

October 26, 2018

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

RE: Altruista Health, Inc. – Amendment 1
Deloitte Consulting, LLP – Amendment 1
Grant Cooper & Associates – Amendment 2
Myers and Stauffer, LC – Amendment 1
Managed Care Organization (MCO):
Amerigroup Tennessee, Inc. – Amendment 9
UnitedHealthcare Community Plan, Inc. – Amendment 9
VSHP BlueCare Tennessee – Amendment 9
Volunteer State Health Plan, Inc. – Amendment 44

Dear Ms. Lee:

The Department of Finance and Administration, Division of TennCare, is submitting for consideration by the Fiscal Review Committee the following eight (8) amendments and all required documentation and approvals.

- 1) Altruista Health, Inc. is the competitively procured contractor for the provision of providing and implementing an Off the Shelf Solution (Solution) with customizations that allows health care providers the ability to coordinate patients across multiple payers, plan types including Medicaid, Medicare, and Commercial plans. The primary use of this tool in the first phase was to enhance transitions of care, and allow for potential future expansion to leverage this tool to enhance care coordination and management across the State's Medicaid enterprise. TennCare is seeking to exercise the first of two renewal options as allowed in section B.2. of contract 48925 as well as increase the maximum liability in order to continue regular payments to accommodate for the extended term.
- 2) Deloitte Consulting, LLP is the competitively procured contractor tasked with the design, development, testing, implementation, and the operations and maintenance (O&M) of TennCare's eligibility determination, redetermination, and eligibility appeals system for the State of Tennessee's Medicaid program (TennCare) and Children's Health Insurance Program (CHIP, known as CoverKids in Tennessee). Their efforts have help modernize all aspects of Medicaid eligibility operations, enabling the State to administer all Medicaid eligibility determinations and related appeals functions. Deloitte is also responsible for eligibility determinations based on Modified Adjusted Gross Income (MAGI). The procurement and implementation of a single, streamlined eligibility determination system for Medicaid and CHIP, along with enhancements to the State's eligibility determination and eligibility appeals processes, has enabled the State to provide its members with a seamless customer experience providing real-time or near real-time determination of eligibility for the majority of applicants. At the forefront of this effort is a "no wrong door" strategy that

emphasizes efficiently capturing eligibility data electronically, regardless of how applicants choose to provide it, while promoting self-service and reducing transaction costs. TennCare requests to utilize the first of three (3) extensions as permitted by section B.2. of contract 51785 and to increase the maximum liability in order to accommodate the continuation of services for the extended period.

- 3) Grant Cooper and Associates is the competitively procured contractor which provides a national healthcare executive search and recruitment service for TennCare which assists in identifying qualified candidates for consideration for executive level positions. TennCare is requesting to extend the contract to the maximum of 60 months.
- 4) Myers & Stauffer, LLC is the competitively procured contract which establishes benchmark reimbursement for covered outpatient drugs using an Average Actual Acquisition Cost (AAAC) cost methodology for pharmacies to be compliant with federal requirements of the Covered Outpatient Drug final rule (CMS-2345-FC)(81 FR 5170). As a result, TennCare has been using MSLC to implement and acquire pharmacy invoice level detail to determine a consistent, efficient, economical pharmacy drug reimbursement costs under the AAAC methodology. Since implementation TennCare continues to have tremendous partnership with the pharmacy community with a 96.7 percent pharmacy network participation rate. TennCare is requesting to extend the contracted actuarial services performed by MSLC to ensure ongoing maintenance of the state of Tennessee specific AAAC for the purposes of pharmacy reimbursement that is in compliance with federal requirements and to increase the maximum liability to ensure there is no lapse in service. This will continue to support continuity for the Tennessee pharmacies and our members.

