



June 29, 2018

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

RE: QSource – Amendment 1  
Magellan Medicaid Administration, Inc. – Amendment 5  
Principle Valuation, LLC – Amendment 2  
Public Consulting Group, Inc. – Amendment 1  
Myers and Stauffer LC – Amendment 2

Dear Ms. Lee:

The Department of Finance and Administration, Division of TennCare, is submitting for consideration by the Fiscal Review Committee the following five (5) amendments and all required documentation and approvals.

- 1) QSource is the competitively procured Contractor providing multiple tasks and deliverables that are consistent with applicable Federal External Quality Review (EQR) regulations and protocols for Medicaid Managed Care Organizations, state specific TennCare requirements related to Federal Court orders, and the Contractor Risk Agreements (CRAs) with TennCare Managed Care Contractors (MCCs), including the Managed Care Organizations (MCOs) and the TennCare Dental Benefits Manager (DBM). Additionally, the contractor provides tasks and deliverables consistent with applicable federal EQR regulations and protocols for the Children Health Insurance Program (CHIP), known as “CoverKids” in Tennessee, the CRA with the CoverKids Health Plan Administrator(s) (HPAs) and the CoverKids DBM. This amendment is necessary to adjust the requirement for oversight of the initial MCC re-credentialing processes that are already being performed by NCQA and updating the contract to delete obsolete “TENnderCARE” references. Additionally, this amendment is utilizing the term extension option included in the current contract to extend the contract for a one (1) year period of time, at rates submitted in the Contractor’s response to original Request for Proposal, and to provide funding to support this term extension.
- 2) Magellan Medicaid Administration, Inc., is the competitively procured State of Tennessee TennCare Pharmacy Benefits Manager (PBM) Contractor. The services they provide include a Point-of-Sale (POS) pharmacy claims processing system with prospective drug utilization review (DUR), retrospective drug utilization review (Retro-DUR), and reporting and adjudication capabilities, as well as the CoverRx program members that were added to this contract in March, 2015. For the past nine (9) months Magellan has provided, at no cost to TennCare, a pilot texting service for the program. Within one month of membership expiration a text is sent to the member about the need to re-enroll. The pilot has been very successful but expired May 31, 2018. TennCare would like to now implement widespread usage of the service at a charge of \$3,000/Month, which would ultimately include a corresponding elimination of the re-enrollment mailing of reminders. Payment of this monthly

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charge will be offset by a reduction in postage charges, as well as the reduction in the amount of return mail because the transient population rarely change addresses without notification, but typically retain the same smartphone number. This amendment is necessary to modify current language in the contract to reflect this process and also to add payment structure for payment into the contract current rates. No additional funding is necessary for this amendment.

- 3) Principle Valuation, LLC. is the competitively procured Contractor providing a comprehensive independent real estate appraisal for each current Medicaid-certified nursing facility in the state and for any new Medicaid-certified facility, which is established in Tennessee prior to December 31, 2018. The state is transitioning the process for payments to nursing from a cost-based per diem to an integrated price-based model in which factors such as patient acuity and quality of care are considered. This new model includes a Fair-Rental Value (FRV) component of the rate based on the estimated value of nursing home property. In order to calculate a more accurate FRV, the State determined that an independent real estate appraisal is required for all Medicaid certified nursing homes in Tennessee. This amendment is necessary to provide term extension options to the contract and to include payment rates for appraisals of each of the newly certified Medicaid nursing facilities throughout the optional term extensions of this contract.
- 4) Public Consulting Group, Inc. is the competitively procured Contractor providing a Strategic Program management Office services to support TennCare's State Medicaid Modernization Program (MMP). This contract was procured pursuant to federal law and CMS requirements and includes its information Technology (IT) systems relating to TennCare and CoverKids (including the MMIS), and the TennCare and CoverKids eligibility determination processes. This amendment is necessary to exercise one of the two (2) optional extension years referenced in the RFQ as well as the current contract, to be compensated at the rates that were submitted in the Cost Proposal submitted in the Contractor's Cost Proposal. In addition to the term extension, additional funds are added to support the term extension to be paid at a 90% federal match.
- 5) Myers and Stauffer LC is the competitively procured Contractor providing the development of Reimbursement Rate structures for Tennessee Nursing Facilities in Tennessee with Medicaid patients that are paid a daily per diem for each patient. The per diem consists of several components, including but not limited to: direct care, indirect care, fair rental value, acuity, quality, and a tax pass-through. This Contractor also conducts the annual audit of the State's Disproportionate Share Hospital (DSH) payments and will provide an annual calculation of the State's Certified Public Expenditure (CPE) amount as required by the Center for Medicare and Medicaid Services (CMS). CPE is an essential and long-standing source of revenue for TennCare and within the term of this current contract, the State was able to recognize an additional \$56 million in federal revenue dollars, directly offsetting the amount of state funds



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TennCare requests Pursuant to the Request for Proposal and existing contract, this amendment is necessary to exercise one (1) of the two (2) optional years at the rates submitted in the Contractor's Cost Proposal and contained in contract Section C.3., and increase the maximum liability to support this term extension.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "William Aaron", with a long horizontal flourish extending to the right.

William Aaron  
Chief Financial Officer

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

# Amendment Request

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

**APPROVED**

**Kevin C. Bartels  
for Michael F.  
Perry**

Digitally signed by Kevin C. Bartels  
for Michael F. Perry  
DN: cn=Kevin C. Bartels for Michael F.  
Perry, o=CPO, ou,  
email=Kevin.C.Bartels@tn.gov, c=US  
Date: 2018.06.25 11:23:00 -05'00'

