MEMORANDUM

TO: Krista Lee, Executive Director
    Fiscal Review Committee Members

FROM: Laurie Lee, Benefits Administration

DATE: February 1, 2017

SUBJECT: Amendment One to [Redacted] Contract

Benefits Administration submits for consideration by the Fiscal Review Committee Amendment One to the [Redacted] contract (Edison #38894) for decision support system and executive information systems for the State Public Sector Plans. Through this amendment, we are requesting a name change to the contract. The effective date is May 1, 2017. The system permits standard as well as specialized analyses of the cost, utilization, and quality of services provided through all of the State sponsored self-insured health plan options. In addition, the system is used by Benefits Administration for regular and ad hoc program integrity studies.

Through a competitive bid process, [Redacted] was awarded this contract for five years. The contract has not been before Fiscal Review Committee for any previous amendments.

The name change from [Redacted] to [Redacted] is due to the acquisition of the company by [Redacted]. [Redacted] will not fully merge as part of [Redacted] until April 2018 and is still a stand-alone company until that time. [Redacted] and [Redacted] legal teams decided the least amount of risk would be to change the company structure to a limited liability company from a corporation during this period before the merger.

The current maximum liability is $3,000,000.00 with no request for a reduction or increase in the maximum liability. The contract ends December 31, 2018. A request for proposal process will begin next year allowing for a vendor to be in place January 1, 2019.

Benefits Administration also wanted to provide additional information including questions regarding legal action or illegal activity:
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. 

provided that there have been no disciplinary action or legal action taken or pending in the past five years.

2. 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.

During the Request for Proposal (RFP) process we require all potential bidders to provide the following information:

- Provide a statement of whether the company or, to the company’s knowledge, any of the company’s employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract, have been convicted of, pled guilty to, or pled nolo contendere to any felony. If so, include an explanation providing relevant details.

- Provide a statement of whether, in the last ten (10) years, the Company has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.

- Provide a statement of whether there is any material, pending litigation against the Company that the Company should reasonably believe could adversely affect its ability to meet contract requirements or is likely to have a material adverse effect on the Company’s financial condition.

- Provide a statement whether there is any pending or in progress Securities Exchange Commission investigations involving the Company.

On a semi-annual basis, Benefits Administration requires all of our vendors to 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. as provided this attestation on time and throughout the life of this contract.

has also signed the Iran Divestment Certification pursuant Tenn. Code Ann. 12-12-101 et seq. Through this amendment, the Iran Divestment Act language is being added to the contract.

Benefits Administration also conducted an internet search for current information, lawsuits or any information regarding fraud. This search included using a website dedicated to consumer reviews of websites, local businesses and nationwide companies involved in lawsuits. We did not find any previous or pending legal action.
Enclosed in the Fiscal Review packet you will also find a supplemental report on any liquidated damages assessed by Benefits Administration for the life of the contract (see page 10). A total of $3,500.00 has been assessed due to performance guarantees.

The original contract is included for review. Benefits Administration submits the above referenced contract amendment for consideration and approval by the Fiscal Review Committee.
**Supplemental Documentation Required for Fiscal Review Committee**

<table>
<thead>
<tr>
<th><em>Contact Name:</em></th>
<th>Seannalyn Brandmeir, Benefits Administration</th>
<th><em>Contact Phone:</em></th>
<th>615.532.4598</th>
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<tbody>
<tr>
<td><em>Presenter’s name(s):</em></td>
<td>Laurie Lee, Executive Director; Christa Martin, Director of Financial Management and Program Integrity; Seannalyn Brandmeir, Procurement and Contracting Manager</td>
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<td>Edison Contract Number: <em>(if applicable)</em></td>
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<td><em>Current or Proposed End Date:</em></td>
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<td><em>Submitted Within Sixty (60) days:</em></td>
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*If not, explain:*  
*Contract Vendor Name:*  
*Current or Proposed Maximum Liability:* $3,000,000.00  
*Estimated Total Spend for Commodities:*  

**Current Requested Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)**

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<td>$565,103.39</td>
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**Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)**

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<td>$553,312.10</td>
<td>$515,442.72</td>
<td>$178,676.16</td>
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</table>

**IF** Contract Allocation has been greater than Contract Expenditures, **please give the reasons and explain where surplus funds were spent:**

**IF** surplus funds have been carried forward, **please give the reasons and provide the authority for the carry forward provision:**

**IF** Contract Expenditures exceeded Contract Allocation, **please give the**
### Supplemental Documentation Required for Fiscal Review Committee

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<tr>
<th>reasons and explain how funding was acquired to pay the overage:</th>
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<td>Interdepartmental: $3,000,000.00</td>
<td>Other:</td>
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<tr>
<td>If “other” please define:</td>
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<td>If “interdepartmental” please define:</td>
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<td>Dates of All Previous Amendments or Revisions: (if applicable)</td>
<td>Brief Description of Actions in Previous Amendments or Revisions: (if applicable)</td>
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<td>*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?</td>
<td>During the RFP process, Benefits Administration estimated the cost between $3 million to $4 million. Previous contract and a RFI was conducted before the 2013 RFP was released.</td>
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<td>*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.</td>
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<td>Fiscal Year</td>
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<td>Total Expenditures</td>
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## Payments against a Contract

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**Notice:** This document contains sensitive information and requires proper handling and distribution.
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<th>Description</th>
<th>Amount</th>
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<td>Edison Contract #</td>
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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

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<td>8. Current Maximum Liability or Estimated Liability</td>
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<td>– information technology service (N/A to THDA)</td>
<td></td>
</tr>
<tr>
<td>11. eHealth Pre-Approval Endorsement Request</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>– health-related professional, pharmaceutical, laboratory, or imaging</td>
<td></td>
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<tr>
<td>12. Human Resources Pre-Approval Endorsement Request</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>– state employee training service</td>
<td></td>
</tr>
<tr>
<td>13. Explain why the proposed amendment is needed</td>
<td>Legal name change of the company from [redacted] to [redacted]</td>
</tr>
<tr>
<td>14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.</td>
<td>n/a</td>
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<tr>
<td>Agency request tracking #</td>
<td>31786-00117</td>
</tr>
<tr>
<td>--------------------------</td>
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**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

<table>
<thead>
<tr>
<th>Agency Tracking #</th>
<th>Edison ID</th>
<th>Contract #</th>
<th>Amendment #</th>
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<tbody>
<tr>
<td>31786-00117</td>
<td>4354</td>
<td>38894</td>
<td>1</td>
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**Contractor Legal Entity Name**: [REDACTED]

**Edison Vendor ID**: 4354

**Amendment Purpose & Effect(s)**

Legal Name Change to [REDACTED]

**Amendment Changes Contract End Date**: 
- [ ] YES  
- [X] NO  

**End Date**: 12/31/2018

**TOTAL Contract Amount INCREASE or DECREASE per this Amendment** (zero if N/A): $0

### Funding —

<table>
<thead>
<tr>
<th>FY</th>
<th>State</th>
<th>Federal</th>
<th>Interdepartmental</th>
<th>Other</th>
<th>TOTAL Contract Amount</th>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$3,000,000.00</strong></td>
</tr>
</tbody>
</table>

**American Recovery and Reinvestment Act (ARRA) Funding**: 
- [ ] YES  
- [X] NO

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

**Speed Chart (optional)**

**Account Code (optional)**
This Amendment is made and entered by and between the State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and Local Government Insurance Committee, hereinafter referred to as the “State” and Contractor, 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:

Contractor Name. All references to “Contractor” shall be deleted and replaced with [Contractor Name].

Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et.seq., addressing contracting with persons with investment activities in Iran, shall be a material provision of this Contract. The Contractor agrees, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

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

IN WITNESS WHEREOF,

[Signature]
[Date]

PRINTED NAME AND TITLE OF SIGNATORY (above)

STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE:

[Signature]
[Date]

LARRY B. MARTIN, CHAIRMAN
AMENDMENT ONE
OF CONTRACT 38894

This Amendment is made and entered by and between the State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and Local Government Insurance Committee, hereinafter referred to as the "State" and [REDACTED] 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:

Contractor Name. All references to "[REDACTED]" shall be deleted and replaced with [REDACTED].

Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et seq., addressing contracting with persons with investment activities in Iran, shall be a material provision of this Contract. The Contractor agrees, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

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

IN WITNESS WHEREOF,

[REDACTED]

SIGNATURE DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE:

[REDACTED]

LARRY B. MARTIN, CHAIRMAN DATE
January 4, 2017

Via email, Sylvia.chunn@tn.gov and first class mail

Sylvia Chunn
Procurement and Contracting Manager
Tennessee Department of Finance and Administration
Division of Benefits Administration
312 Rosa Parks Avenue, Suite 1900
Nashville, Tennessee 37243

RE: Contract number 38894 for Decision Support System and Executive Information System for the State's Public Sector Plans dated September 30, 2013

Dear Ms. Chunn,

This letter serves as notice that [REDACTED] has changed their name to [REDACTED]. This corporate structure change was effective on December 2, 2016. Ownership of our company has not changed and is still owned by [REDACTED], nor has our FEIN changed; it remains [REDACTED]. I have enclosed our Certificate of Conversion from our state of formation, Delaware, for your reference, as well as an updated W9. We are currently in the process of updating all Secretary of State records, including Tennessee. Should you require any additional information, please let me know,

Sincerely,

[REDACTED]

Contract Administrator

enclosure: 2
cc: [REDACTED] Account Director
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A DELAWARE CORPORATION UNDER THE NAME OF "[REDACTED]" TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "[REDACTED]" TO "[REDACTED]", FILED IN THIS OFFICE ON THE SECOND DAY OF DECEMBER, A.D. 2016, AT 6:32 O'CLOCK P.M.
STATE OF DELAWARE
CERTIFICATE OF CONVERSION FROM A CORPORATION
TO A LIMITED LIABILITY COMPANY
PURSUANT TO SECTION 18-214 OF THE LIMITED LIABILITY ACT

1. The jurisdiction where the Corporation was first formed is Delaware.

2. The jurisdiction immediately prior to filing this Certificate is Delaware.

3. The date the corporation first formed is November 27, 1996.

4. The name of the Corporation immediately prior to filing this Certificate is

5. The name of the Limited Liability Company set forth in the Certificate of Formation is

6. The effective date of the conversion of the Corporation into a Limited Liability Company shall be upon filing with the Delaware Secretary of State.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on this 2nd day of December, 2016.

By: ____________________________
   Andra K. Heller
   Secretary
**CONTRACT**  
(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

<table>
<thead>
<tr>
<th>Begin Date</th>
<th>End Date</th>
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<td>December 31, 2018</td>
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**Contractor Legal Entity Name**

[Redacted]

**Edison Vendor ID**

4354

**Service Caption (one line only)**

Decision Support System and Executive Information System for the State's Public Sector Plans.

**Subrecipient or Vendor**

- [ ] Subrecipient  
- [x] Vendor

**CFDA #**


**Funding —**

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</tr>
</tbody>
</table>

American Recovery and Reinvestment Act (ARRA) Funding:  
- [ ] YES  
- [x] NO

**Ownership/Control**

- [ ] African American  
- [ ] Asian  
- [ ] Hispanic  
- [ ] Native American  
- [ ] Female  
- [ ] Person w/Disability  
- [ ] Small Business  
- [ ] Government  
- [x] NOT Minority/Disadvantaged  
- [ ] Other:

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

- [x] 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.

