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Memphis  
Knoxville  
Chattanooga  
Nashville

August 14, 2018

Ms. Krista Lee  
Executive Director  
Fiscal Review Committee  
320 Sixth Avenue, North-8<sup>th</sup> Floor  
Nashville, TN 37243-0057

Dear Ms. Lee,

In November, 2016, the University of Tennessee College of Medicine's Center for Addiction Science was recognized as the nation's first *Center of Excellence In Addiction Medicine* by The Addiction Medicine Foundation. The Center was founded to address the untreated addiction epidemic, not only in Memphis, but across the country. The Center provides clinical treatment services including cognitive behavioral therapy, medication-assisted treatment, motivational enhancement therapy and 12-step program facilitation across all demographics. The Center is also training physicians to offer alternate forms of pain therapy to avoid over-prescription of opioids.

The Center of Excellence designation from The Addiction Medicine Foundation, a national organization that accredits physician training in addiction medicine, puts the Center at the forefront of its field — as the first in the country to bring together clinical care, research, education and community outreach to address addiction and deadly substance use. The combination of the harmful effects of addiction, including alcohol and nicotine use, represent the leading cause of death in Tennessee. More than 1,263 Tennesseans died from opioid overdose in 2014, according to the most recent figures from the Tennessee Department of Health and the U.S. Centers for Disease Control and Prevention.

To meet our goal to expand this Center's services in Tennessee, the Mid-South and the nation, the Health Science Center has been aggressively pursuing funding opportunities. To date, we have been fortunate to receive support from the State with a \$2 million appropriation for FY 2019, a grant from Shelby County of more than \$2 million and are in the final stages of approval for a grant from the Blue Cross of Tennessee for nearly \$1 million. These funds will be used to expand the clinical services currently provided as well as increase our educational and research efforts with new fellowships and training programs for primary care and behavioral health providers.

As is often the case with new treatment programs and protocols, third party payors do not fully reimburse the cost of care. Further, in many cases, those affected by this disease do not have private insurance and are reliant on public support. The grants we have received will, in part, offset these unreimbursed costs of providing care.

Ms. K. Lee  
UCH Addiction Medicine  
August 14, 2018  
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Attached is a draft proposed contract with University Clinical Health (UCH), one of the HSCs faculty group practice plans. Through UCH, HSC faculty in Addiction Medicine provide physician services. The proposed contract will reimburse UCH for costs (including physician extenders such as nurses) that go unfunded by third party payors. The term of the contract is from September 1, 2018 through December 31, 2019 for an amount not to exceed \$1.5 million.

I recognize and apologize that I am submitting this contract late by the Fiscal Review procedures as we propose to start the contract on September 1<sup>st</sup> and are not providing the 60-day lead time for consideration. As we continue to negotiate and develop the programs for the Addiction Center and the reimbursements to UCH, the start of the contract may be delayed. However, there is a concerted effort to move this program forward quickly and if we can work out details; we would like to initiate the contract as soon as possible.

I hope this letter and the attached documents adequately present the justification for this contract. As always, please let me know if you have questions or need additional information.

Sincerely,



Anthony A. Ferrara  
Vice Chancellor/Chief Financial Officer

/VOLUMES/FINANCE/VICECHANCELLOR/GENERAL LETTERS - DOCUMENTS/FY 2019/LEE UCH ADDICTION MEDICINE/LEE UCH ADDICTION MEDICINE.DOCX

**Enclosures**

cc: Scott Grammar  
Meagan Jones  
Mark Paganelli  
Sandra Pulliam  
Blake Reagan