CHIEF PROCUREMENT OFFICER

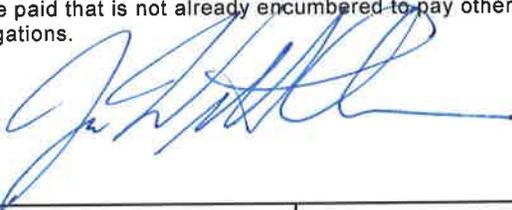
DATE

<b>Agency request tracking #</b>	<b>31865-00442</b>	
<b>1. Procuring Agency</b>	<b>Department of Finance and Administration Division of TennCare</b>	
<b>2. Contractor</b>	<b>Public Consulting Group, Inc.</b>	
<b>3. Edison contract ID #</b>	<b>48027</b>	
<b>4. Proposed amendment #</b>	<b>1</b>	
<b>5. Contract's Effective Date</b>	<b>November 1, 2015</b>	
<b>6. Current end date</b>	<b>October 31, 2018</b>	
<b>7. Proposed end date</b>	<b>October 31, 2019</b>	
<b>8. Current Maximum Liability or Estimated Liability</b>	<b>\$20,042,076.00</b>	
<b>9. Proposed Maximum Liability or Estimated Liability</b>	<b>\$26,572,452.00</b>	
<b>10. Office for Information Resources Pre-Approval Endorsement Request</b> <i>- information technology service (N/A to THDA)</i>	<b>x Not Applicable</b> <input type="checkbox"/> Attached	
<b>11. eHealth Pre-Approval Endorsement Request</b> <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<b>x Not Applicable</b> <input type="checkbox"/> Attached	
<b>12. Human Resources Pre-Approval Endorsement Request</b> <i>- state employee training service</i>	<b>X Not Applicable</b> <input type="checkbox"/> Attached	
<b>13. Explain why the proposed amendment is needed</b>		
<p><b>This competitively procured contract with Public Consulting Group, Inc. provides Strategic Program Management Office services to support TennCare's State Medicaid Modernization Program (MMP). This contract was procured pursuant to federal law and CMS requirements and includes its Information Technology (IT) systems relating to TennCare and CoverKids (including the MMIS), and the TennCare and CoverKids eligibility determination processes. This amendment is necessary to exercise one of the two (2) optional extension years referenced in the RFQ as well as the current contract, to be compensated at the rates that were submitted in the Cost Proposal submitted in Contractor's Cost Proposal. In addition to the term extension, additional funds are added to support</b></p>		

Agency request tracking #	31865-00442
the term extension to be paid at a 90% federal match.	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.  N/A	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)   6/22/18	



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 31865-00442	<b>Edison ID</b> 48027	<b>Contract #</b>	<b>Amendment #</b> 01		
<b>Contractor Legal Entity Name</b> Public Consulting Group, Inc.			<b>Edison Vendor ID</b> 0000004919		
<b>Amendment Purpose &amp; Effect(s)</b> Extends Term, Amends Payment Terms, Increases Maximum Liability					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> October 31, 2019			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>\$ 6,530,376.00</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2016	\$445,388.00	\$4,008,488.00			\$4,453,876.00
2017	\$668,070.00	\$6,012,630.00			\$6,680,700.00
2018	\$668,070.00	\$6,012,630.00			\$6,680,700.00
2019	\$775,200.00	\$6,976,800.00			\$7,572,000.00
2020	\$118,518.00	\$1,066,658.00			\$1,185,176.00
<b>TOTAL:</b>	<b>\$2,675,246.00</b>	<b>\$24,077,206.00</b>			<b>\$26,572,452.00</b>
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.  			<i>CPO USE</i>		
<b>Speed Chart (optional)</b>		<b>Account Code (optional)</b>			

**AMENDMENT #1 TO CONTRACT #48027  
 BETWEEN THE STATE OF TENNESSEE,  
 DEPARTMENT OF FINANCE AND ADMINISTRATION,  
 DIVISION OF TENNCARE  
 AND  
 PUBLIC CONSULTING GROUP, INC.**

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

1. Contract Section B.1 is deleted in its entirety and replaced with the following:
  - B.1. This Contract shall be effective on November 1, 2015 ("Effective Date") and extend for a period of forty-eight (48) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.
  
2. Contract Section C.1 is deleted in its entirety and replaced with the following:
  - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Twenty Six Million Five Hundred Seventy-Two Thousand Four Hundred Fifty-Two Dollars (\$26,572,452.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
  
3. Contract Section C.3 is deleted in its entirety and replaced with the following:
  - C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
    - a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
    - b. The Contractor shall be compensated based upon the following payment methodology:

<b>Goods or Services Description (Category of Service)</b>	<b>Amount (per compensable increment)</b>
<b>Framework Deliverables</b>	<b>\$ <u>258,930.00</u> *</b>
<b>Startup Activities (Section A.16 – A.22)</b>	<b>\$ <u>1,708,125.00</u> *</b>

<b>Medicaid Modernization Program (MMP) Projects (including M&amp;O per Section A.28)</b>	<b><u>\$ 21,139,425.00*</u></b>
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\* Each deliverable is made up of subparts (or projects or activities) as shall be set forth in the SPMO Management Plan and the Contractor will be compensated for completion of a project or activity that supports one of the twenty-four (24) deliverables. The sum of the projects and activities for each deliverable shall not exceed the maximum for that deliverable as set forth in Attachment 9. In order to ensure applicable funding availability for each individual project above, the payment totals may vary based on reduction/increase of hours necessary for project deliverables, provided that any increase is off-set by an equal reduction/increase of other line-item amounts. The net result of any changes from one line-item amount to the other shall not result in increase of any associated rates submitted in the Cost Proposal, nor the total Contract Maximum liability specified in Section C.1. The SPMO Management Plan shall be subject to review and approval by the State. Initial State approval and any subsequent State approved changes to the SPMO Management Plan required due to unforeseen circumstances shall be formally executed by a Control Memorandum.

- c. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.35 and A.43 without a formal amendment of this Contract based upon the hourly payment rates detailed in the Cost Proposal and as agreed pursuant to Section A.43, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed FIFTEEN PERCENT (15 %) of the sum of milestone payment rates detailed in Section C.3.b., above (which is the total cost for the milestones and associated deliverables set forth in Contract Sections A.2., through A.42.). If, at any point during the Term, the State determines that the cost of necessary "change order" work would exceed the maximum amount, the State may amend this Contract to address the need.