Managed Care Organization (MCO):

- 5) AMERIGROUP Tennessee, Inc. (Edison # 40180, amendment #9)
- 6) UnitedHealthcare Plan of the River Valley, d/b/a UnitedHealthcare Community Plan (Edison # 40181, amendment #9)
- 7) Volunteer State Health Plan, Inc. d/b/a Blue Care Tennessee (Edison # 40197, amendment #9)

These managed care contracts are being amended to provide relative changes to the managed care program including: 1) Addition of ECF CHOICES Groups 7 & 8 (and Integrated Support Coordination Team) 2) Revisions to ECF CHOICES Expenditure Cap exceptions. 3) Revisions to CHOICES & ECF CHOICES deadline for intake processes with exceptions and related liquidated damage. 4) Added collaboration requirements for Beneficiary Support System. 5) Prohibition on reimbursement conditions that require Medicare Explanation of Benefits for Nursing Facility claims. 6) Added community provider forums to CHOICES Advisory Group requirements. 7) Medication-assisted treatment (MAT) requirements. 8) Clarify Home Health Agency requirements. 9) Updated reporting requirements for Tennessee Health Link (THL) and Patient Centered Medical Home (PCMH). 10) Population Health updates for clarity and to align with NCQA Population Health requirements. 11) Program Integrity clarifications, including updated Fraud and Abuse Reporting Forms. 12) NEMT clarifications (mileage reimbursement, member survey's, reporting, etc.). 13) Housekeeping (definitions, reporting, etc.).



8) Volunteer State Health Plan, TennCare Select (Edison # 29635, Amendment #44)

This managed care contract is being amended to provide relative changes to the managed care program including: 1) Revise language to allow TennCare the option to remove eligibility groups based on CMS Wavier Amendments. 2) Added collaboration requirements for Beneficiary Support System. 3) Medication-assisted treatment (MAT) requirements. 4) Clarify Home Health Agency requirements. 5) Updated reporting requirements for Tennessee Health Link (THL) and Patient Centered Medical Home (PCMH). 6) Population Health updates for clarity and to align with NCQA Population Health requirements. 7) Program Integrity clarifications, including updated Fraud and Abuse Reporting Forms. 8) NEMT clarifications (mileage reimbursement, member surveys, reporting, etc.). 9) Housekeeping (definitions, reporting, etc.)

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

Sincerely,

William Aaron
Chief Financial Officer

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

Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	31865-00454	
1. Procuring Agency	Department of Finance and Administration, Division of TennCare	
2. Contractor	Myers and Stauffer LC	
3. Edison contract ID #	52298	
4. Proposed amendment #	1	
5. Contract's Original Effective Date	November 01, 2016	
6. Current end date	October 31, 2019	
7. Proposed end date	October 31, 2020	
8. Current Maximum Liability or Estimated Liability	\$ 739,980.00	
9. Proposed Maximum Liability or Estimated Liability	\$986,640.00	
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		
<p>This competitively procured contractor, Myers and Stauffer, LC (MSLC), established benchmark reimbursement for covered outpatient drugs using an Average Actual Acquisition Cost (AAAC) cost methodology for pharmacies to be compliant with federal requirements of the Covered Outpatient Drug final rule (CMS-2345-FC)(81 FR 5170). As a result, TennCare has been using MSLC to implement and acquire pharmacy invoice level detail to determine a consistent, efficient, economical pharmacy drug reimbursement costs under the AAAC methodology. Since implementation TennCare continues to have tremendous partnership with the pharmacy community with a 96.7 percent pharmacy network participation rate. TennCare is requesting to extend the contracted actuarial services performed by MSLC to ensure ongoing maintenance of the state of Tennessee specific</p>		