<table>
<thead>
<tr>
<th>Speed Chart (optional)</th>
<th>Account Code (optional)</th>
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CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE
AND

This Contract, by and between the State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and Local Government Insurance Committee, hereinafter referred to as the "State" and [redacted] hereinafter referred to as the "Contractor," is for the provision of a Health Care Information Decision Support System/Executive Information System, as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation.
Contractor Place of Incorporation or Organization: Delaware
Contractor Edison Registration ID # 4354

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 design, implement, maintain, and operate a Health Information Decision Support System (DSS) for the State’s Public Sector Plans adhering to all service requirements detailed herein as well as all associated services and deliverables as required.

A.3. Enrollment and Eligibility Data

a. To ensure that the State’s enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium monthly enrollment files from the State, in the State’s Edison 834 (5010 file format), which may be revised. Files will include full population records for all members and will be in the format of ANSI ASC X12N, Benefit Enrollment and Maintenance 834 (5010), version 005010X220A1, with several fields customized by the State.

b. The Contractor, during the term of the Contract shall accept from the State monthly enrollment and eligibility data in one format consisting of up to no more than 350,000 covered lives.

c. For this contract "Members" shall be defined herein as eligible employees and their dependents, retirees and their dependents and/or survivors, and individuals qualified under The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) and their dependents, who are enrolled in the health plan options sponsored by the State, Local Education, and Local Government Insurance Committees.

d. The Contractor shall also accept from the State and load to the database five (5) working/rolling years of eligibility and enrollment data as well as historical data. In addition, for each month during the term of the Contract, the Contractor shall accept and load eligibility and enrollment data provided by the State in the electronic format used by the State. When the Contractor requires the exchange of Protected Health Information (PHI) with the State of Tennessee, the State requires the use of second level authentication. This is accomplished using the State’s standard software product which supports Public Key Infrastructure (PKI). The Contractor will agree to design a solution, in coordination with the State, to connect to the State’s SFTP server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment.

OIR/PCM Approved 10/11/13 MH
Additionally, federal standards require encryption of all electronic protected health data at rest as well as during transmission. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor is expected, with adequate notice, to cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.

e. Upon request by the State, not to exceed four (4) times annually, the Contractor shall submit to the State, in a secure manner, its full file of State members, by which the State may conduct a data match against the State’s Edison database. The purpose of this data match will be to determine the extent to which the Contractor is maintaining its database of State members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.

A.4. Claims And Wellness Data

a. The State shall work with the Contractor, wellness vendor, and claims administrators toward providing the necessary claims and wellness data for State use on a monthly basis. In addition to claims data, the data will also include lab results as well as other information derived from wellness exams and questionnaires. The State’s other Vendor partners for the State’s Health plan are to provide monthly claim, wellness, and EAP data to the Contractor no later than the 15th of the following month.

b. The Contractor shall accept and load five (5) years of historical claims data to the database from any possible previous DSS/EIS vendor, if applicable, and accept and load for each month during the term of the Contract claims (medical, pharmacy, wellness, biometrics, EAP, mental health and substance abuse) data feeds ("State data") in the Contractor’s format from each of the State’s self-insured claims administrators. The Contractor shall import data into the Contractor’s database supporting DSS on-line access. Contractor must load the monthly claims, wellness, and EAP data within fifteen (15) business days of receipt of usable data from the claims administrators. Contractor shall accept, monthly, during the term of the Contract up to a maximum of 20 individual claims data format conversions from the State’s contracted TPAs, PBMs, BHO/EAP providers, and wellness vendors.

c. The Contractor shall make all claims data available for use on the DSS/EIS system no later than 45 days from receipt of the monthly update from the claims administrator vendor(s).

A.5. Historical Data

a. The Contractor shall, at minimum, import up to 10 years of the historical plan claims, enrollment and eligibility, EAP and behavioral health, biometric and wellness data beyond the most recent five (5) years to be loaded per contract section A.4.b., from the State’s current DSS vendor through a methodology satisfactory to the State and at no additional cost to the State.

b. The Contractor shall maintain all historical data received during the term of the Contract, and provide a methodology satisfactory to the State for the archiving and retrieval of historical data at no cost. For example, if the Contractor’s proposed DSS only allows for five (5) working/rolling years of data for on-line analysis by the State, and the State occasionally needs to look at data outside the five (5) working/rolling years, that earlier data should be available for prompt loading to the database system within ten (10) business days at no cost for the State to review and work with analytically using the Contractor’s software/tools.
c. The Contractor is required to reconstruct the most recent five (5) years of history for the appropriate plans in the database, maintaining at least sixty (60) months of paid claims data and sixty (60) months of incurred claims (rolling time periods) data through the DSS/EIS on-line access at all times.

A.6. Ownership of Data

a. All historical claims, enrollment and eligibility, EAP and behavioral health, biometric and wellness data shall remain the property of the State.

b. At the termination of the Contract, the Contractor shall send an electronic copy of all historical claims, enrollment and eligibility, EAP and behavioral health, biometric and wellness data received by the Contractor from the State claims administrators and other vendors during the term of the Contract to the State’s new vendor. Such data shall be sent at least sixty (60) days before Contract termination, with an update sent no later than thirty (30) days following contract termination.

c. The contractor shall use the data only to accomplish the nature and scope of this contract. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior written consent of the State. If a need arises by the contractor to use the data provided under this contract outside the scope of the contract, a written request detailing the nature and scope of the data to be used has to be submitted to the State contact listed in Contract section E.2 and approved by the state before such data can be used.

A.7. DSS User Access & Availability

a. The Contractor shall provide on-line web-based computer-to-computer access to the DSS services via a microcomputer platform under the Windows operating system for use of the personal computer of the designated State users. Access must be made through an encrypted VPN tunnel. The web-based access shall be provided to a maximum of eight (8) individual, simultaneous, on-line State users. These users would have the full “drill down” query and analysis capabilities of the DSS, with the ability to generate user-developed reports.

b. The Contractor shall provide some type of security clearances so that certain State employees have individual member level access while other users on the system only have blinded member information available.

c. The Contractor shall, through the Executive Information System (EIS), provide on-line computer-to-computer executive management reporting and analysis on personal computers (PC’s) for up to six (6) simultaneous users. The reporting and analysis tools must include, at a minimum, prepackaged reports, query, online analytical processing, and scenario planning tools.

d. The Contractor shall assure that the DSS will be available to State users ninety-nine percent (99%) of the time between the hours of 6:00 a.m. and 7:00 p.m. Central Standard Time Monday through Saturday calculated on a thirty (30) day basis. The State will allow the contractor to exclude the time spent performing regular maintenance and database updates.
e. The Contractor shall ensure that the systems within its span of control that support its data exchanges with the State and the State’s vendors are available and operational according to the specifications and schedule associated with each exchange.

A.8. DSS/EIS Upgrades or Enhancements

a. The Contractor shall, during the life of the Contract, make all upgrades/enhancements to any of the proposed software products available to the State for their use through the Contractor’s DSS, at no additional cost to the State. Such upgrades/enhancements would include, but not be limited to, refinements, updates, new releases, reprogramming and other changes to the DSS environment.

b. Prior to implementing any major modification to or replacement of the Contractor’s core information systems functionality and/or associated operating environment, the Contractor shall notify the State in writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or modification: (a) would affect the Contractor’s ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users, members and providers; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of the Plan Documents and/or this Contract; or (d) would materially reduce the benefits or services provided to the average member. If so directed by the State, the Contractor shall discuss the proposed change with the State/its designee prior to implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.

A.9. DSS/EIS Privacy & Security

a. The Contractor shall have a methodology for encrypting, and shall encrypt, all individually identifiable health information in compliance with the Federal HIPAA law.

b. The Contractor shall provide all services requested through this Contract within the context of the technical environment described by the State’s Information Architecture, herein incorporated as Contract Attachment D. The State reserves the right to amend the Information Architecture throughout the term of the Contract.

c. The Contractor shall ensure that its electronic data processing (EDP) and electronic data interchange (EDI) environments (both hardware and software), data security, and internal controls meet all applicable Federal and State standards, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. Said standards shall include but not be limited to the requirements specified under each of the following HIPAA subsections:

(1) Electronic Transactions and Code Sets;
(2) Privacy;
(3) Security;
(4) National Provider Identifier;
(5) National Employer Identifier;
(6) National Individual Identifier;
(7) Claims attachments;
(8) National Health Plan Identifier; and
(9) Enforcement.
d. The Contractor shall develop, adopt, and implement standards, which are, at a minimum, compliant with the HIPAA statute and the HIPAA privacy and security rules in 45 CFR Part 164, to safeguard the privacy and confidentiality of all PHI about members. For example, the Contractor shall ensure that it does not have completed forms containing PHI sitting in public view, left in unsecure boxes or files, or left unattended in any off-site location. The Contractor’s procedures shall include but not be limited to safeguarding the identity of members as members of a Public Sector Plan and preventing the unauthorized disclosure of PHI. The Contractor shall comply with the HIPAA amendments in the American Recovery and Reinvestment Act, Public Law 111-5, the HITECH Act, and any implementing regulations when they become effective.

e. The Contractor shall not use or further disclose protected health information (PHI) other than as permitted or required by HIPAA and the Business Associate Agreement; or as required by law. Use of PHI for payment, treatment, or health care operations may include disclosure only as permitted by HIPAA, including when such information is strictly necessary to resolve the issue or concern under discussion and the person has adequate permission or legal authority to review such information. In the absence of exigent circumstances, the Contractor shall not disclose any member’s PHI to another business associate or other entity for pecuniary gain unless the State specifically prior authorizes such disclosure in writing. Additionally, the Contractor shall not use member identified or non-aggregated information for advertising, marketing, promotion or any activity intended to influence sales or market share of any product or service.

f. The Contractor shall use appropriate safeguards to prevent the unauthorized use or disclosure of the PHI. The Contractor shall report to the State any unauthorized use or disclosure of the PHI.

g. The Contractor shall mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the Federal privacy rule.

h. The Contractor shall provide access to PHI in a "designated record set" in order to meet the requirements under 45 CFR §164.524.

i. The Contractor shall make any amendment(s) to PHI in a "designated record set" pursuant to 45 CFR §164.526.

j. The Contractor shall document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

k. The Contractor shall (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits, (ii) report to the Benefit Administration’s Privacy Officer any security incident (within the meaning of 45 CFR § 164.304) of which the Contractor becomes aware, and (iii) ensure that any agent of the Contractor, including any subcontractor, agrees to the same restrictions and conditions that apply to the Contractor with respect to such information.

l. The Contractor shall comply with all privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health (HITECH) Act.

m. The Contractor shall have full financial responsibility for any penalties, fines, or other payments imposed or required as a result of the Contractor's non-compliance with or violation of HIPAA or HITECH requirements, and the Contractor shall indemnify the State with respect to any such penalties, fines, or payments, including the cost of credit protection.
n. The Contractor shall assure that all Contractor staff are trained in all HIPAA requirements, as applicable.