<b>Service Description</b>	<b>Amount</b> (per compensable increment)
<b>Special Project Change Order Requests (Section A.35 and A.43)</b>	<b><u>\$ 3,465,972.00</u></b> <b>(15% of the sum of milestone payment rates reimbursed at hourly rates as submitted in Cost Proposal for multiple staff levels)</b>
<b>NOTE: The Contractor shall not be compensated for travel time to the primary location of service provision.</b>	

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 October 31, 2018. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,  
PUBLIC CONSULTING GROUP, INC:**

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**CONTRACTOR SIGNATURE**

**DATE**

**William S. Mosakowski, President and CEO**

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**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

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

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**LARRY B. MARTIN, COMMISSIONER**

**DATE**

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Matt Brimm	*Contact Phone:	615-687-5811		
*Presenter's name(s):	William Aaron				
Edison Contract Number: <i>(if applicable)</i>	#48027	RFS Number: <i>(if applicable)</i>	31865-00442		
*Original or Proposed Contract Begin Date:	November 1, 2015	*Current or Proposed End Date:	October 31, 2018		
Current Request Amendment Number: <i>(if applicable)</i>	#1				
Proposed Amendment Effective Date: <i>(if applicable)</i>	October 31, 2018				
*Department Submitting:	Department of Finance and Administration				
*Division:	Division TennCare				
*Date Submitted:	June 29, 2018				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>	N/A				
*Contract Vendor Name:	Public Consulting Group, Inc.				
*Current or Proposed Maximum Liability:	\$20,042,076.00				
*Estimated Total Spend for Commodities:	N/A				
<b>*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>					
FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY: 2020	
\$4,453,876.00	\$6,680,700.00	\$6,680,700.00	\$2,226,800.00		
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)</b>					
FY: 2016	FY: 2017	FY: 2018	FY:	FY	FY
\$2,295,823.00	\$5,955,524.00	\$7,345,067.00 <small>*Expenditures through April 2018</small>	\$	\$	\$
<b>IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:</b>			This contract has a maximum term of 5 years and unused funds will roll forward to be available for payments for the term of the contract.		
<b>IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:</b>			This contract payment methodology is based on rates submitted in the competitive Cost Proposal. The maximum liability is calculated by FY to include deliverables and any potential changes that may occur throughout the contract term. All unused funds for a Fiscal Year roll forward for availability throughout		

Supplemental Documentation Required for  
Fiscal Review Committee

		the term of the contract.	
<b>IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:</b>		N/A	
<b>*Contract Funding Source/Amount:</b>			
State:	\$2,004,208.00	Federal:	\$18,037,868.00
<i>Interdepartmental:</i>	N/A	<i>Other:</i>	N/A
If "other" please define:		N/A	
If "interdepartmental" please define:		N/A	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Method of Original Award: <i>(if applicable)</i>		RFQ	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$20,042,076.00 for the base period  The maximum liability was determined by the cost submitted within the RFQ Cost Proposal	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		This contract was competitively procured.	
*Provide information on the circumstances and status of any disciplinary action taken or pending against the vendor during the past 5 years with state agencies/ departments, professional organizations, or through any legal action.		No disciplinary actions identified.	
*In addition, please provide any information regarding the due diligence that the Department has taken to ensure that the vendor is not or has not been involved in any circumstances related to illegal activity, including but not limited to fraud.		TennCare googled this contractor and did not identify any illegal activity. Language in the contract requires immediate notification to the state regarding illegal activity or fraud if discovered during the term of this Contract.	



### CONTRACT

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

<b>Begin Date</b> November 1, 2015	<b>End Date</b> October 31, 2018	<b>Agency Tracking #</b> 31865-00442	<b>Edison Record ID</b> 48027
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<b>Contractor Legal Entity Name</b> Public Consulting Group, Inc.	<b>Edison Vendor ID</b> 000004919
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**Goods or Services Caption (one line only)**  
Strategic Program Management Office (SPMO) Services to Support State Medicaid Modernization Program

<b>Contractor</b> <input checked="" type="checkbox"/> Contractor	<b>CFDA #</b> 93.778
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<b>Funding</b>					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2016	\$445,388.00	\$4,008,488.00			\$4,453,876.00
2017	\$668,070.00	\$6,012,630.00			\$6,680,700.00
2018	\$668,070.00	\$6,012,630.00			\$6,680,700.00
2019	\$222,680.00	\$2,004,120.00			\$2,226,800.00
<b>TOTAL:</b>	<b>\$2,004,208.00</b>	<b>\$18,037,868.00</b>			<b>\$20,042,076.00</b>

**Contractor Ownership Characteristics:**

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

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

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

Other: For-Profit Corporation

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

Competitive Selection                      RFQ

Other

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



<b>Speed Chart (optional)</b> TN00000398	<b>Account Code (optional)</b> 70803000
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Public Consulting Group, Inc.  
Edison Contract ID: 48027  
Vendor #: 0000004919

**CONTRACT EXPENDITURES BY FISCAL YEAR**  
**(Payment Detail Attached)**

FY 2016	\$2,295,823.00	
FY 2017	\$5,955,524.00	
FY 2018	<u>\$7,345,067.00</u>	(Expenditures through April 2018)
<b>TOTAL</b>	<b><u><u>\$15,596,414.00</u></u></b>	

Public Consulting Group, Inc.

Edison Contract ID: 48027

Vendor ID: 0000004919

### FY 2016 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2016	31865	01290560	162195	3/18/2016	\$119,174.00
2016	31865	01290542	162194	3/21/2016	\$178,979.00
2016	31865	01327288	162748	5/25/2016	\$305,651.00
2016	31865	01327283	162749	6/1/2016	\$297,411.00
2016	31865	01357694	163419	7/14/2016	\$349,046.00
2016	31865	01361727	163312	7/21/2016	\$321,900.00
2016	31865	01361726	163313	7/21/2016	\$331,972.00
2016	31865	01369381	163840	8/10/2016	\$391,690.00

**Total FY 2016:**

**\$2,295,823.00**

### FY 2017 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2017	31865	01385102	170327	9/12/2016	\$362,390.00
2017	31865	01404502	170492	10/11/2016	\$391,655.00
2017	31865	01415583	170787	11/15/2016	\$436,776.00
2017	31865	01470685	171132	2/10/2017	\$488,793.00
2017	31865	01496187	171753	3/28/2017	\$418,443.00
2017	31865	01496124	172038	3/28/2017	\$478,424.00
2017	31865	01496197	171449	4/3/2017	\$451,337.00
2017	31865	01504611	172434	4/18/2017	\$448,166.00
2017	31865	01524154	172654	5/10/2017	\$599,365.00
2017	31865	01539495	172950	6/12/2017	\$575,657.00
2017	31865	01554383	173401	7/17/2017	\$637,646.00
2017	31865	01569149	173940	8/8/2017	\$43,680.00
2017	31865	01569139	173939	8/8/2017	\$623,192.00