Agency request tracking #	31865-00454
AAAC for the purposes of pharmacy reimbursement that is in compliance with federal requirements and to increase the maximum liability to ensure there is no lapse in service. This will continue to support continuity for the Tennessee pharmacies and our members.	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract. N/A	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 31865-00454	Edison ID 55298	Contract #	Amendment # 1		
Contractor Legal Entity Name Myers and Stauffer LC			Edison Vendor ID 0000156383		
Amendment Purpose & Effect(s) Extend End Date and Increase Maximum Liability					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: October 31, 2020			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$246,660.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2017	\$82,220.00	\$82,220.00			\$164,440.00
2018	\$123,330.00	\$123,330.00			\$246,660.00
2019	\$123,330.00	\$123,330.00			\$246,660.00
2020	\$123,330.00	\$123,330.00			\$246,660.00
2021	\$41,110.00	\$41,110.00			\$82,220.00
TOTAL:	\$493,320.00	\$493,320.00			\$986,640.00
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.				<i>CPO USE</i>	
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT #1
OF CONTRACT 52298
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND
MYERS AND STAUFFER LC**

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

1. Contract section B. is deleted in its entirety and replaced with the following:
 - B.1. This Contract shall be effective for the period beginning November 1, 2016 ("Effective Date") and ending on October 31, 2020 ("Term"). The State shall have no obligation for goods delivered or services provided by the Contractor prior to the Effective Date.
2. Contract section C.1. is deleted in its entirety and replaced with the following:
 - C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Nine Hundred Eighty Six Thousand Six Hundred Forty dollars (\$986,640.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by 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 January 1, 2018. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

MYERS AND STAUFFER LC:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

**DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF TENNCARE**

LARRY B. MARTIN, COMMISSIONER

DATE

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Matt Brimm	*Contact Phone:	615-687-5811		
*Presenter's name(s):	William Aaron				
Edison Contract Number: <i>(if applicable)</i>	52298	RFS Number: <i>(if applicable)</i>	31865-00454		
*Original or Proposed Contract Begin Date:	October 01, 2016	*Current or Proposed End Date:	October 31, 2019		
Current Request Amendment Number: <i>(if applicable)</i>	1				
Proposed Amendment Effective Date: <i>(if applicable)</i>	January 1, 2019				
*Department Submitting:	Finance and Administration				
*Division:	TennCare				
*Date Submitted:	October 31, 2018				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>	N/A				
*Contract Vendor Name:	Myers and Stauffer LC				
*Current or Proposed Maximum Liability:	\$739,980.00				
*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:2017	FY:2018	FY:2019	FY:2020	FY	FY
\$164,440.00	\$246,660.00	\$246,660.00	\$82,220.00	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY:2017	FY:2018	FY:2019	FY:	FY	FY
\$164,440.00	\$246,660.00	\$41,110.00 *Expenditures through August 2018	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding			N/A		

Supplemental Documentation Required for
Fiscal Review Committee

was acquired to pay the overage:			
*Contract Funding Source/Amount:			
State:	\$369,990.00	Federal:	\$369,990.00
<i>Interdepartmental:</i>		<i>Other:</i>	
If “ <i>other</i> ” please define:		N/A	
If “ <i>interdepartmental</i> ” please define:		N/A	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A		N/A	
Method of Original Award: <i>(if applicable)</i>		Request for Proposal (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?		\$739,980.00 The original projected cost of the contract was based on the winning RFP cost proposal.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		This contract was competitively procured through an RFP where two (2) providers submitted proposals. This request is to exercise the first of two renewal options as allowed in section B.2. of contract 52298 as well as increase the maximum liability in order to continue regular payments to accommodate for the extended term.	
*Provide information on the circumstances and status of any disciplinary action taken or pending against the vendor during the past 5 years with state agencies/ departments, professional organizations, or through any legal action.		No disciplinary actions identified.	
*In addition, please provide any information regarding the due diligence that the Department has taken to ensure that the vendor is not or has not been involved in any circumstances related to illegal activity, including but not limited to fraud.		TennCare Googled and did not identify any illegal activity. Language in the contract requires immediate notification to the state regarding illegal activity or fraud if discovered during the term of this Contract.	