A.10. DSS Business Continuity/Disaster Recovery (BC/DR) Plan

a. The Contractor shall have for the DSS a Business Continuity/Disaster Recovery Plan in place, which is updated and tested at least annually. Contractor will be required to provide written evidence of this to the State. This evidence should be in the form of a detailed report describing the date tested, types of systems tested, outcome of tests, etc., refer to Section A.11.d. below.

b. Regardless of the architecture of its systems, the Contractor shall develop and be continually ready to invoke a business continuity and disaster recovery (BC-DR) plan. The BC-DR plan shall encompass all information systems supporting this Contract. At a minimum the Contractor’s BC-DR plan shall address and provide the results for the following scenarios:

   (1) Central and/or satellite data processing, telecommunications, print and mailing facilities and functions therein, hardware and software are destroyed or damaged;

   (2) System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage;

   (3) System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of data maintained in a live or archival system; and

   (4) System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system.

c. The Contractor shall provide the State results of its most recent test of its BC-DR plan at least one (1) month prior to the go-live date.

d. The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore system functions. The Contractor shall submit an annual BC-DR Results Report to the State (see Contract Attachment C.2).

e. In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall submit to the State a corrective action plan that describes how the failure will be resolved. The Contractor shall deliver the corrective action plan within ten (10) business days of the conclusion of the test. See Contract Attachment C.4.

f. In the event of a declared major failure or disaster, as defined in the Contractor’s BC-DR plan, the Contractor’s critical functionality, needed to perform the services under this contract, as discussed in Section A.14 shall be restored within seventy-two (72) hours of the failure’s or disaster’s occurrence.

g. The Contractor shall maintain a duplicate set of all records relating to this Program in electronic medium, usable by the State and the Contractor for the purpose of disaster recovery. Such duplicate records are to be stored at a secure fire, flood, and theft-protected facility located away from the storage location of the originals. The Contractor shall update duplicate records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation. At the end of the term of this Contract or upon notice of termination of this Contract prior to the term date, the
Contractor shall convey the original and the duplicate records medium and the information they contain to the State on or before the date of termination.

A.11. DSS Quality Assurance Program for Claims Administrators and Wellness Vendor(s)

a. The Contractor shall maintain a data quality assurance program to identify and assist in correcting current and future problems with the data submitted by the claims administrators and the State. Standard Contractor-provided data quality reports as well as various custom data quality thresholds applicable to the State of Tennessee should be provided to the State after each monthly database update. These custom data quality threshold reports will allow the State to determine the data quality for each of its health plan carriers and the basis of these measures will be used in the State’s contracts with its health insurance carriers. In the course of doing business, it may be necessary for the state to change the types of data quality upon which it measures its TPAs, PBM, BHO, and Wellness vendors as these contracts come up for renewal. The State will work with the Contractor to develop the fields or metrics best suited for measurement of data quality.

b. Upon receipt of monthly Vendor transmissions to the Contractor, the Contractor shall run data variance reports and compare data received against 12-18 months of historical data by fund, plan, etc. to catch any possible data omissions or errors in Vendor data. If the Contractor detects an error with the transmission file or missing data, an account representative shall notify the State data analyst, the State compliance specialist, the Vendor account manager, and the applicable State program director of the issue within seven (7) business days of loading data files. Refer to Attachment E for applicable State personnel listing.

c. Upon each monthly update to the State’s database, the Contractor shall prepare and disseminate to the appropriate State personnel a data quality spreadsheet which details various data quality measures for each of the State’s health insurance carriers. The Contractor shall submit this document to the State no later than 30 days after the database updates each calendar month, refer to Contract Attachment C.5.

d. The Contractor shall prepare and disseminate to the appropriate State personnel a data quality spreadsheet which details various data quality measures for each of the State’s health insurance carriers on a quarterly basis. The Contractor shall submit this document to the State no later than 30 days after the database updates each quarter’s worth of data, refer to Contract Attachment C.5.

A.12. DSS/EIS Contractor Quality Assurance Program

a. The Contractor shall establish, use, document, and otherwise maintain professionally and technically sound quality assurance standards for the DSS.

b. Be able to provide audit trails to identify the parties and origination of errors for corrections when identified.

c. Check/Edit data for reasonableness and accuracy by trend and variance analysis.

d. The Contractor shall correct any errors resulting from the Contractor’s maintaining poor professional and technically sound quality assurance standards for reasonability and accuracy of the DSS system at no additional cost to the state; and within 20 business days from either State or Contractor identification of the error.

e. The Contractor shall submit a Strength of Controls report (SOC-1), formerly known as SAS-70, annually and bridge letters as required by State Audit, refer to Contract Attachment C.6.
f. The Contractor shall distribute no less than annually a system satisfaction survey tool to all State personnel with access to either the DSS or EIS system. This survey will allow the State to rate satisfaction levels with the system and also voice concerns about any system issues. The Contractor must send the State a report outlining the results of the survey and actions taken to address the State's concerns. See Attachment C.7.

A.13. DSS/EIS System Specifications

The Contractor is required, during the term of the Contract, to provide the following capabilities and functionality through the DSS/EIS consistent with the data provided by the State and its claim and program administrators. Further, the Contractor shall provide security clearances so that certain groups of State users have individual member level access while other users on the system only have blinded member information available.

The Contractor shall design, develop, and operate a single customized, fully integrated DSS database (data warehouse), running at a Contractor facility, using Contractor hardware/software, in an Application Service Provider (ASP) mode. The system should be completely operational and ready for State use at least one month prior to the Go-Live date in Contract section A.20.1. The Database/Software is required to:

a. DSS User Interface

(1) Allow on-line access to a minimum of five (5) complete calendar years of paid claims data and sixty (60) months of complete incurred claims data.

(2) Allow users full independent "drill down" query and analysis capabilities of the DSS, with the ability to generate user-developed reports as well as use Contractor's pre-developed or pre-packaged reports for use "as is" or as templates for alteration.

(3) Allow straightforward exporting and importing of data in multiple format types.

(4) Allow sub-setting of data on various levels to provide flexibility in analysis and reporting and also include custom subsets that allow for drill-down to state-specific levels of detail outside the Contractor's prepackage software.

(5) Allow data matches against other databases, including but not limited to State databases, to identify common files.

(6) Allow the inclusion of "custom" or state-specific fields and/or categories (up to 250 at no additional charge to the State).

(7) Allow statistical analysis such as sum, frequency distribution, mean, mode, variance, standard deviation, co-efficient of variation, minimum and maximum values, percentile rankings, and other statistical values.

(8) Allow ad hoc reporting capability with graphic presentation ability (i.e. the ability to take report results and create custom bar, column, pie and other charts).

(9) Allow the ability to maintain, track, and link enrollment and claims associated with participants in disease management programs, wellness programs or other specific programs to medical and pharmacy and mental health data.

(10) Allow rapid data investigation, transformation, linking, aggregation and unstructured ad-hoc queries.

(11) Allow data to be reported on both an incurred and paid basis.

b. DSS Ability to Transform and Link Data

(1) Link all claims related to a hospital admission.

(2) Link all claims related to outpatient episodes of care consistent with the Contractor's definition of episodes of care.

(3) Link all eligible dependents with contract holder.

(4) Link eligibility data to claims data.
(5) Link medical claims data to pharmacy claims by individual, family, and subgroups.
(6) Provide cross-links to all participant and provider demographic and geographic indicators.
(7) Provide cross-links to all claims related to Ambulatory Surgical Centers, and outpatient hospital surgical settings reimbursed on an ASC basis.
(8) Provide breakout of all outpatient prescription drug data by NDC code (name and code both), therapeutic groups, therapeutic classes, GPI, and GPI subgroups (both number value and name), as well as whether a drug is classified as a generic, brand, etc.
(9) Link medical, pharmacy, behavioral health, EAP, wellness, biometric, and disease management by member.
(10) Link to utilization by various "lots" of data such as actives, retirees, COBRA participants, plan type, plan group, etc. (defined by classes such as actives versus retirees/COBRA/Medicare eligible, etc.) and all other divisions of contract types (define employee coverage across eligibility variables), and plan and agencies.
(11) Link claims information at the member level (Partnership PPO, Standard PPO, Limited PPO, POS, PPO, HMO, HDHP, HSA), along with enrollment information, wellness data, biometrics, and carve-out programs including pharmacy, mental health, wellness, biometrics, substance abuse and disease management.
(12) Link Major Diagnostic Categories (MDC) to inpatient care and outpatient services.
(13) Link Diagnostic Related Groups (DRG) to inpatient cases. Contractor must provide information on the DRG grouper utilized during the term of the Contract.
   i. The Contractor must inform the State in writing at least ninety (90) days prior to a DRG grouper software change.
   ii. In the event of any anticipated DRG grouper software change, the Contractor's written notification should also provide justification for the switch as well as the benefits of the switch/new software to the State.
(14) Link ICD-9 and/or ICD-10 codes to inpatient and outpatient physician and hospital cases and outpatient medical services.
(15) Link provider directory with specific identifiers such as the National Provider Identifier (NPI), allowing for consistent reporting and provider identification across health plans, thus negating the need for provider "home grown" codes or provider identities. Should include but not be limited to provider first and last name or facility name, address, city, state, zip, telephone number, hospital name, hospital identification number, hospital system (if applicable), address, city, state, zip, telephone number, etc.
(16) Link all information back to Data Source (carrier or TPA name, PBM name, etc.).
(17) Link claims data received to Third Party Administrators Account Structure independently of eligibility data.

c. DSS Ability to compare, contrast, and evaluate all Public Sector plan participants as a whole book of business by (including but not limited to):

(1) Vendor's Name or Data Source (e.g., CIGNA, EBCSTN, CAREMARK, MAGELLAN, etc.).
(2) Business Purpose (e.g., Medical, PBM, BHO/EAP, Wellness Data, etc.).
(3) Region (e.g., East, Middle, West, etc.).
(4) High Cost and Low Cost Provider (East BCBSTN - Low Cost Provider, etc.).
(5) Funding Type (Fund 51000 - State Retired, Fund 52000 - Local Ed Retired, Fund 53000 - Local Gov Retired, Fund 55000 - State Active & COBRA, Fund 56000 - Local Ed Active & COBRA, Fund 56000 - Local Ed Active & COBRA, Fund 59000 - Retired Med Sup, etc.).
(6) Division (State, Local Education, Local Government, Higher Education).
(7) Member's home zip code(s)
(8) Employee status (Active, Retired, and COBRA, etc.).
(9) Member Coverage Type (Employee, Employee+Child(ren), Employee+Spouse+Child(ren), etc.).
(10) Plan Type (Partnership PPO, Standard PPO, Limited PPO, HDHP, HSA) with ability to add more plan options in the future as needed due to plan changes.
(11) Plan Year (Plan Year 2010, Plan Year 2011, etc.).
(12) Create Budget Code using first three (3) digits of State's mail drop code in Edison (e.g. 31704xxxx where 317 equals Finance & Administration). Create with both number value and name, respectively.
(13) Create Agency Code using three (3)-digit Budget Code plus digits four (4) and five (5) of Edison mail drop code (e.g. 31704xxxx where 317 plus 04 equals Finance & Administration, Benefits Administration). Create with both number value and name, respectively. State will provide agency names for all State, Local Education and Local Government agencies participating in the State-sponsored plans.
(14) Establish ID that is unique to each plan individual and would remain the same for this plan member as long as they are enrolled in the State-sponsored plans, regardless of employee status, health plan in which they are enrolled or agency/group for which they work.
(15) Establish ID that is unique to the subscriber (e.g. Contract holder, employee) and their associated dependents and would remain the same for this subscriber and their associated dependents as long as they are enrolled in the State-sponsored plans, regardless of employee status, health plan in which they are enrolled or agency/group for which they work.
(16) Show the cost and use performance of specified physicians and hospitals. The DSS should allow for the adjustment of case-mix in providing accurate comparisons among providers.
(17) Differentiate the use of in-network and out-of-network services by members.
(18) The specific negotiated payment discount arrangements (charge submitted, discount, amount allowed, member share, plan pay out, etc.).
(19) Calculate each of the negotiated payment discount arrangements, i.e.:
   a. Charge Submitted Med & Rx
   b. Amount Allowed Med & Rx
   c. Copay Med & Rx
   d. Coinsurance Med & Rx
   e. Out of Pocket Med & Rx
   f. Net Pay Med & Rx
   g. Charge Submitted Medical
   h. Charge Submitted Rx
   i. Amount Allowed Medical
   j. Amount Allowed Rx
   k. Copay Medical
   l. Copay Rx
   m. Coinsurance Medical
   n. Coinsurance Rx
   o. Out of Pocket Medical
   p. Out of Pocket Rx
   q. Net Pay Medical
   r. Net Pay Rx
(20) Show the specific provider networks within multi-network programs.
(21) For disease management programs, be able to identify program participants and review their specific claims cost and utilization pre and post disease management program enrollment.
(22) Include cost utilization by disease, demographic, or other clinical designations.
(23) Provide paid-date and incurred-date basis.
(24) Provide information regarding drug claims including, front end deductibles, ingredient costs, dispensing fees, co-payments and discounts off average wholesale price (AWP).
(25) Break ambulatory facility services into ASC/APC, and/or APG codes/payment groups.