**Total FY 2017:**

**\$5,955,524.00**

Contract Expenditures by Fiscal Year (Continued)  
 Public Consulting Group, Inc. - Edison #48027

**FY 2018 Payments**

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2018	31865	01587696	180208	9/11/2017	\$58,800.00
2018	31865	01587657	180207	9/15/2017	\$584,810.00
2018	31865	01605126	180432	10/12/2017	\$68,880.00
2018	31865	01605134	180431	10/12/2017	\$668,220.00
2018	31865	01619393	180888	11/14/2017	\$594,194.00
2018	31865	01619415	180889	11/15/2017	\$63,000.00
2018	31865	01640463	181379	12/29/2017	\$630,217.00
2018	31865	01650847	181382	1/10/2018	\$63,840.00
2018	31865	01661038	181600	2/2/2018	\$562,300.00
2018	31865	01661120	181599	2/6/2018	\$96,480.00
2018	31865	01665386	181971	2/13/2018	\$83,940.00
2018	31865	01665451	181970	2/13/2018	\$445,764.00
2018	31865	01692624	182346	4/3/2018	\$108,510.00
2018	31865	01692626	182571	4/3/2018	\$146,205.00
2018	31865	01692628	182570	4/3/2018	\$510,878.00
2018	31865	01696261	182347	4/5/2018	\$612,768.00
2018	31865	01706650	182923	5/4/2018	\$485,002.00
2018	31865	01706652	182924	5/4/2018	\$592,490.00
2018	31865	01720674	183371	6/4/2018	\$436,384.00
2018	31865	01720670	183370	6/4/2018	\$532,385.00

**Total FY 2018:**

**\$7,345,067.00**



### CONTRACT

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

<b>Begin Date</b> November 1, 2015	<b>End Date</b> October 31, 2018	<b>Agency Tracking #</b> 31865-00442	<b>Edison Record ID</b> 48027
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<b>Contractor Legal Entity Name</b> Public Consulting Group, Inc.	<b>Edison Vendor ID</b> 0000004919
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**Goods or Services Caption** (one line only)  
Strategic Program Management Office (SPMO) Services to Support State Medicaid Modernization Program

<b>Contractor</b> <input checked="" type="checkbox"/> Contractor	<b>CFDA #</b> 93.778
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
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<b>TOTAL:</b>	<b>\$2,004,208.00</b>	<b>\$18,037,868.00</b>			<b>\$20,042,076.00</b>

**Contractor Ownership Characteristics:**

- Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American
- Woman Business Enterprise (WBE)
- Tennessee Service Disabled Veteran Enterprise (SDVBE)
- Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.
- Other: For-Profit Corporation

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

- Competitive Selection RFQ
- Other

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

<b>Speed Chart</b> (optional) TN00000398	<b>Account Code</b> (optional) 70803000
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**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION,**  
**DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION**  
**AND**  
**PUBLIC CONSULTING GROUP, INC.**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), hereinafter referred to as "HCFA" or the "State", and the Contractor, Public Consulting Group, Inc., hereinafter referred to as the "Contractor", is for the provision of Strategic Program Management Office (SPMO) services to support the State in completing the Medicaid Modernization Program (MMP), hereinafter referred to as the MMP or Program, as further defined in the "SCOPE OF SERVICES." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is for-profit corporation.  
Contractor Edison Registration ID # 00000004919  
Contractor Place of Incorporation or Organization: Massachusetts

**A. SCOPE OF SERVICES**

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Nothing in this Contract shall be deemed to be a delegation to the Contractor of the State's non-delegable duties under the TennCare program administered by the single state agency, as designated by the State and CMS, pursuant to Title XIX of the Social Security Act (42 U.S.C § 1396 *et seq.*) and the Section 1115 research and demonstration waiver granted to the State and any successor programs, or the Federal Children's Health Insurance Program (CHIP), known in Tennessee as "CoverKids," administered by the State pursuant to Title XXI of the Social Security Act.
- A.3. The descriptions of Contractor deliverables in this Contract do not include every possible duty, task, or intermediate deliverable necessary to achieve success on this Contract. The Contractor understands and agrees that any perceived lack of detail in a specific area does not indicate that the Contractor will have no duties in that area. The Contractor shall fulfill the State's Contract goals and requirements in a cost-effective manner. This includes all intermediate steps, deliverables or processes reasonably necessary to achieve the desired outcome described in each Section of the Contract. Intermediate steps, processes or deliverables will be detailed in the Control Memorandum, developed by the parties at the inception of each component of the Contract, using the Control Memorandum process described below. Many objectives described here only describe the end result, thus allowing Contractor flexibility in proposing the details of how their solution meets the State's goals.
- A.4. Defined Terms, Acronyms. Unless otherwise defined herein, all capitalized terms shall be considered defined terms which shall have the meaning given to them in Contract Attachment 3, Definitions. All acronyms not otherwise defined herein shall have the defined meaning set forth Contract Attachment 4, Acronyms.
- A.5. General Description of Duties. The Contractor shall provide MMP Project Management Office services and, if applicable, shall assume SPMO duties from HCFA's technical advisory services (TAS) contractor, who is anticipated to act as temporary SPMO. The Contractor's duties shall include, but not be limited to, completing the Framework Deliverables identified in sections A.11- A.15, Startup Activities and Deliverables in sections A.16 – A.22, and the MMP projects identified



in sections A.29 – A.34, collectively known as the Medicaid Modernization Program (MMP or Program). The Contractor shall ensure that the State approved project management framework is used for the management and implementation of each MMP project, shall complete a series of crucial startup activities and deliverables, and shall provide the necessary SPMO services to assist the State in completing the MMP projects set out in this Contract. All deliverables and services set forth in this Scope of Services shall be provided by SPMO under the direction of, and at the specific request of, applicable HCFA personnel and the Contractor shall not begin work on any portion of the Scope of Services prior to receipt of such request. Such request will be made by a Control Memorandum, utilizing the Control Memorandum process outlined below. HCFA shall retain final approval authority regarding all aspects of the deliverables and services required by this Contract.