**CONTRACT SUMMARY SHEET**

021406

<b>RFS #</b>		<b>Contract #</b>	
N/A		N/A	
<b>State Agency</b>		<b>State Agency Division</b>	
University of Tennessee		Health Science Center	
<b>Contractor Name</b>		<b>Contractor ID # (FEIN or SSN)</b>	
University Clinical Health		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- <span style="background-color: black; color: black;">XXXXXXXXXX</span>	
<b>Service Description</b>			
To aide the University in the faciliation of an Opioid Response Plan and provide an integrated approach to develop an Addiction Medicine Network (AMN) to combat the epidemic of substance use disorder.			
<b>Contract BEGIN Date</b>	<b>Contract END Date</b>	<b>Subrecipient or Vendor?</b>	<b>CFDA #</b>
9/1/18	12/31/19	Vendor	
<b>Mark Each TRUE Statement</b>			
<input type="checkbox"/> Contractor is on STARS		<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts	
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>
332.3	N/A	N/A	N/A
<b>Funding Grant Code</b>	<b>Funding Subgrant Code</b>		
N/A	N/a		
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>
			<b>Other</b>
			<b>TOTAL Contract Amount</b>
2019	\$400,000		\$500,000
2020	\$250,000		\$350,000
<b>TOTAL:</b>	\$ 650,000.00	\$ -	\$ -
			\$ 850,000.00
			\$ 1,500,000.00
<b>— COMPLETE FOR AMENDMENTS ONLY —</b>		<b>State Agency Fiscal Contact &amp; Telephone #</b>	
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	
			Anthony A. Ferrara 901-448-5523
			David L Miller 865-974-1763
<b>TOTAL:</b>	\$ -	\$ -	
<b>End Date</b>	9/1/19	12/31/19	
7			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business <input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—
<b>Contractor Selection Method</b> (complete for ALL base contracts— N/A to amendments or delegated authorities)			
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government(eg, ID, GG, GU)	<input type="checkbox"/> Other	
<b>Procurement Process Summary</b> (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			
<p>University Clinical Health is named as the subcontractor in the contract between the University of Tennessee and Shelby County Government and the Blue Cross Foundation for the provision of these services.</p>			

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Anthony A. Ferrara	*Contact Phone:	901-448-5523
*Presenter's name(s):	Anthony A. Ferrara		
Edison Contract Number: <i>(if applicable)</i>		RFS Number: <i>(if applicable)</i>	
*Original or Proposed Contract Begin Date:	09/01/18	*Current or Proposed End Date:	12/31/2019
Current Request Amendment Number: <i>(if applicable)</i>			
Proposed Amendment Effective Date: <i>(if applicable)</i>			
*Department Submitting:	University of Tennessee		
*Division:	Health Science Center		
*Date Submitted:	August 15, 2018		
*Submitted Within Sixty (60) days:	No		
<i>If not, explain:</i>	Delay in receipt of contract from Shelby County Health Department and Blue Cross of Tennessee		
*Contract Vendor Name:	University Clinical Health		
*Current or Proposed Maximum Liability:	\$1,500,000		
*Estimated Total Spend for Commodities:	\$		
<b>*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>			
FY: 2019	FY: 2020	FY:	FY:
\$ 900,000	\$ 600,000		\$
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)</b>			
FY:2019 - 21	FY:	FY:	FY:
\$ 900,000	\$ 600,000		\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			

Supplemental Documentation Required for  
Fiscal Review Committee

<b>*Contract Funding Source/Amount:</b>			
State:	\$650,000	Federal:	
<i>Interdepartmental:</i>		<i>Other:</i>	\$850,000
If “ <i>other</i> ” please define:		Funding provided through contract with Shelby County Health Department and Blue Cross Foundation	
If “ <i>interdepartmental</i> ” please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Method of Original Award: <i>(if applicable)</i>		Non-Competitive	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?			
*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.			

## THE UTHSC OF TENNESSEE CONTRACT

This Contract, made and entered into on September 1, 2018, documents the agreement between the UTHSC of Tennessee ("UTHSC") and UT Medical Group, Inc. d/b/a UTHSC Clinical Health ("UCH").

This Contract consists of this cover page, the signature page, the UTHSC's Standard Terms and Conditions, and no additional pages. Terms contained on this cover page and the UTHSC's Standard Terms and Conditions shall prevail over those of any attachment unless otherwise stated under "Other terms" below.