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(26) Create regional and national norms and have the capability for automatic (online) case-mix, age-sex and severity adjustments to ensure accuracy of analysis.

(27) Enable use of benchmarking against comparable standards. Benchmarking data should be inclusive of Contractor's book of business further categorized by geographic region (North, South, etc.), industry levels, plan types, and service industry (i.e. state governments).

(28) County (e.g. Shelby, Davidson, Hamilton, etc.).

d. DSS Ability for interactive data selection

(1) Allow user to define a portion of the database for use in reporting or modeling so that any database field can be used to define a subset, by removing or adding claims with specific values for a field.

(2) Allow addition of claims or cases of individual/families present in a subset so that full courses or patterns of care may be analyzed.

(3) Allow user to create a national or regional norm from a subset, save it, and use it for internal normative comparisons of employee locations, classifications, geographic areas, or other portions of the database. Must also include the option to review definitions for all norms available on-line, including database norms and user created norms.

e. DSS Ability for interactive modeling capabilities, the Contractor's DSS or EIS, wherever the Contractor's current capability lies, must be able to perform the following functions:

(1) Future Benefits Modeling - Have the capability to model future benefits changes such as deductible/co-pay, addition/deletion of coverage, etc. to project potential financial effects of changes to the insurance program. The user must be able to specify factors for inflation, use pattern changes, population changes, fourth quarter carry over, retention rates, etc. The model should rely on actual claims experience and eligibility data.

(2) Risk Adjustment Modeling - Have the capability to project different premium levels for Risk Adjustment. Be able to calculate the impact of Risk Adjustment selection on plan rates either via DCGs or other similar nationally-recognized methodology.

(3) Physician and Hospital Network Model - Have the capability to profile the cost and use performance of specified physicians or hospitals. This model should automatically adjust for case-mix, providing accurate comparisons among providers. A quality measure should be based on the Centers for Medicare and Medicaid Services (CMS) mortality statistics.

f. DSS Ability for monitoring capabilities, the Contractor's DSS/EIS must be able to provide reporting capability for monitoring the following areas:

(1) Third party claims administrators and/or insurers.

(2) Providers such as physicians, hospitals, other health care providers, and provider networks.

(3) Cost containment programs: drugs, variable deductibles, outpatient, and physician benefits.

(4) Wellness program benefits to the health plan.

(5) Pharmacy benefits manager.

(6) Quality measures such as HEDIS reporting across a broad range of adult and children related variables.

(7) Disease management programs.

(8) Fraud, waste, and abuse.

A.14. DSS/EIS Custom/Ad-Hoc and Standard Reporting Specifications
a. System must provide a mechanism for creating user-designed reports.

b. System must contain a custom reporting module to enable the State to create report formats and select fields to be included in the reports with the following minimum options:

   (1) Tabulate the values of various fields of information against other fields (for example, tabulation of submitted charges, discounts provided, allowed amounts, deductibles, copayments, coinsurance, payments, and average charge per case by age group of the patient) and tabulate values of one field by multiple ranges or another field (for example, tabulation of total payments by location and by dependent status).

   (2) Ability to use eligibility and claims cost data to provide per member per month (PMPM) and per member per year (PMPY) measurements for various topics (e.g. Net Payment, Allowed Amount, Net Cost Drugs, Net Cost Inpatient Hospital, Net Cost Professional Care, etc.).

   (3) Provide functionality to perform ad hoc reporting and on-line ad hoc queries from a PC when accessing the proposed database. The system must provide query and report development functions.

   (4) Combine the above options with data sub-setting to provide ad hoc reporting flexibility.

   (5) Ability to save and store user-defined subsets to a library or other source for use at a future time.

   (6) Automatic online capability to calculate case-mix, age-sex and severity adjustments to ensure accuracy of analysis.

c. The Contractor must provide a wide range of pre-defined reports such as clinical based reports, financial reports, Incurred But Not Reported (IBNR) claims triangle reports, and various cost and utilization reports to include both current and historical data.

d. Produce cost trend reports on inpatient and outpatient hospital, professional, or surgical charges/payments, in total, per case, per member (per capita), or per employee. Must have trend reporting in components of total payments such as deductibles, co-payments, and cost-of-benefit.

e. Produce reports on submitted charges, discounts provided, disallowed amounts, deductibles, copayments, coinsurance, total, etc., at both allowed amount and net amount levels.

f. Generate trending reports based on currently loaded incurred and/or paid data to allow for estimates for future periods.

g. Produce utilization trend reports on admissions or services, average length of stay, days of care, numbers and settings (inpatient/outpatient/physician office) of surgical cases.

h. Generate third party administrator evaluation reports on cost-of-benefits savings, pricing reductions, and claims lag with normative comparisons.

i. Provide clinical evaluation reports with normative comparisons to:

   (1) Calculate Inpatient use and cost by Major Diagnostic Category (MDC) and Diagnosis Related Group (DRG).

   (2) Show outpatient use and cost by MDC, treatment group, service type and provider type.

   (3) Provide physician use and cost by ICD-9 and/or ICD-10.

   (4) Generate ambulatory surgery reports to compare cost effectiveness of inpatient, outpatient, and physician office surgeries.
(5) Produce outpatient hospital and ambulatory surgical facility reports by APC, APG, and/or ASC codes. Contractor must describe which of these classification systems are supported.

(6) Provide the capability to link all pharmaceutical, medical, disease management, case management, behavioral health, wellness and biometric data at the member level.

(7) Generate provider reports on cost, use, and quality performance of physicians, hospitals, and ancillary services on an inpatient or outpatient basis, ranked by selected criteria.

(8) Produce location evaluation reports for cost and use statistics by employee location (plan, department, agency, geographic location, Grand Division, etc.).

j. Provide individual/family evaluation reports on:

(1) Cost and utilization for high cost members and contracts and distributions of costs and services by member and by contract.

(2) Identification of high cost contract or members by unique contract ID number or unique member ID number.

(3) Provide quality of care evaluation reports to include:
   i. Data on outliers, readmissions, complications of treatment, tracer conditions, nosocomial infections, and deaths, by provider, in total, or per case.
   ii. Agency for Healthcare Research and Quality (AHRQ) or related nationally-recognized indicators.
   iii. HEDIS or similar nationally-recognized quality measurement standards.

k. Financial management reports on the breakdown of member and plan payments by Plan, month, source of payment, and by service type. Must also show monthly and quarterly trends over time based on the date the claims were paid as well as ability to produce claims triangles in order to determine incurred and paid claims.

l. Financial management reports providing year to year analysis on cost drivers (i.e. volume and price) by plan on an incurred and paid basis.

m. Produce referral information with the ability to examine in-plan and out-of-plan referral patterns by:
   (1) Type of referral.
   (2) Specialty of servicing physician (primary and secondary specialties).
   (3) Primary care physician's area of practice (such as Internal Med, Peds, Family Practice, etc.).
   (4) Primary care physician's region of practice (such as zip code, county, etc.).

n. Generate utilization and trend reports on drug data by brand, generic substitutes, and generics and be able to link this to medical claims as necessary.

o. Provide pharmacy industry reference data (Redbook, First Databank, or Medi-Span) to support analysis by therapeutic group and class, comparisons to average wholesale price by drug name and NDC code, assessment of generic equivalents, etc. State must have the ability to look up drug names by actual drug name or product name within the database and be able to report on these as such.

p. Provide reports addressing the quality of data provided by the third party claims administrator and the pharmacy benefit manager indicating comparisons to industry norms.

q. Provide examples of standard reports and a description of each report along with a reconciliation matrix of how reports relate to one another.
A.15. DSS/EIS Consulting and Analytical Support

a. Provide consulting and analytical/technical support needed to accomplish all the various objectives and components expressed in the contract at no additional cost to the state.

b. The State may, at its sole discretion and with written notice to the Contractor, request additional specialized consulting and analytical support, beyond that required elsewhere in this Contract, PROVIDED THAT all such additional specialized consulting requested and performed pursuant to this Contract Section, without a formal amendment of this contract, shall be remunerated in accordance with and further limited by Contract Section C.3.d.

c. As soon as possible after receipt of a written request from the State for additional specialized consulting, but in no event more than five (5) business days thereafter, the Contractor shall respond to such request with a written proposal for providing the additional service. The proposal must define (i) the expected schedule for additional service performance, (ii) the maximum number and type of person hours required for the additional specialized consulting, and (iii) the maximum cost for performing the additional specialized consulting. The maximum cost to the State for the additional service performance shall be determined by multiplying the maximum number of person hours required by the hourly rate detailed for additional specialized consulting and analytical support in Contract Section C.3.d.

d. If approved by the State, the proposal provided by the Contractor shall be signed by the State, and any such approved proposal shall, hereby, be incorporated as a part of this Contract. The Contractor shall not perform any additional specialized consulting service until the State has signed the Contractor’s proposal.

e. Subsequent to State approval, the Contractor shall provide the additional specialized consulting services required. The State will be the sole judge of acceptable completion of all additional specialized consulting and, upon such determination, shall provide written approval and thereby make such service eligible for remuneration by the State.

f. For each additional specialized consulting and analytical support proposal requested and approved by the State, the State shall be liable to the Contractor only for the cost of the actual person hours worked to perform the additional service, not to exceed the maximum cost for the additional service detailed by the approved proposal for said service. In no instance shall the State be liable to the Contractor for the cost of any person hours worked in excess of the maximum person hours or any amount exceeding the maximum cost as detailed by the approved proposal for said service.