General responsibilities of the SPMO will include the following:

- a. Provide the MMP SPMO services specified in the Contract over the lifecycle of the Contract for the MMP, all MMP projects, and all MMP contractors' project activities and deliverables.
  - b. Administer Program governance.
  - c. Provide Portfolio management assistance to the State.
  - d. Provide Program and project cost management including cost and budget-to-actual tracking and reporting.
  - e. Provide Program and project risk and issue monitoring and management.
  - f. Establish Program and project management methodologies, tools, processes, and principles.
  - g. Provide Program-level monitoring and reporting to HCFA leadership, including but not limited to, project performance, human resource management, budget, scope, schedule, quality, risks and issues.
  - h. Provide support to the State and its MMP contractors in development and management of project schedules and build and maintain an integrated Program Master Schedule.
  - i. Provide support to the State and its MMP contractors in applying leading project management practices to their respective projects.
  - j. Advise the State and its MMP contractors on Program and Project Management industry best practices and monitor project alignment to Program and project management principles.
  - k. Manage demand across Programs and projects to manage adequate resource availability.
  - l. Develop and manage a MMP document library further described below.
  - m. Define and maintain a continuous service improvement approach for the SPMO function.
- A.6. Coordination and Collaboration Responsibilities. The Contractor shall, as directed by the State and at no additional cost to the State, coordinate with, facilitate the prompt exchange of information between, and work collaboratively with any and all other State contractors and Federal or State Agencies involved in the MMP, including but not limited to, Technical Advisory Services (TAS) contractor, Independent Verification and Validation (IV&V) contractor, TNHC contractor, MITA contractor, MMIS contractor, all System Integrator (SI) contractors, and other State contractors currently involved or that will become involved, (all of which are collectively referred to herein as the "State MMP Contractors"). If required in order for the Contractor to proceed with any part of the Scope of Services which involves sharing or obtaining information of a confidential, proprietary, or otherwise valuable nature with or from another State MMP Contractor, the Contractor may be requested to sign mutually agreeable documents, including but not limited to Non-Disclosure Agreements (Non-Disclosure Documents), which are reasonably necessary to maintain cooperation and collaboration among and with any and all other State MMP Contractors and State Agencies in the performance of the Contract.

All information the Contractor may receive, have disclosed to it, or otherwise becomes known to Contractor during the performance of this Contract from any other State MMP Contractor, that the



State MMP Contractor considers to be proprietary or confidential in nature pursuant to a Non-Disclosure Document entered into between the Contractor and another State MMP Contractor, shall be governed by such Non-Disclosure Document.

Nothing in this Section, including failure to negotiate and enter into a Non-Disclosure Document acceptable to Contractor with another State MMP Contractor, shall be construed to relieve the Contractor of its duty to perform any requirements or deliverables under this Contract. Other than as permitted in Section C. of this Contract, Payment Terms and Conditions, the Contractor shall not invoice the State for any such coordination services, and the State shall not be liable to the Contractor for payment of any such coordination services, without the prior written consent of the State. In the event that the Contractor cannot obtain the needed cooperation of a State Agency or another State MMP Contractor, the Contractor shall report the issue using the issue resolution process described below.

- A.7. Program Steering Committee. Overall program guidance will be provided via meetings of the Program Steering Committee. On a monthly basis, at a minimum, or as needed, the State Program Management Team and the Contractor's Program Management Team shall provide an update to the Program Steering Committee established in the TAS contractor's Program Governance Management Plan, as described in Section A.49 of the TAS executed contract and any amendments, as amended throughout the term of the contract, located at Attachment 8.
- A.8. Control Memorandum(a) (CM) Process. The CM process shall be utilized by the State to clarify Contract requirements, issue instruction to the Contractor, document action required of the Contractor, or request information from the Contractor. In addition, the CM process shall be used by the State to impose assessments of damages, either actual or liquidated. This process will be used to address issues or matters that do not require a contract amendment. Each CM must be in writing and indicate the date on which it was issued. CMs may provide relevant history, background, and other pertinent information regarding the issue(s) being addressed in the CM. Each CM will establish a deadline or timeframe for the Contractor's reply or other action. All CMs submitted to the Contractor will be assigned a unique ID number and must be signed and approved by the State's Project Director (or his/her designee). When the CM pertains to damages, either actual or liquidated, the State may issue consecutive CMs, as may be necessary or appropriate.
- a. A CM may include one (1) or more of the following five (5) components of the CM process described below:
- (1) On Request Report (ORR) - a request directing the Contractor to provide information by the time and date set out in the CM.
  - (2) Control Directive (CD) - instructions that require the Contractor to complete, within a designated timeframe, one (1) or more deliverables or to perform any other request from the State that is within the scope of the Contract. A CD may also provide clarification of certain Contract terms. Once a CM/CD has been issued, it shall be considered to be incorporated into this Contract.
  - (3) Notice of Potential Damages (Actual or Liquidated) (NPD) – notification to the Contractor that the State has determined that a potential Contract performance or compliance issue exists and that the State is contemplating assessing damages, actual and/or liquidated. The NPD shall identify the Contract provision(s) on which the State determination rests. The State must issue a NPD within ninety (90) days of State's actual knowledge of potential Contract performance or compliance issue.
  - (4) Notice of Calculation of Potential Damages (Actual or Liquidated) (NCPD) – notification to the Contractor that provides calculation of the amount of potential



damages, actual and/or liquidated, that the State is contemplating assessing against the Contractor. NPDs and NPCDs may be issued consecutively or simultaneously.