The UCH will provide clinical care services to aide in combatting the epidemic of substance abuse disorder in Shelby County related to the Shelby County Department of Health Addiction Medicine Project and the establishment of the Addiction Medicine Center of the UTHSC.

The **Period of Performance** under this Contract is from September 1, 2018 through December 31, 2019. However, the UTHSC may terminate this Contract by giving the UCH at least thirty (30) days written notice before the effective termination date, in which event the UCH shall be entitled to receive pro rata compensation for work completed as of the termination date.

**Reimbursement by the UTHSC** During the Term of this Agreement, the UTHSC will reimburse UCH for reasonable and necessary expenses incurred, provided that such expenses are:

- a. directly related to provision of care provided in the Addiction Medicine Center and
- b. expended to fund clinical staff, support staff, research staff, and other miscellaneous expenses approved by the UTHSC (hereafter "Operating Expenses").

In order for UCH to be entitled to reimbursement, UCH shall be required to provide to the UTHSC documentation in a form acceptable to UTHSC. The UTHSC's obligation to reimburse UCH for Operating Expenses under this Agreement shall be offset by any and all amounts of revenue collected by the UCH as a result of the UCH's provision of care and billable professional services (hereafter "UCH's Revenue").

The UTHSC's maximum financial obligation under this Contract is \$1,500,000.00. UTHSC's maximum financial obligation is not subject to increase for any reason, unless this Contract is amended by a written amendment that is signed by authorized officials of both parties.

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 contract or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The UCH, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract. The UTHSC shall have no liability except as specifically provided in this Contract.

The UCH certifies, under penalty of perjury, that to the best of its knowledge and belief, the UCH is not on the list created pursuant to Tenn. Code Ann. § 12-2-106 (Iran Divestment Act). The UCH further certifies that it shall not utilize any subcontractor that is on the list created pursuant to Tenn. Code Ann. § 12-2-106.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives.

**FOR UCH:**

ADDRESS:

1407 Union Avenue, Suite 700  
Memphis, TN 38104  
901.866.8864

**FOR UTHSC:**

DEPARTMENT NAME:

Center for Addiction Medicine

\_\_\_\_\_  
Drew Botschner  
Chief Executive Officer

\_\_\_\_\_  
David L. Miller  
Chief Financial Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