A.16. DSS Contractor’s Staffing Requirements

a. The Contractor warrants and represents that all persons assigned to this Contract shall be fully qualified to perform the work required herein.

b. The Contractor must identify the executive and professional personnel who will be assigned to this project and state their duties and responsibilities. Resumes must be provided that include, for each individual identified, the relevant experience in the area of the project they will undertake. Resumes of technical consulting and analytical personnel should include experience in the development language and environment of the systems proposed.

c. Of the identified personnel listed above, the Contractor must designate a Senior Account Representative/Account Manager, Junior Account Representative, and Senior Data Analyst to be responsible for day to day inquiries/technical support for the State. These identified personnel must be accessible by both email and phone to State personnel, Monday-Friday between the hours of 8:00 a.m. – 4:30 p.m. CST. The Contractor must
also ensure that any State initiated contact not immediately answered be responded to within 24 hours of the initial contact attempt. The response must be in the form of a personal email, not auto-generated, or phone call from any of the three (3) Contractor personnel listed above.

d. The Contractor shall ensure that all staff engaged in this contract receive initial and ongoing training regarding all applicable requirements of this Contract and the Public Sector Plans. The Contractor shall ensure that staff who provide services under this Contract have received comprehensive orientations and training regarding their functions, are knowledgeable about the Contractor's operations relating to the Public Sector Plans, and are knowledgeable about their functions and how those functions relate to the requirements of this Contract.

e. The Contractor shall have an ongoing dedicated, full-time Account Team, as specified in the Contractor's Proposal in response to RFP # 31786-00117 and approved by the State, which can provide daily operational support as well as strategic planning and analysis. All members of the Account Team shall have previous experience administering Decision Support and Executive Information systems for large employers. The Account Team shall be available for consultation with the State during the hours of 8:00 a.m. to 4:30 p.m. Central Standard Time, Monday through Friday, as required to fulfill the scope of services specified in this Contract. The Senior Account Representative/Account Manager shall also be available via cell phone and email after hours, including weekends.

f. The Contractor shall designate a dedicated full time Account Manager as a member of the Account Team. The dedicated Account Manager shall have a minimum of (3) three years of experience with Decision support systems. He or she shall have the responsibility and authority to manage the entire range of services specified in this Contract and shall respond promptly to changes in procedures, or general administrative problems identified by the State. At a minimum, the Senior Account Representative/Account Manager shall meet in person with the State once a month and more often if required by the State. At its discretion, the State may allow the Contractor to participate in such meetings by teleconference.

g. The State shall have the right to approve or disapprove the Contractor's key personnel assigned to this Contract, approve or disapprove any proposed changes in key staff or to require the removal or assignment of any key Contractor employee or subcontractor personnel found unacceptable by the State at any time during the term of this contract. The decision of the State on these matters shall not be subject to appeal.

h. Key personnel commitments made in the Contractor's proposal shall not be changed unless prior approved by the State in writing. The Contractor shall notify the State at least thirty (30) business days in advance, or as soon as the information is available, of proposed changes and shall submit justification (including proposed substitutions) in sufficient detail regarding education and experience equal to previous staff to the State to evaluate the impact upon the Contract.

i. If any key position becomes vacant, the Contractor shall provide a replacement with commensurate experience and required professional credentials within sixty (60) days of the vacancy unless the State grants an exception to this requirement in writing.

j. The Contractor shall survey the State annually in January to determine the State's satisfaction with the Account Team and report the results of the survey to the State (see Attachment C.1).

k. Upon request of the State, the Contractor shall provide the required specialized consulting and analytical support in accordance with the following professional designations and descriptions:
(1) **Account Client Services Director** – manages the relationship between the State and Contractor and is responsible for the quality of that relationship. The Client Services Director also leads the team that supports the State's use and application of the Decision Support Product to identify opportunities to better manage the cost and quality of the healthcare services provided to the State's plan participants. The Account Client Services Director is responsible for ensuring that the State is entirely satisfied with the services, products, and solutions provided to the State.

(2) **Client Services Manager** – is responsible for the day-to-day activities related to the ongoing support for the State relationship. The Client Services Manager provides leadership on consulting engagements and collaborates with team members to ensure effective integration with consulting and service delivery capabilities. The Client Services Manager also monitors and manages customer satisfaction and recommends appropriate strategies, tactics and operational initiatives to continuously enhance customer satisfaction.

(3) **Consulting Manager** – provides expertise for both clinical and statistical data analysis using the Decision Support Product and actively participates in the identification of business needs, as well as the design of the database and reports to support those business needs. The Consulting Manager develops an analytic agenda to support the State's strategic objectives, scoping and pricing analytic projects to manage project delivery time and ensure deliverables of the highest quality. In addition, the Consulting Manager translates analytic work to proactively assist the State and answer related questions.

(4) **Consultant/Data Manager** – responsible for communicating data requirements and making certain data is submitted and formatted in a manner that will meet the State's analytic needs. In addition, the Consultant/Data Manager coordinates routine updates with the production team. The Consultant/Data Manager also communicates any database changes that occur with version upgrades and helps the State plan for any extract changes made to address new reporting needs.

(5) **Analyst/Programmer (Analytic Consultant)** – provides analytic support and expertise for both clinical and statistical data analysis using DSS. The Analytic Consultant actively participates in the identification of business needs, as well as the design of the database and reports to support those business needs. The Analytic Consultant can either support the State's users in use of the system or perform the analytic work themselves, depending on the State's needs and the sophistication of their users.

**A.17. DSS/EIS Initial Training**

a. The Contractor shall provide complete initial onsite DSS training, at the State's offices or at the Contractor's offices based on the State's preference, by a qualified trainer with at least two (2) years of experience in training in the DSS to be utilized by the State. The cost of said training shall be borne by the Contractor, including, if applicable, a reimbursement of any travel expenses and a waiver of any required registration fees. Training shall be for up to eight (8) designated State employees. Initial training schedule shall provide for the completion of training at least one full month prior to full system go-live and shall include the following:

   (1) Course outline including objectives, scope and subject material to be taught.
   (2) Hands-on detailed applications training with emphasis on user generated reporting.
   (3) Use of application software and distribution of individual user manuals and related documentation for each user.
   (4) Course material to include manuals and texts necessary for training which shall be retained by each attendee.
b. The Contractor shall provide complete initial onsite EIS training, at the State's offices or at the Contractor's offices based on the State's preference, by a qualified trainer with at least two (2) years of experience in training in the EIS to be utilized by the State. The cost of said training shall be borne by the Contractor, including, if applicable, a reimbursement of any travel expenses and a waiver of any required registration fees. Training shall be for up to eight (8) designated State employees. Initial training schedule shall provide for the completion of training at least one full month prior to full system go-live and shall include the following:

(1) Course outline including objectives, scope and subject material to be taught.
(2) Hands-on detailed applications training with emphasis on executive level, user generated reporting, system access, and standard reports, graphing, and trending capabilities available in the EIS module.
(3) Use of application software and distribution of individual user manuals and related documentation for each user.
(4) Course material to include manuals and texts necessary for training which shall be retained by each attendee.

A.18. DSS/EIS Ongoing Training

a. The Contractor shall provide annually, to at least three (3) current State users, training for the purpose of enhancing their knowledge of the systems applications and functionality. The cost of this training shall be borne by the Contractor, including a reimbursement of any travel expenses and a waiver of any required registration fees.

b. The Contractor shall provide training annually, to at least two (2) new State users on the DSS system, to account for State turnover and/or additional new staff.

c. The Contractor must make provisions for annual registration for attendance by three (3) State DSS users to attend any Contractor conference training designed to enhance the knowledge and analytical skills of DSS users. The Contractor will reimburse the state for any registration fees or travel expenses incurred by the State's staff to attend these conferences.

d. The Contractor shall provide the State with any training necessary for updates or changes in the DSS at no additional charge.

A.19. DSS/EIS Project Implementation

a. The Contractor is responsible for implementing the DSS during the Implementation Period commencing with the Contract award date and through all identified dates in Contract section A.20 below.

b. The Contractor shall implement the information systems and other processes required to perform all services described herein. The Contractor shall work with the State to ensure that the Contractor satisfies applicable requirements of this Contract and State and Federal law.

c. The Contractor shall have a designated full-time implementation team to service this account. All of the Contractor's implementation team members shall have participated, as team members, in the implementation of a Decision Support/Executive Information System for at least one other large employer (i.e., an employer plan with at least 30,000 members). The Contractor's implementation team shall include a full-time, dedicated project manager ready to begin work immediately following the contract signing until thirty (30) days after the go-live date. The team shall also include an Account Manager dedicated to this Contract, who will be the main contact with the State for all of the day-to-day matters relating to the implementation and ongoing operations of this Contract.

OIR/PCM Approved 10/11/13 MH
Also, the Contractor shall assign a Project Coordinator (i) to serve as backup to the Account Manager and (ii) to coordinate activities among the Contractor and the State’s existing vendors and all the internal and external participating and affected entities. All implementation team members that the Contractor referenced in its proposal response to RFP #31786-00117, Attachment 6.2, Section C.2 shall be available as needed during the implementation as well as thirty (30) days after the go-live date.

d. All key Contractor project staff shall attend a project kick-off meeting at the State of Tennessee offices in Nashville, TN within the first twenty-one (21) days after the Contract signature deadline.

e. At least seventy-five (75) days prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the eligibility/enrollment file from the State. No later than one (1) month prior to the go-live date, the Contractor shall certify in writing to the State that the Contractor understands and can fully accept and utilize the eligibility/enrollment files as provided by the State.

f. At least forty-five (45) days prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the data files from the State’s other health partners/vendors, (i.e. TPA’s, PBM, EAP/BHO, Wellness Vendor). No later than one (1) month prior to the go-live date, the Contractor shall certify in writing to the State that the Contractor understands and can fully accept and utilize the data files as provided by the State’s health partners/vendors.

g. The Contractor shall provide a project implementation plan to the State no later than thirty (30) days after the Contract start date. The Contractor shall maintain the plan and ensure that it is updated at least daily. The plan shall be in a Microsoft Excel- or Microsoft Project-formatted file and shall be made available to State staff as it is updated or upon the State’s request.

h. The project implementation plan shall comprehensively detail all aspects of implementation, which includes all tasks with deliverable dates necessary to satisfactorily implement all pieces of the Decision Support and Executive Information system no later than the go-live date specified in Contract Section A.20. The plan shall also include a description of the members on the implementation team and their roles with respect to each item/task/function. The plan shall include a detailed timeline description of all work to be performed both by the Contractor and the State. The implementation plan shall also provide specific details on the following:

(1) Identification, timing, and assignment of significant responsibilities and tasks;
(2) Names and titles of key implementation staff;
(3) Identification and timing of the State’s responsibilities;
(4) Data requirements (indicate type and format of data required);
(5) Identification and timing for the testing, acceptance and certification of exchange of data between the Contractor and Edison and other relevant information systems;
(6) Schedule of in-person meetings and conference calls with the State; and
(7) Transition requirements with the incumbent decision support system vendor.

i. The Contractor’s implementation plan shall require written approval by the State as specified in Contract Section A.20.4

j. The Contractor shall provide for a comprehensive operational readiness review (pre-implementation audit) by the State, and/or its authorized representative, at least thirty (30) days prior to the go-live date as specified in Contract Section A.20.5. Such review by the State, and/or its authorized representative, may include, but not be limited to, an onsite review of the Contractor’s operational readiness for all services required in this Contract (e.g., reporting requirements, EIS system, training, data integration, acceptance
of the state’s enrollment file, and quality assurance report templates). The review may also include desk reviews of documentation that includes but is not limited to:

(1) Policy and Procedures Manual(s);  
(2) Information systems documentation and business logic; and  
(3) The ability to provide and the process governing the preparation of, any and all deliverables required under this Contract.

k. At its discretion, the State may conduct an additional, pre-implementation review of the Contractor’s progress towards fulfilling the information systems requirements of this Contract. Such review by the State, and/or its authorized representative, may include both onsite and desk reviews, including but not limited to staff interviews, system demonstrations, systems testing, and document review.

l. During onsite visits as part of readiness review or a pre-implementation review, the Contractor shall provide onsite workspace and access to a telephone, fax, printer, copy machine, computer, and Internet connection. The Contractor’s staff members shall be available to the State officials to answer questions during these visits.

m. In a format determined by the State, the Contractor shall conduct status meetings with the State concerning project development, project implementation and Contractor performance at least once a week during implementation and for the two weeks prior to and the first month following the go-live date, unless otherwise approved by the State in writing.

n. No later than forty-five (45) days post-implementation, the Contractor shall provide the State with an Implementation Performance Assessment survey, to be completed by the State and results provided to the Contractor. This assessment will be used to document the State’s satisfaction with the implementation process and identify any necessary corrective action(s). The Contractor shall comply with all recommendations/requirements made in writing by the State within thirty (30) days of receipt of the State’s recommendations/requirements.