- (5) Notice of Intent to Assess Damages (Actual or Liquidated) (NIAD) – notification to the Contractor that the State is assessing damages and specifying whether the damages are actual damages, liquidated damages, or both. The NIAD shall identify the NPD and NPCD upon which it is based. The NIAD shall specify the total amount and type of damages, whether actual or liquidated. Following the issuance of an NIAD, the State may elect to withhold damages from payments due to Contractor. The State may not issue a NIAD without first issuing a NPD and a NPCD.
- b. Damages for failure to comply with CM. Contractor shall fully comply with all CMs. Failure to do so may result in sanctions, including liquidated damages as listed in Attachment 5 (Liquidated Damages) and/or termination of the Contract.
  - c. Appeal of Damages by Contractor. Contractor may appeal either the basis for NPD or calculation of NPCD potential damages, either actual or liquidated. To do so, the Contractor shall submit to the State's Project Director (or his/her designee) a written response to the NPD and/or NPCD within ten (10) business days of receipt of a CM which includes a NPD or a NPCD. The State's Project Director (or his/her designee) shall review the appeal and provide notice of his/her determination to the Contractor through a CM. If the Contractor disagrees with the State's Project Director's (or his/her designee) initial appeal determination or the State's Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may submit a written request to the State's Project Director (or his/her designee) that the matter be escalated to senior management of the Agency. Contractor shall submit such a request for escalation within ten (10) business days of its receipt of the initial appeal determination from the State's Project Director (or his/her designee) or of notification by the State's Project Director that he/she is unable to resolve the appeal. The State's senior management shall provide written notice of its final determination to the Contractor. Upon appeal or escalation, the State shall not increase the amount of the potential damages.
  - d. The State may elect to apply liquidated damages remedies in the event the Contractor fails to perform its obligations under this Contract in a proper and/or timely manner. Delay in meeting deliverable dates shall trigger liquidated damages as follows:
    - (1) For days 1-30, a liquidated damage of 3% of the total deliverable cost will be assessed. Such liquidated damage shall be prorated by the number of days if delay equals less than 30 days.
    - (2) For days 31-60, an additional liquidated damage of 6% of the total deliverable cost will be assessed. Such liquidated damage shall be prorated by the number of days if delay equals less than 60 days.
    - (3) For delays beyond 61 days, the State may avail itself of breach of contract provisions hereunder.Failure to perform obligations other than deliverables shall be assessed according to Attachment 5, Liquidated Damages.
  - e. At the sole discretion of the State, the State may grant authority to the SPMO to utilize the liquidated damages process outlined above as a contract management tool. This authority may only be granted in writing through a Control Memorandum and must identify the contractor to whom the SPMO may utilize the liquidated damages authority. Through the Control Memorandum, the State may establish any limitations on this authority as it may deem appropriate. The SPMO may not exercise this authority in excess of the grant



of authority in the Control Memorandum. The State may grant this authority to the SPMO at any stage of any contract or project, and may, in its sole discretion, revoke such authority at any time. This authority allows the SPMO to calculate potential liquidated damages to be assessed against another contractor of the State, make adjustments to the potential liquidated damages and assess liquidated damages it deems appropriate. If the SPMO assesses liquidated damages against another contractor, the SPMO shall notify the State so that the State can determine if the liquidated damages are to be collected through a withhold or a direct payment by the contractor to the State.

If granted the authority to utilize liquidated damages as a contract management tool, the SPMO shall follow the process outlined in paragraphs (a) – (d) above in the same manner as those paragraphs would apply to the State. Appeals from NPDs and NCPDs issued by the SPMO will be addressed by the SPMO. If the SPMO issues a NIAD to a contractor, the contractor may appeal that Notice to the State under the process and timeframes set out in paragraph (c), above. In the event that the contractor involved loses the appeal it will be assessed the cost of the appeal, in the amount of \$1,000.00.

If the SPMO is granted the authority to utilize liquidated damages as a contract management tool, it shall include in its periodic reports to the State concerning the relevant contract or project a statement fully describing any NPDs, NCPD or NIADs it has issued and the reasons therefore.

In no event shall the SPMO have the given authority to assess actual damages.

A.9. Agreement Not to Bid. Pursuant to language in RFQ #32101-15106, Section 1.1, the competitive bid resulting in this Contract award, the Contractor shall not bid on any procurements for any other MMP projects or related services.

A.10. Confirmation to State Project Management Standards. The Contractor shall advise the State regarding the best way to align program processes and procedures throughout the MMP lifecycle, with this advice being included in all deliverables submitted for State approval. The Contractor shall advise, or seek to instruct through the State Program Management Team, the various Program personnel in the execution of the projects identified herein. The Contractor's deliverables and work products of the various projects produced during the Project Lifecycle Services detailed in sections A.23 – A.28 shall, at a minimum, conform to the Framework Deliverables in sections A.11 – A.15. The Contractor shall ensure that Project Lifecycle Services and deliverables adhere to industry leading practices, methodologies and frameworks and follow the procedures and processes established for this Program. The State requires that all Contractors involved in information technology systems implementations follow a systematic approach to the design, development, and implementation of systems to ensure that a comprehensive and expandable system is implemented. The State's Information Technology Project Management Methodology is Tennessee Business Solutions Methodology (TBSM) (<http://www.tn.gov/finance/tbsm/tbsm.shtml>). TBSM is based on the principles set forth by the Project Management Institute (PMI) and on industry best practices that are adapted to meet the State's needs.

Unless otherwise specified in the Contract sections below, to the extent that the Contractor's deliverables detailed in the Framework Deliverables included in sections A.11– A.15 match TBSM templates, the Contractor shall, at a minimum, include the comparable elements of the TBSM templates. A detailed list of the standard TBSM Project Management deliverables templates and descriptions can be found at (<http://www.tn.gov/finance/tbsm/tbsm.shtml> or <http://intranet.tn.gov/finance/tbsm/tbsm.html>).