CONTRACT

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

Begin Date November 1, 2016	End Date October 31, 2019	Agency Tracking # 31865-00454	Edison Record ID 52298
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Contractor Legal Entity Name Myers and Stauffer LC	Edison Vendor ID 0000156383
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Goods or Services Caption (one line only)
Actual Acquisition (AAC) Program for Single-Source, Multi-Source Legend & OTC Drugs

Contractor <input checked="" type="checkbox"/> Contractor	CFDA # 93.778 Dept of Health & Human Services/Title XIX
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2017	\$82,220.00	\$82,220.00			\$164,440.00
2018	\$123,330.00	\$123,330.00			\$246,660.00
2019	\$123,330.00	\$123,330.00			\$246,660.00
2020	\$41,110.00	\$41,110.00			\$82,220.00
TOTAL:	\$369,990.00	\$369,990.00			\$739,980.00

Contractor Ownership Characteristics:

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

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

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

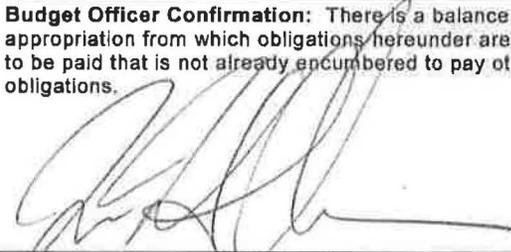
Other: Limited Liability Company

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

Competitive Selection RFP

Other

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.



Speed Chart (optional) TN00000318	Account Code (optional) 70803000
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Myers and Stauffer LC
Edison Contract ID: 52298
Vendor #: 0000156383

CONTRACT EXPENDITURES BY FISCAL YEAR
(Payment Detail Attached)

FY 2017	\$164,440.00	
FY 2018	\$246,660.00	
FY 2019	<u>\$41,110.00</u>	(Expenditures through August 2018)
TOTAL	<u><u>\$452,210.00</u></u>	

Myers and Stauffer LC
Edison Contract ID: 52298
Vendor ID: 0000156383

FY 2017 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amount
2017	31865	01444234	TN23611116	1/6/2017	\$20,555.00
2017	31865	01470704	TN23611216	2/14/2017	\$20,555.00
2017	31865	01496068	TN23610117	3/28/2017	\$20,555.00
2017	31865	01504585	TN23610217	4/10/2017	\$20,555.00
2017	31865	01512471	TN23610317	4/28/2017	\$20,555.00
2017	31865	01531609	TN23610417	5/31/2017	\$20,555.00
2017	31865	01543160	TN23610517	6/30/2017	\$20,555.00
2017	31865	01558370	TN23610617	7/28/2017	\$20,555.00

Total FY 2017: \$164,440.00

FY 2018 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amount
2018	31865	01590956	TN23610717	9/14/2017	\$20,555.00
2018	31865	01591051	TN23610817	9/29/2017	\$20,555.00
2018	31865	01605198	TN23610917	10/27/2017	\$20,555.00
2018	31865	01644102	TN23611117	1/4/2018	\$20,555.00
2018	31865	01640428	TN23611017	1/2/2018	\$20,555.00
2018	31865	01651016	TN23611217	1/26/2018	\$20,555.00
2018	31865	01669187	TN23610118	3/2/2018	\$20,555.00
2018	31865	01684555	TN23610218	3/29/2018	\$20,555.00
2018	31865	01713809	TN23610318	5/10/2018	\$20,555.00
2018	31865	01717159	TN23610418	5/30/2018	\$20,555.00
2018	31865	01733937	TN23610518	6/29/2018	\$20,555.00
2018	31865	01747388	TN23610618	7/27/2018	\$20,555.00

Total FY 2018: \$246,660.00

Contract Expenditures by Fiscal Year (Continued)
Myers and Stauffer LC - Edison #52298

FY 2019 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amount
2019	31865	01763689	TN23610718	8/30/2018	\$20,555.00
2019	31865	Pending	TN23610818	Pending	\$20,555.00

Total FY 2019: **\$41,110.00**