A.20 Due Dates for Project Deliverables/Milestones.

Unless otherwise specified in writing by the State, the Contractor shall adhere to the following schedule for the deliverables and milestones for which it is responsible under this Contract:

<table>
<thead>
<tr>
<th>Deliverables/Milestones:</th>
<th>Contract Reference(s):</th>
<th>Deliverable Due Dates &amp; Milestone Target Dates:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Programs, service, and information</td>
<td>A.13.</td>
<td>December 1, 2013</td>
</tr>
<tr>
<td>systems are fully operational</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Kick-off meeting for all key Contractor staff</td>
<td>A.19.d</td>
<td>Within the first 21 days after Contract signing date</td>
</tr>
<tr>
<td>4. Implementation plan</td>
<td>A.19.g</td>
<td>30 days after Contract start date (on or before)</td>
</tr>
<tr>
<td>5. State readiness review</td>
<td>A.19.j</td>
<td>December 1, 2013 (on or before)</td>
</tr>
<tr>
<td>6. Weekly Status Meetings</td>
<td>A.19.m</td>
<td>Contract start date through February 15, 2014</td>
</tr>
<tr>
<td>7. Implementation Performance Assessment</td>
<td>A.19.n</td>
<td>February 15, 2014 (on or before)</td>
</tr>
<tr>
<td>Quality Assurance Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliverables/Milestones</td>
<td>Contract Reference(s)</td>
<td>Deliverable Due Dates &amp; Milestone Target Dates</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>9. System Satisfaction Survey tool</td>
<td>A.12.f and Attachment C</td>
<td>No less than annually</td>
</tr>
<tr>
<td><strong>Coordination and Collaboration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Monthly Operational Meetings</td>
<td>A.15.d.(1)</td>
<td>Monthly after go-live</td>
</tr>
<tr>
<td>11. Quarterly meetings with the State</td>
<td>A.15.d. (2)</td>
<td>Quarterly after go-live</td>
</tr>
<tr>
<td><strong>Staffing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Account Team Satisfaction Survey</td>
<td>A.16.j</td>
<td>Annually in January</td>
</tr>
<tr>
<td>13. Account Team Satisfaction Survey Report</td>
<td>A.16.j and Attachment C.1</td>
<td>Annually</td>
</tr>
<tr>
<td><strong>Information Systems</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recovery (BC-DR) Results Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Duplicate set of data records</td>
<td>A.10.g</td>
<td>Daily, and maintain for sixty (60) days from date of creation.</td>
</tr>
<tr>
<td><strong>Data Integration &amp; Technical Requirements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Completion of eligibility file testing</td>
<td>A.19.e</td>
<td>October 15, 2013 (on or before)</td>
</tr>
<tr>
<td>18. Edison System Interface/Eligibility file acceptance (Written verification that Contractor can fully accept and utilize the eligibility/enrollment files as provided by the State)</td>
<td>A.19.e</td>
<td>December 1, 2013 (on or before)</td>
</tr>
<tr>
<td>19. State enrollment data match</td>
<td>A.3.e</td>
<td>Up to four (4) times annually, as requested by the State</td>
</tr>
<tr>
<td>20. Completion of testing files from other vendors</td>
<td>A.19.f</td>
<td>November 15, 2013 (on or before)</td>
</tr>
<tr>
<td>21. Interface with other vendors/file acceptance</td>
<td>A.19.f</td>
<td>December 1, 2013</td>
</tr>
<tr>
<td>22. Transmission of data and records New Vendor</td>
<td>A.6.b</td>
<td>Within 60 days' notice of contract termination</td>
</tr>
<tr>
<td><strong>Reporting &amp; Systems Access</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. EIS &amp; Reporting system access</td>
<td>A.14.</td>
<td>January 1 2013 (on or before)</td>
</tr>
<tr>
<td>25. State staff systems training</td>
<td>A.17.a</td>
<td>December 1, 2013 (on or before)</td>
</tr>
<tr>
<td>26. Maintenance &amp; Operation Plan</td>
<td>A.21 and Contract Attachment C</td>
<td>January 1, 2014 (on or before), &amp; upon any plan revisions</td>
</tr>
</tbody>
</table>

a. The Contractor is responsible for providing the State with a detailed Maintenance and Operations (M&O) plan report (See Attachment C.3). M&O commences on the date of full DSS Program functionality, no later than January 1, 2014.

b. On the date of Contract implementation, M&O shall include a project organizational chart depicting the interrelationships and responsibilities between the Contractor’s staff and its subcontractors including reporting relationships.

c. M&O plan will address the following requirements:

(1) The Contractor will have the qualified staff necessary to provide account management, data management and analytical support.

(2) The Staff will be readily available by phone during Benefits Administration normal operating hours to assist users in the use of the DSS, including all features, functions and capabilities. These staff shall be qualified to assist in (1) providing practical training, (2) solving particular problems, and (3) assist in running reports requiring additional functionality.

(3) The Staff will be readily available to assist the users in operating the DSS to study and research particular issues or problems. This would include walking the user through given steps to complete the task, and suggesting alternative solutions.

(4) The Staff will assist the users in understanding the meaning of underlying health care data and information conveyed by the DSS system and in understanding the practical uses of such data and information.

(5) The Staff will assist users by suggesting new and alternative approaches in the use of the DSS system and health care data.

(6) The Staff will assist users in utilizing the DSS to view or present the data and information in alternative ways. Consulting and analytical support are an integral and critical component of the services being requested from the vendor.

(7) The Vendor shall provide the necessary staff to address routine inquiries, prepare reports, and work with the State’s staff on a continuing basis to assist staff in fully utilizing the DSS capabilities.

(8) The Contractor is expected to routinely review State’s data and provide detail reports and advice/suggestions regarding areas where additional analysis may be warranted, reduction of costs may be identified.

(9) The Contractor will review claims trends as appropriate.

(10) The Contractor will provide the State with a Monthly Status Report no later than 15 days after the close of each month as well as a Quarterly Status Report no later than 15 days after the end of a quarter.

(11) The Contractor will hold annual meeting with the State to review results, trends, opportunities.

(12) The Contractor will notify the State in advance of any and all changes including, but not limited to, staffing, system, operational or process changes affecting the DSS.

A.22 Definitions

a. Affiliate: A business organization or entity that, directly or indirectly, is owned or controlled by the Contractor, or owns or controls the Contractor, or is under common ownership or control with the Contractor.

b. Benefits Administration: The division of the Tennessee Department of Finance & Administration that administers the Public Sector Plans.

c. Business Days: Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Government Holidays are excluded.
d. Calendar Days: All seven days of the week.


f. Day(s): Calendar day(s) unless otherwise specified in the Contract.

g. DSS: A decision support system is a database and query tool.

h. EAP/BHO: Employee Assistance Program/Behavioral Health Organization.

i. Head-of-Contract: Eligible employee, retiree, or individual qualified under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) (not including dependents) who is enrolled in one the medical benefit options of the Public Sector Plans.


k. HITECH: Health Information Technology for Economic and Clinical Health Act Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5 (Feb. 17, 2009) and implementing regulations.

l. Information System(s): A combination of computing and telecommunications hardware and software that is used in: (a) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of information, i.e., structured data (which may include digitized audio and video) and documents as well as non-digitized audio and video; and/or (b) the processing of information and non-digitized audio and video for the purposes of enabling and/or facilitating a business process or related transaction.

m. Member: Any person who is enrolled in one the medical benefit options of the Public Sector Plans in accordance with the Plan documents.

n. PBM: Pharmacy Benefits Manager.

o. PPPM: Per participant per month

p. Plan Documents: The State Plan, Local Education Plan, and Local Government Plan Documents, which are located on the State’s website at [http://www.tn.gov/finance/ins/publications.shtml](http://www.tn.gov/finance/ins/publications.shtml) and which govern coverage of services and eligibility under each plan.

q. Plan year: the twelve-month period that commences when a member’s annual benefit elections take affect. Currently, the State’s plan year is coterminal with the calendar year.

r. PMPM: Per member per month.

s. PMPY: Per member per year.

t. PPO Grand Division: A defined geographical area that includes specified counties in the State of Tennessee. The Contractor shall serve an entire PPO Grand Division. The following counties constitute the PPO Grand Divisions in Tennessee for this Contract:

   **East PPO Grand Division** – Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington Counties
Middle PPO Grand Division – Bedford, Cannon, Cheatham, Clay, Coffee, Cumberland, Davidson, DeKalb, Dickson, Fentress, Giles, Hickman, Houston, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Marshall, Maury, Montgomery, Moore, Overton, Perry, Pickett, Putnam, Robertson, Rutherford, Sequatchie, Smith, Stewart, Sumner, Trousdale, Van Buren, Warren, Wayne, White, Williamson, and Wilson Counties

West PPO Grand Division – Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, McNairy, Obion, Shelby, Tipton, and Weakley Counties

u. Protected Health Information (PHI): As defined in the HIPAA Privacy Rule, 45 CFR § 160.103.

v. Public Sector Plans: Refers to all benefit options sponsored by the State, Local Government, and Local Education Insurance Committees, including the Standard Preferred Provider Organization (PPO), the Partnership PPO, and any other benefit options specified by the State.

w. RFP: Request for Proposals.

x. Span of Control: Information systems and telecommunications capabilities that the Contractor itself operates or for which it is otherwise legally responsible according to this Contract. The Contractor’s span of control also includes systems and telecommunications capabilities outsourced by the Contractor.


aa. State Government Holidays: Days on which official holidays and commemorations as defined in Tennessee Code Annotated 15-1-101 et seq. are observed.

bb. Subcontract: An agreement entered into by the Contractor with any other organization or person who agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor’s obligations to the State under the terms of this Contract, when the intent of such an agreement is to delegate the responsibility for any major service or group of services required by this Contract.

c. Subcontractor: Any organization or person who provides any function or service for the Contractor specifically related to securing or fulfilling the Contractor’s obligations to the State under the terms of this Contract.

dd. TPA: Third party administrator. The State’s contracted medical vendor(s) responsible for processing medical claims and providing other administrative support for the contract.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning September 30, 2013, and ending on December 31, 2018. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:
C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Three Million Dollars ($3,000,000.00). 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. For the implementation of the DSS/EIS system, the contractor shall be compensated a one-time flat rate as shown in the table below:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Fee</td>
<td>$53,000.00 upon initial system implementation and testing</td>
</tr>
</tbody>
</table>


c. For the duration of the contract, following the implementation, the Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Amount (per compensable increment as detailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL services required under the Contract Scope of Services (excluding additional specialized consulting and analytical support that may be requested pursuant to Contract Section A.17.k)</td>
<td>CY 2014</td>
</tr>
<tr>
<td></td>
<td>$0.15 /per member per month*</td>
</tr>
</tbody>
</table>
d. Optional Service. The Contractor shall be compensated for additional specialized consulting and analytical support as requested and performed pursuant to Contract Section A.19 based upon the following payment rates, PROVIDED THAT compensation to the Contractor for such additional specialized consulting and analytical support shall not exceed ten percent (10%) of the amount equal to the total maximum liability detailed in Contract Section C.1 above.