## Framework Deliverables

- A.11. Framework Deliverables, Generally. Framework Deliverables are one time deliverables that establish a unified, enterprise approach to the related MMP activities and deliverables. The Contractor shall cooperate with the TAS contractor in constructing Framework Deliverables that involve the program management function.
- A.12. Framework Deliverable, The Management Plan for the SPMO Contract. This plan shall be developed in cooperation with the TAS contractor during the SPMO startup phase. This plan will define how the Contractor will staff and organize its team based on the specifications contained in the Contract, the TAS contractor's SPMO Startup Plan (see Attachment 8 section A.53), the TAS Program Governance Management Plan (see Attachment 8 section A.49), and industry leading practices and methodologies. The TAS Management Plan will also detail the contract deliverables and deliverable dates in a RACI (Responsible, Accountable, Consulted, and Informed) matrix that shall be included in the Contractor's SPMO Management Plan, depicted in the accompanying SPMO Schedule, and included in the Program Integrated Master Schedule (IMS) as described Section A.14.o. The deliverable dates included in the SPMO Schedule and the Program IMS shall only be revised at the State's discretion and approval. At a minimum this plan shall contain the following:
- a. SPMO Management Approach Plan – the approach the Contractor will use to manage and schedule the tasks and resources to complete the deliverables of this Contract. It will also describe the Contractor's approach to working with the State, other State MMP Contractors and State security personnel and their security contractors.
    - (1) SPMO Approach to IV&V – the Contractor's approach to working with the State's IV&V contractor. The approach should include recognition that the Contractor's deliverables and supporting work products, activities and services will be monitored by the IV&V for contractual completeness and compliance.
    - (2) SPMO Approach to TAS Cooperation and Accountability - the approach the Contractor will use to work in partnership with the TAS contractor and it will establish an understanding of the Contractor's relationship to the TAS contractor.
    - (3) SPMO Approach to working with System Integrators - the Contractor's approach to working with the MMP System Integrators.
    - (4) SPMO Approach to working with the State and Accountability to the State – the Contractor's approach to working in partnership with the State and an understanding of the Contractor's accountability to the State. This will also describe how the Contractor will engage and work with other State entities, including but not limited to, OIR.
    - (5) SPMO approach to working with the State Security Personnel and their contractors – how the Contractor will work in partnership with the State Security personnel and their contractors where necessary.
  - b. SPMO Scope Management Plan – the approach the Contractor will use to manage the scope of this Contract.
  - c. SPMO Human Resource Plan – how the Contractor will manage its human resources to complete this Contract.
  - d. SPMO Change Control Plan – the process associated with Contract change control regarding the Contractor's tasks and deliverables.



e. Subordinate plans shall be included in this SPMO Management Plan. These subordinate plans shall describe in more detail the manner in which the Contractor will manage the SPMO Contract. Such subordinate plans shall include, but are not limited to:

- (1) Risk Management Plan
- (2) Communication Management Plan
- (3) Cost Management Plan
- (4) Quality Management Plan
- (5) SPMO Schedule
- (6) RACI Matrix

A.13. Framework Deliverable - The Portfolio Management Plan. In cooperation with the State and the TAS Contractor as part of the TAS Contractor's Program Governance Management Plan and Business and IT Capability Assessment/Future State Roadmap Capability Development activities and deliverables described in Attachment 8, sections A.49 and A.56, the Contractor shall develop the Portfolio Management Plan that will define and detail the HCFA Portfolio Management approach, required resources, and activities required for its operational deployment and maturity over the term of the Contract. The plan will identify the State and MMP contractor roles, activities and deliverables required to assist HCFA business executive leadership in effective HCFA Portfolio Management. To effectively assist HCFA with MMP management, in the plan the Contractor shall specifically document and assign contractor personnel to work collaboratively with the State, the TAS contractor and other State contractors as needed to assist in HCFA enterprise Demand Management (see Attachment 8, Demand Management and Portfolio Management).

As part of this Demand Management assistance, the Contractor shall help to evaluate, prioritize, plan, and monitor the impact of incidences of new demand at their inception and over their lifecycle as they become projects that will affect the Program, its projects, funding, budgets, and all State MMP business and IT resources, and contractors. In order for the State to fully operationalize their Portfolio Management capability, the plan shall also identify the State Portfolio Management skills and resource gaps, and will detail the required activities and steps to close those gaps. The plan will be created with consideration for and analysis of all existing State and Federal enterprise Portfolio Management governing bodies such as, but no limited to, CMS, OIR, IT-ABC, EPIC, ISC and their related management tools, documents and artifacts, reporting, and processes that HCFA must use and comply with.

As a result of the Contractor's evaluation of the State's enterprise Portfolio Management governing body's processes, the Contractor shall detail in the Portfolio Management Plan how it will assist the State in maintaining the Program and its projects in the state portfolio management system, Planview, or such other system as the State may designate from time to time. The Contractor, in cooperation with the TAS contractor, shall maintain the plan over the term of the Contract as HCFA's Portfolio Management capability is deployed and as it makes incremental steps towards maturity.

A.14. Framework Deliverable- The MMP Management Plan. In cooperation with the TAS Contractor, during the SPMO Startup, the Contractor shall develop the Program Management Plan that will detail the Contractor's approach to and activities for management of the MMP. The Plan will also detail the tools and technologies that will be used for Program management of activities including but not limited to, program and project status reporting, schedule maintenance, risk, and issue management. The Plan will also detail how the State's enterprise portfolio management system, Planview or such other system as the State may designate from time to time, shall be used in management of the program and program projects. The Plan shall be based on the specifications contained in this Contract, the TAS contractor's SPMO Startup Plan (refer to Attachment 8, section A.52), the TAS contractor's Project and Systems Development Lifecycle Management



Plan (refer to Attachment 8, section A.24), and industry leading practices and methodologies. Relevant details for the MMP Management Plan shall also be incorporated as necessary in the Project Management Plan in section A.15. The Contractor shall develop the Program Management Plan which shall include, but not be limited to the following elements:

- a. Program Governance Approach – This shall be based on TAS contractor's Program Governance Management Plan (described in Attachment 8, section A.49). It shall detail the Contractor's activities, responsibilities, and deliverables related to its role as Program Governance Administrator, and those of the State and other MMP contractors.
- b. Program Management Approach – It shall detail the overall management approach and activities for the Program and projects, and it shall detail the Contractor's activities, responsibilities, and deliverables and those of the State and other MMP contractors. It shall be written as an Executive Summary for the Program Management Plan contents.
- c. Program Scope - This shall detail what the Program/project scope does and does not include. This will help to clarify what is included in the Program and help to avoid any confusion from Program/project team members and stakeholders.
- d. Scope Management Plan - The Contractor shall develop the plan detailing the Contractor's activities and responsibilities for supporting effective Program scope management. The plan will detail how Program/project changes in scope, schedule or cost shall be tracked, managed and communicated to the appropriate Stakeholders by the Contractor utilizing a defined change management process that shall be based on the TAS contractor's Change Management Plan described in Attachment 8, section A.32.
- e. Schedule Management Plan - It shall detail the overall schedule management approach and activities for the Program and projects, and it shall detail the Contractor's activities, responsibilities with regards to maintaining the Program Integrated Master Schedule (IMS) and managing, coordinating and integrating the required inputs from the State and other MMP contractors. It shall establish the standards used for the IMS in the Program/projects for schedule structure, data elements, and ongoing schedule maintenance. It shall also detail the Contractor's overall approach and schedule management activities necessary for ensuring tasks are completed on time, resources are allocated appropriately, and to help measure project performance. This section should include discussion of the scheduling tool/format, schedule milestones, and schedule development roles and responsibilities.
- f. Cost Management Plan – The Cost Management Plan shall detail the asset and cost management processes, the Contractor resources that will be assigned in sufficient quantity, quality and division of responsibility to assist HCFA in maintaining oversight and management of all program-related fixed assets and costs. In the Plan, the Contractor shall detail how it will provide cost management personnel, processes and systems and align them with HCFA IT and financial management personnel and State, HCFA and CMS funding and financial management processes and systems to track and manage the fixed assets and costs associated with the Program throughout its lifecycle and across each of its projects. These support activities shall include:
  - (1) Program/project Budget to actual tracking and reporting at regular intervals (minimum monthly), or as requested by the State.
  - (2) Directly providing expert opinion or verifying the expert opinion of other program contractors or other sources for Program/project cost estimates.

