\$1,000 per worker for which qualifications were not verified, or a background check was not passed prior to authorizing the worker to deliver self directed services; for which documentation of such qualifications and background check was not maintained; or for each worker who failed a background check that was permitted to provide self directed services.
6.	Failure to contact the participant/ representative upon notification of gaps in services to ensure that the ISP has been implemented and is effectively working and to offer assistance as needed in implementing the back-up plan per the ISP as outlined in Section A.9. of this Contract.	\$500 per instance in which the Contractor failed to contact the participant/representative upon notification of a service gap to ensure that the back-up plan has been implemented and is effectively working and to offer assistance as needed in implementing the back-up plan.
7.	Failure to report a reportable incident within the timeframes specified in Section A.34. of this Contract.	\$250 per critical incident not reported.
8.	Failure to complete minimum supports broker contacts as defined in Section A.30. of this Contract when such failure is due to negligent actions, failures or omissions on the Contractor's part.	\$200 per participant for which minimum supports broker contacts were not completed.
9.	Failure to pay a self directed worker pursuant to the terms of this Contract, including but not limited to the timeliness of payment as defined in Section A.54. of this Contract when such failure is due to negligent actions, failures or omissions on the Contractor's part.	\$200 per instance in which a self directed worker is not paid pursuant to the terms of this Contract.



	PROGRAM ISSUE	DAMAGE
10.	Failure to timely submit and pay a participant or representative's Employer Payroll Taxes as defined in Section A.54. of this Contract when such failure is due to negligent actions, failures or omissions on the Contractor's part.	\$200 per participant for which Employer Payroll Taxes were not timely submitted and paid in addition to all applicable IRS penalties and interest which may be assessed.