<table>
<thead>
<tr>
<th>Professional Service Designation</th>
<th>1/1/2014-12/31/2014</th>
<th>1/1/2015-12/31/2015</th>
<th>1/1/2016-12/31/2016</th>
<th>1/1/2017-12/31/2017</th>
<th>1/1/2018-12/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Client Services Director (as requested pursuant to Contract section A.17.k.(1).)</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
</tr>
<tr>
<td>Client Services Manager (as requested pursuant to Contract section A.17.k.(2).)</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
</tr>
<tr>
<td>Consulting Manager (as requested pursuant to Contract section A.17.k.(3).)</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
<td>$included per hour*</td>
</tr>
<tr>
<td>Consultant/Data Manager (as requested pursuant to Contract section A.17.k.(4).)</td>
<td>$171.00 per hour</td>
<td>$171.00 per hour</td>
<td>$171.00 per hour</td>
<td>$171.00 per hour</td>
<td>$171.00 per hour</td>
</tr>
<tr>
<td>Analyst/Programmer (as requested pursuant to Contract section A.17.k.(5).)</td>
<td>$135.00 per hour</td>
<td>$135.00 per hour</td>
<td>$135.00 per hour</td>
<td>$135.00 per hour</td>
<td>$135.00 per hour</td>
</tr>
</tbody>
</table>

*Contractor’s Cost Proposal stated there will be no separate individual Account Client Services Director, Client Services Manager, or Consulting Manager fees rate as it is included within the All services required pmpm rate; therefore, the State will not reimburse the Contractor a separate rate for Account Client Services Director, Client Services Manager, or Consulting Manager.

e. For the duration of the contract, the Contractor shall directly invoice any of the State’s other Vendor partners as outlined below for the start-up associated with accepting the Vendor’s data file transmissions, this shall be a one-time fee payable to the Contractor only when the initial Vendor file feeds are set up.

(1) In addition to the per member per month fee, the Contractor may also invoice the State for any of the State’s partner Vendors’ data feeds it receives in excess of 10 data feeds per month, the cost for such data feed acceptance shall be invoiced at the rate shown below:
The Contractor shall not be compensated for travel time to the primary location of service provision.

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:

Sylvia Chunn, Procurement & Contracting Manager  
Tennessee Department of Finance & Administration  
Benefits Administration Division  
William R. Snodgrass Tennessee Tower  
312 Rosa L. Parks Avenue, Suite 1900  
Nashville, Tennessee 37243

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: Finance & Administration, Benefits Administration Division
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 heretofore 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 terminate the Contract and withhold payments in excess of fair compensation for completed services.

a. The State will provide notification of termination for cause in writing. This notice will: (1) specify in reasonable detail the nature of the breach; (2) provide the Contractor with an opportunity to cure, which must be requested in writing no less than 10 days from the date of the Termination Notice; and (3) shall specify the effective date of termination in the event the Contractor fails to correct the breach. The Contractor must present the State with a written request detailing the efforts it will take to resolve the problem and the time period for such resolution. This opportunity to "cure" shall not apply to circumstances in which the Contractor intentionally withholds its services or otherwise refuses to perform. The State will not consider a request to cure contract performance where there have been repeated problems with respect to identical or similar issues, or if a cure period would cause a delay that would impair the effectiveness of State operations. In circumstances where an opportunity to cure is not available, termination will be effective immediately.

b. Notwithstanding the foregoing, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

D.5. **Subcontracting.** The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

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

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

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

D.8. **Prohibition of Illegal Immigrants.** The requirements of *Tennessee Code Annotated*, Section 12-4-124, *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 A, hereof, 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.

Notwithstanding the preceding requirement, the Contractor shall annually provide their most recent independent audited financial statements. The independent audited financial statements must:

a) reflect an audit period for a fiscal year ended within the last 12 months;

b) be received no later than May 31 for the prior year ending December 31;

c) be prepared with all monetary amounts detailed in United States currency;

d) be prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP);
e) include the auditor’s opinion letter; financial statements; and the notes to the financial statements; and 

be deemed, in the sole discretion of the C.P.A. employed by the State and charged with the financial document review, to reflect sufficient financial stability to continue to perform under the Contractor's contractual agreement with the State.

At its discretion the State may require the Contractor to submit proof of licensure and licensure number for each person or entity that renders the opinions.

D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in Tennessee Code Annotated, Section 12-4-401, et seq..

D.11. 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.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.13. 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.14. 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.15. State Liability. The State shall have no liability except as specifically provided in this Contract.

D.16. 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.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

D.18. 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.19. 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.

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representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.20. **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.21. **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:

Sylvia Chunn, Procurement and Contracting Manager  
Tennessee Department of Finance & Administration  
Division of Benefits Administration  
312 Rosa L. Parks Avenue, Suite 1900  
Nashville, Tennessee 37243  
sylvia.chunn@tn.gov  
Telephone: 615.253.8358  
Fax: 615.253.8556

The Contractor:

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) Workers’ Compensation/ Employers’ Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars ($1,000,000) per occurrence for employers’ liability whichever is greater.

   (2) 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 one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate.

   (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence.

   (4) Professional Malpractice Liability with a limit of not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) aggregate.

1. 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. Contractor may disclose confidential information when such disclosure is required by law or court order, providing that such disclosures are in accordance with HIPAA.
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.


a. Definitions.

(1) "Contractor-Owned Software," which shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.

(2) "Custom-Developed Application Software," which shall mean customized application software developed by Contractor solely for State.

(3) "Rights Transfer Application Software," which shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.

(4) "Third-Party Software," which shall mean software not owned by the State or the Contractor.

(5) "Work Product," which shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the system solution includes Rights Transfer
Application Software, the definition of Work Product shall also include such software.

b. Rights and Title to the Software

(1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted herein.

(2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer and/or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties, and Contractor shall cooperate fully in the foregoing endeavors.

(3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted thereby.

c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.

d. Contractor may use the State Data both during the term of this Agreement and thereafter as follows: State hereby grants to Contractor a perpetual, irrevocable, nonexclusive, royalty free, nontransferable license to use, disclose, distribute, license, copy, display and demonstrate all State Data, in a de-identified format for inclusion in Contractor's databases. For the purpose of the preceding sentence, the term "de-identified" shall mean information that satisfies the requirements set forth in 45 CFR § 164.514(b), as amended. In return, State shall be provided Contractor normative data during the term of this Agreement at no charge.

e. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.9. 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.10. **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 charged circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.11. **Contractor Commitment to Diversity.** The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor’s proposal responding to RFP-31786-00117 (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.12. **Limitation of Liability.** The parties agree that the Contractor’s liability under this Contract shall be limited to an amount equal to Two (2) times the Maximum Liability amount detailed in section C.1. and as may be amended, PROVIDED THAT in no event shall this section limit the liability of the Contractor for intentional torts, criminal acts, or fraudulent conduct.

E.13. **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 B 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.14. Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.

E.15. 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.16. American Medical Association. Pursuant to Contractor’s CPT License Agreement for Domestic Distribution with The American Medical Association (“AMA”), as it may now or hereafter be amended, Contractor is authorized to distribute and sublicense to State Physicians’ Current Procedural Terminology, Fourth Edition, a coding system of nomenclature and five-digit codes for reporting of physician services, and/or ICD-9 (collectively, “CPT”), as part of the System, provided that State is bound by certain terms and conditions. State’s rights to use the CPT terminate if State fails to comply with any of the material terms and conditions thereof.

The following are the additional terms and conditions that apply to the CPT:

a. The provision of an updated version of CPT in the System is dependent upon Contractor’s continuing contractual relations with the AMA.

b. The Agreement is nontransferable, nonexclusive and for the sole purpose of internal use by State, and only within the United States.
c. The CPT license is granted in consideration for a license fee and other consideration.

d. State is prohibited from using CPT or information contained therein in any public electronic bulletin board, or public computer-based information system (including the Internet and World Wide Web unless otherwise expressly provided in the Agreement and subject to the terms thereof).

e. State is prohibited from publishing, translating or transferring possession of the CPT or a copy or portion of it.

f. State is prohibited from creating derivative works based on CPT and selling, leasing or licensing it or otherwise making the CPT or any portion thereof available to any unauthorized party.

g. State may only make copies of the CPT for back-up or archival purposes.

h. CPT is copyrighted by the AMA and all notices of proprietary rights, including trademark and copyright in CPT must appear on all permitted back-up or archival copies made by the user; any printout or other output from the Electronic Media that contains any portion of CPT (other than the CPT which would constitute fair use, internal reports and claim forms for specific patients and external reports distributed outside of your entity containing less than twenty (20) CPT codes and/or descriptions) will display the following:

(1) CPT only © 2012 American Medical Association. All Rights Reserved.
(2) The year specified in the copyright notices must conform to future CPT updates.

i. State shall require that anyone who has authorized access to the CPT (including consultants and contractors who perform services for State) complies with the provisions of this Agreement.

j. Except as otherwise expressly provided in the Agreement, the CPT is provided "as is" without any warranty from or liability to Contractor or the AMA, including, without limitation, liability for consequential or special damages or lost profits for sequence, accuracy or completeness of data, or that it will meet State's requirements; Contractor's and AMA's sole responsibility is to use reasonable efforts to provide corrections to or a replacement of the CPT; AMA disclaims any liability for any consequences due to use, misuse or interpretation of information contained or not contained in CPT.

k. The CPT license terminates in the event of default by State under the Agreement, subject to any applicable cure period.

l. In the event that a provision is determined to violate any law or is unenforceable, the remainder of the Agreement shall remain in full force and effect.

m. This product includes CPT which is commercial technical data and/or computer databases and/or commercial software documentation, as applicable, which were developed exclusively at private expense by the American Medical Association, 515 North State Street, Chicago, Illinois 60610. U.S. Government rights to use, modify, reproduce, release, perform, display or disclose these technical data and/or computer databases and/or computer software and/or computer software documentation are subject to the limited rights restrictions of DFARS 252.227-7015(b)(2) (June 1995) and/or subject to the restrictions of DFARS 227.702-2(a) (June 1995) and DFARS 227.7202-3(a) (June 1995), as applicable for U.S. Department of Defense procurements and the limited rights restrictions of FAR 52.227-14 (June 1987) and/or subject to the restricted rights provisions of FAR 52.227-14 (June 1987) and FAR 52.227-19 (June 1987), as applicable, and any applicable agency FAR Supplements, for non-Department of Defense Federal procurements.
n. The responsibility for any content of any "National Correct Coding Policy" included in this product is with the Centers for Medicare and Medicaid Services, formerly known as the Health Care Financing Administration, and no endorsement by the AMA is intended or should be implied. The AMA disclaims responsibility for any consequences or liability attributable to or related to any use, nonuse or interpretation of information contained in this product.