DRAFT

## UTHSC'S STANDARD TERMS AND CONDITIONS

1. The UTHSC is not bound by this Contract until it is approved and signed by appropriate UTHSC authorized official(s). A list of the UTHSC's authorized officials is located here: <http://treasurer.tennessee.edu/contracts/contractsignature.html>
2. This Contract may be modified only by a written amendment which has been executed and approved by the authorized officials of both parties. A list of the UTHSC's authorized officials is located here: <http://treasurer.tennessee.edu/contracts/contractsignature.html>
3. The UCH 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 UTHSC.
4. Unless otherwise indicated on the reverse, if this Contract provides for reimbursement for travel, meals or lodging, such reimbursement must be made in accordance with UTHSC travel policies.
5. The UCH 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 officer, agent, employee, subcontractor, or consultant to UCH in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in the UCH. If the UCH is an individual, the UCH certifies that he/she is not presently employed by the UTHSC or any other agency or institution of the State of Tennessee; that he/she has not retired from or terminated such employment within the past six months; and that he/she will not be so employed during the term of this Contract.
6. The UCH shall maintain documentation for all charges against the UTHSC under this Contract. The books, records and documents of the UCH, 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 UTHSC or the Comptroller of the Treasury, or their duly appointed representatives. These records shall be maintained in accordance with generally accepted accounting principles.
7. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract. The UCH shall, upon request, show proof of such nondiscrimination, and shall post in conspicuous places, available to all employees and applicants, notice of nondiscrimination.
8. The UCH shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
9. This Contract shall be governed by the laws of the State of Tennessee, which provide that the UTHSC has liability coverage solely under the terms and limits of the Tennessee Claims Commission Act.
10. The UCH shall avoid at all times any conflict of interests between his/her duties and responsibilities as a UCH and his/her interests outside the scope of any current or future Contracts. The following principles define the general parameters of a conflict of interests prohibited by the UTHSC:
  - a. UCH's outside interests shall not interfere with or compromise his/her judgment and objectivity with respect to his/her duties and responsibilities to the UTHSC.
  - b. A UCH shall not make or influence UTHSC decisions or use UTHSC resources in a manner that results in:
    1. Financial gain outside any current or future Contracts for either the UCH or his/her relatives or
    2. Unfair advantage to or favored treatment for a third party outside the UTHSC.
  - c. A UCH's outside financial interests shall not affect the design, conduct, or reporting of research. The UCH certifies that he/she has no conflicts of interests and has disclosed in writing the following:
    1. Any partners or employees of the UCH who are also employees of the UTHSC.
    2. Any relatives of the UCH's partners or employees who work for the UTHSC.
    3. Any outside interest that may interfere with or compromise his/her judgment and objectivity with respect to his/her responsibilities to the UTHSC.
11. If the UCH fails to perform properly its obligations under this Contract or violates any term of this Contract, the UTHSC shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. The UCH shall not be relieved of liability to the UTHSC for damages sustained by breach of this Contract by the UCH.
12. It is understood by the UCH that the UTHSC will possess all rights to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of the UCH's performance under this Contract. The UCH and the UTHSC acknowledge and agree that the UCH's work under this Contract shall belong to the UTHSC as "work-made-for-hire" (as such term is defined in U.S. Copyright Law). To the extent UCH's work is not deemed to constitute "work-made-for-hire," UCH hereby assigns and transfers to the UTHSC all of UCH's right, title and interest in and to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of the UCH's performance under this Contract.
13. For personal, professional, and consultant services, the UCH shall submit brief, periodic progress reports to the UTHSC as requested.

14. In compliance with the requirements of Tenn. Code Ann. § 12-3-309, for any contract for goods or services purchased by the UTHSC, the UCH hereby attests that the UCH shall not knowingly utilize the services of an illegal immigrant in the performances of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of the Contract.
15. Any activities performed within the UTHSC of Tennessee facilities in support of this contract shall be executed in accordance with all applicable safety and environmental standards. Covered activities include but are not limited to the installation, servicing and maintenance of devices or equipment. Requisite safety standards include those promulgated by the Tennessee Occupational Safety and Health Administration (TOSHA), the Tennessee Department of Environment and Conservation (TDEC), Tennessee Division of Radiological Health, and any other regulation or related consensus standards which may apply to the device, equipment, or services covered under this contract. All hazardous substances and materials, including waste, under the control of the UCH shall be managed in accordance with applicable EPA and TDEC regulations. *Failure to abide by regulatory requirements may result in termination of the contract by the UTHSC. Any fines imposed against the UTHSC as the result of a UCH's failure to abide by regulations shall be the UCH's responsibility.*
16. This Contract is the entire agreement between the UTHSC (including UTHSC employees and other end users) and UCH. In the event UCH enters into terms of use, end user agreements, or other agreements or understandings, whether electronic, click-through, or shrink-wrap, and whether verbal or written, with UTHSC employees or other end users, such agreements shall be null, void, and without effect, and the terms of this Contract shall apply.
17. In compliance with the requirements of Tenn. Code Ann. § 12-3-306, the UCH hereby attests that the UCH has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.
18. The UCH certifies, under penalty of perjury, that to the best of its knowledge and belief, the UCH is not on the list created pursuant to Tenn. Code Ann. § 12-2-106 (Iran Divestment Act). The UCH further certifies that it shall not utilize any subcontractor that is on the list created pursuant to Tenn. Code Ann. § 12-2-106.