E.17. Management Responsibility. Contractor's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the State. The Contractor will not perform management functions or make management decisions for the State.*

E.18. California Accountancy Act. For engagements where services will be provided by the Contractor through offices located in California, the State acknowledges that certain of Contractor's personnel who may be considered "owners" under the California Accountancy Act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. Sections 51 and 51.1) and who may provide services in connection with this Contract, may not be licensed as certified public accountants under the laws of any of the various states.*

IN WITNESS WHEREOF,

[signature]

CONTRACTOR SIGNATURE

[signature]

EXECUTIVE VP & COO Commercial

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE:

[signature]

LARRY B. MARTIN, CHAIRMAN

DATE

OIR/PCM Approved 10/11/13 MH
ATTENTION RE PERSONNEL USED IN CONTRACT PERFORMANCE

<table>
<thead>
<tr>
<th>SUBJECT CONTRACT NUMBER:</th>
</tr>
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<tbody>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>CONTRACTOR LEGAL ENTITY NAME:</th>
</tr>
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<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

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.

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.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION
<table>
<thead>
<tr>
<th>1. Implementation Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Measurement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Operational Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Measurement</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Initial Data Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Measurement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. On-going Data Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Measurement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Data Availability to State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Measurement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Historical Data Availability to State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Measurement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7. System User Availability</th>
</tr>
</thead>
</table>

OIR/PCM Approved 10/11/13 MH
<table>
<thead>
<tr>
<th>Guarantee</th>
<th>The DSS/EIS shall be available to State users ninety-nine percent (99%) of the time between 6:00 a.m. and 7:00 p.m. CST Monday through Saturday, as described in Contract section A.7.d.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>One thousand dollars ($1,000) for each instance the standard is not met.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Measured, reported, assessed and paid monthly.</td>
</tr>
</tbody>
</table>

### 8. Critical Functionality Recovery

<table>
<thead>
<tr>
<th>Guarantee</th>
<th>The Contractor's critical functionality, needed to provide services under this contract, shall be restored within seventy-two (72) hours of failure or disaster occurrence, as described in Contract section A.11.f.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>Ten thousand dollars ($10,000) for each day following the seventy-two (72) hour period that functionality is not restored. Not to exceed Fifty thousand dollars ($50,000) annually.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Measured, reported, assessed and paid annually.</td>
</tr>
</tbody>
</table>

### 9. Account Management Satisfaction

<table>
<thead>
<tr>
<th>Guarantee</th>
<th>Achieve a 90% satisfaction or better (defined as “top two-box” satisfaction/ approval using an approved standard 5 pt. survey tool) on a survey completed by the State assessing account management performance including but not limited to timely response to questions and resolution of issues.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>Ten thousand dollars ($10,000) for each year that the standard is not met.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Measured, reported, and assessed quarterly; quarterly assessments paid annually.</td>
</tr>
</tbody>
</table>

### 10. Customer Service Response

<table>
<thead>
<tr>
<th>Guarantee</th>
<th>All State initiated contact not receiving an immediate response shall be returned via phone call or personal email (not auto-generated), within 24 hours of the initial State contact attempt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>Five hundred dollars ($500) per day for the first (1st) and second (2nd) business days out of compliance; one thousand dollars ($1,000) per business day thereafter.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Measured, reported, and assessed monthly; monthly assessments will be paid quarterly.</td>
</tr>
</tbody>
</table>

### 11. Key Position Vacancy Replacement

<table>
<thead>
<tr>
<th>Guarantee</th>
<th>In the event any key Contractor position related to this contract becomes vacant, the Contractor shall provide a replacement with commensurate experience within sixty (60) days of the vacancy, per Contract section A.17.i.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>Five hundred dollars ($500) per day for the first (1st) and second (2nd) business days out of compliance; one thousand dollars ($1,000) per business day thereafter.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Measured, reported, and assessed monthly; monthly assessments paid quarterly.</td>
</tr>
</tbody>
</table>

### 12. Program Go-Live Date

<table>
<thead>
<tr>
<th>Guarantee</th>
<th>The Contractor shall be ready to go-live according to the date in Contract Section A.20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>Twenty thousand dollars ($20,000).</td>
</tr>
<tr>
<td>Measurement</td>
<td>Measured and reported no later than three (3) months after the go-live date.</td>
</tr>
</tbody>
</table>

### 13. Reporting

<table>
<thead>
<tr>
<th>Guarantee</th>
<th>The Contractor shall distribute to the State all reports required in Contract Sections A.1 through A.20, and Contract Attachment C within the time frame specified in the Contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>Five hundred dollars ($500) for each report not delivered to the State within the time frame specified in the Contract.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Measured, reported, assessed, and paid after each occurrence.</td>
</tr>
</tbody>
</table>

### 14. Privacy and Security of Protected Health Information

| Guarantee | In accordance with Contract Section E.7., the Contractor shall not violate the Privacy and Security Rules (45 CFR Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 as amended by Public Law 111-5, Division A, Title XIII (the HITECH Act). |
| Assessment | Two thousand five hundred dollars ($2,500) for the first violation, five thousand dollars ($5,000) for the second violation and ten thousand dollars ($10,000) for the third and any additional violations with a maximum cap at one hundred thousand dollars ($100,000) annually. The assessment will be imposed on a per incident basis meaning regardless of how many members are impacted and the assessment will be levied on the graduated basis detailed above. |
| Measurement | Measured, reported, assessed, and paid after each occurrence. |
REPORTING REQUIREMENTS

As required by this Contract, the Contractor shall submit reports to the State. Reports shall be submitted electronically, in the format specified by the State, and shall be of the type and at the frequency indicated below. The State reserves the right to modify reporting requirements as deemed necessary to monitor the Public Sector Plans. The State will provide the Contractor with at least ninety (90) days' notice prior to implementation of a report modification.

Unless otherwise directed by the State, the Contractor shall submit reports as follows:

1. Weekly reports shall be submitted by Tuesday of the following week;
2. Monthly reports shall be submitted by the 15th of the following month;
3. Quarterly reports shall be submitted by the 20th of the following month;
4. Semi-Annual Reports shall be submitted by the 20th of the following month;
5. Annual reports shall be submitted within sixty (60) days after the end of the calendar year.

Unless prior approved in writing by the State, each report shall be specific to the Public Sector Plans (not the Contractor's book of business).

Reports shall include:

1. **Account Team Satisfaction Survey Report**, submitted annually using the template prior approved in writing by the State. The report shall, at a minimum, summarize the methodology and results and identify improvement activities.

2. **BC-DR Results Report**, submitted annually using the template prior approved in writing by the State.

3. **Maintenance and Operations Plan Report**, submitted at DSS implementation, and updated at necessary intervals if maintenance or operations are subject to change – any revisions must include an updated/revised project organizational chart depicting the interrelationships and responsibilities between the Contractor’s staff and its subcontractors including reporting relationships.

4. **Corrective Action Plan**, submitted within ten (10) business days of the conclusion of BC-DR test, only if necessary. The corrective action plan must describe how any system function failure will be resolved, if BC-DR testing does not provide the restoration of system function per the standards outlined in the contract.

5. **Data Quality Spreadsheet**, Submitted within thirty (30) days after the database updates each month, and within (30) days after the quarterly database update, detailing quality measures for each of the State’s other contracted health partners – TPA, PBM, BHO, and Health/Wellness vendor.
6. **Strength of Controls Report, SOC-1**, (formerly known as SAS-70); submitted annually, and bridge letters provided as required by State Audit.

7. **System Satisfaction Survey Report**, submitted no less than annually using the template prior approved in writing by the State. The report shall, at a minimum, summarize the methodology and results and address any Contractor actions taken to address the State's system concerns.

8. **Other Reports**, as specified in this Contract and using templates prior approved in writing by the State.
Enterprise Technology Architecture

Standard Products

Version 3.02,
05/06/2013

Submitted to:
State of Tennessee Office for Information Resources Executive Leadership Team
Executive Sponsor: Mark Bengel
State of Tennessee Chief Information Officer
Department of Finance and Administration
Office for Information Resources
Technology Architecture Framework

The State of Tennessee Information Systems Council (ISC) has assigned the responsibility for the development of the State's Technology Architecture to the Office for Information Resources. The Technology Architecture is an integral part of the Enterprise Architecture and is the official publication documenting information technology products and standards.

Technology Architecture Standards are applicable to all state agencies (e.g., departments, boards, commissions, offices, and institutions of the state) and extend to vendors contracted to work for state agencies. Exceptions to Enterprise Architecture standards are governed by the Waiver/Exception process (see Appendix A).

The Technology Architecture establishes technical requirements which govern the planning, acquisition, use, and management of information technology resources. It organizes, classifies, and categorizes them in an orderly framework of Domains, Disciplines and Technology Areas. The concept of domains, disciplines and technology areas are aligned with the National Association of State Chief Information Officers (NASCIO) Enterprise Architecture Toolkit.
Technology Architecture Domains

The Technology Architecture Domains are listed below with a brief description.

**Application**

The Application Domain documents the languages, tools and utilities to design, build, deploy, operate and maintain the State's applications.

**Collaboration**

The Collaboration Domain identifies standards and components that facilitate interaction of the workforce and promote group productivity.

**Data**

The Data Domain addresses technology requirements for the storage and management of critical State data in electronic form.

**Information**

The Information Domain addresses technology requirements for development and maintenance of areas requiring significant multi-agency coordination in the context of enterprise data and resource management.

**Network**

The Network Domain documents the technology required to support the movement of electronic information and to support the voice, data and video infrastructures.

**Platform**

The Platform Domain identifies technology hardware platforms and the related operating systems to support the current and future business requirements, standardizes configurations and defines host communications.

**Security**

The Security Domain provides for integrating security services, mechanisms, objects and management functions, across multiple hardware and software platforms and networks.

**Systems Management**

The Systems Management Domain defines the framework for efficient and effective management of the State's information processing environment, including monitoring and management of peripheral devices, processes for production systems, and the capability to recover the production environment in part or in whole.
Technology Architecture Product Phases

The Technology Architecture Products component facilitates planning by identifying a lifecycle phase for each standard product. The phases are listed below with a brief description.

**Emerging**

Technologies that, while possibly accepted as well utilized throughout the industry, are new to the enterprise. It is generally understood that emerging technologies be considered carefully before implementing in the enterprise-wide architecture. It is therefore recommended that, for initial implementation, emerging technologies be limited to smaller, non-mission-critical projects until it is proven that they can be integrated successfully into the existing enterprise architecture. Use of emerging technology products requires an approved standards exception.

**Current**

Technologies that are the current standard for use within the enterprise, and tested and generally accepted as standard within the industry. These items comply with or support the principles listed for the discipline.

**Twilight**

Technologies being phased out by the enterprise but not yet having an established end date.

**Obsolete**

Technologies that have been phased out and cannot be used within the organization past a specific date.

**Removed**

Items that are no longer part of the architecture (logically deleted)
State of TN – Benefits Administration Personnel to be contacted Re: Contract Section A.11.b

Contacts to be copied on each notification:

Scott McAnally – Manager, Policy Research and Legislative Affairs - Scott.McAnally@tn.gov
Christa Martin – Director, Financial Management and Program Integrity – Christa.Martin@tn.gov
Eric Brewer – Audit Manager for Vendor Compliance and Program Integrity – Eric.Brewer@tn.gov
Debbie Gordon, Contract Compliance Manager – Debbie.Gordon@tn.gov
Sylvia Chunn, Procurement & Contracting Manager – Sylvia.Chunn@tn.gov

For Health Plan notifications:

Kendra Gipson – Director, Public Sector Plans - Kendra.Gipson@tn.gov

For Wellness Plan notifications:

Paige Turner – Health Management & Wellness Program Director – Paige.Turner@tn.gov

For Pharmacy Plan notifications:

Keith Athon – Pharmacy Program Director – Keith.Athon@tn.gov

For EAP/Behavioral Health notifications:

John Allen – EAP/Behavioral Health, Program Director – John.Allen@tn.gov