The Cost Management Plan will also detail the Contractor's responsibilities for all aspects of asset and cost management for the Program and monitoring other MMP contractors' cost management compliance as follows:



- (1) Assist HCFA staff with cost inquiries from federal and state sources relating to the Program and its identified projects
- (2) Assist HCFA in financial management planning and operational duties necessary to evaluate performance, meet federal and state audit compliance requirements, meet state financial reporting requirements, and enable appropriate cost projection planning throughout the life of the project
- (3) Review MMP-related invoices to confirm delivery of product(s) and/or service(s) to support HCFA's final authorization for vendor payment and CMS requirements for respective recoupment of federal funds
- (4) Support financial activities to enable HCFA to produce and deliver required federal financial reports including cost allocation reports, or other periodically requested reports to be submitted to federal or state agencies. Such tasks may include reporting on the financial status of the project and reporting to various regulating bodies (e.g., EPIC) depending on the request types
- (5) Create and communicate a financial operations process to organize and document procedures, processes, forms, and reporting to be followed by the Contractor and other Program contractors for various financial-related support activities
- (6) Assist HCFA to establish, maintain (or assist with) and execute appropriate inventory controls of various IT fixed assets such as software, hardware, or other fixed assets in order to track those assets and to produce inventory reports, enable transition of state owned fixed assets to HCFA, and assure proper ownership transfers related to licenses
- (7) Maintain an indexed financial document repository of all documents related to invoices, financial reports, change orders, transmittal letters, inventory lists, and other related records to be made available for various state and federal audits or other purposes as needed

The Contractor's Cost Management plan and the activities detailed therein will be reviewed by HCFA's Accounting Office to ensure compliance with state and federal requirements and guidelines as well as to insure compliance with generally accepted accounting principles. The State may grant Contractor selective, read-only access to the state's financial management system that can be used to produce timely and various ad-hoc financial and cost management reports related to both Program management activities and other Program contractor work.

- g. Risk Management Plan – This Plan shall detail the Contractor's approach to Program/project risk management and shall discuss risk identification, evaluation methodology, prioritization, mitigation, monitoring, and the ongoing evaluation and improvement of the risk management process. The formation of the risk register and the tools used to maintain it shall be completed with consideration for the TAS contractor's issues, risks, and action item register assessment described in Attachment 8, section A.51. The Contractor shall maintain the risk register in a format and location approved by HCFA. The Plan will be written to include the necessity for integrated risk management/mitigation strategies across the entire MMP.
- h. Issue Management Plan – This Plan shall detail the Contractor's approach to Program/project issue management and shall discuss issue identification, evaluation methodology, prioritization, resolution, monitoring, and the ongoing evaluation and improvement of the issue management process. The formation of the issue register and the tools used to maintain it shall be completed with consideration for the TAS contractor's issues, risks, and action item register assessment described in Attachment 8, section A.51. The Contractor shall maintain the issue register in a format and location approved by HCFA. The plan will be written to include the necessity for integrated issue management strategies across the entire program.



- i. Communication Management Plan - The Communication Management Plan will be based on the TAS Communication Management plan described in Attachment 8, Section A.21. The Communication Management Plan will contain a communication matrix establishing and categorizing stakeholders and defining their individual Project related communication needs and the communication methods/types to meet those needs. The Communication Plan shall, at a minimum:
- (1) Identify the audiences/stakeholder groups impacted by communication events.
  - (2) Identify the most common communication events that will occur throughout the project to raise awareness of communication events and to keep the audience and stakeholders informed.
  - (3) Identify the frequency and the media/forum for each communication event.
  - (4) Identify the standards that will be adopted to make communication more efficient and measurable.
  - (5) Provide stakeholders with the details of relevant and critical issues.
  - (6) Provide a method to encourage stakeholders to accept and promote project decisions and activities.
  - (7) Provide a process to reduce the level of misinformation and misunderstanding about the project.
  - (8) Provide a method to inform stakeholders concerning decisions, delays, and changes in the implementation process.
  - (9) Identify protocols and procedures for reporting on issues, work activities, tasks and deliverables.
- j. Decision Management Plan –This Plan shall define a decision making strategy for addressing complex decisions expected during management of the Program/Projects, and shall detail the Contractor's role in decision management and maintenance of a decision log. The Plan shall provide the template for how issues will be documented, and in what tool decisions will be logged and managed by the Contractor. The template shall include a description of the issue, stakeholders, pros and cons to each decision considered, actions, deadlines, and shall specify the decision outcome and who is responsible. The plan shall also address how the decision outcomes will be maintained and traced to other decisions that have been made.
- k. Document Management Plan – This Plan will define how documents will be managed over the Program and throughout the various Project life cycles. It will also detail the Contractor and all other MMP contractor's roles in Program/Project document management. It shall be based on the recommended approach detailed by the TAS contractor in their Program Document Management Plan described in Attachment 8, Section A.48. The Plan shall include the process of organizing, storing, protecting, revising, versioning and sharing documents. The Plan shall define how both hard copy and electronic repositories of documents and historical information are managed and provide a consistent approach for the creation, update and format of documents. The Plan shall also describe how the document library will be set up and secured.

The Contractor shall maintain a project document library with version control and table of contents for all Project documentation. All Project documentation will be formatted using industry standard tools and formats, optimally organized for ease of access, and available to all key program stakeholders. The project document library should include, but not limited to all project correspondence, agendas & notes, stakeholders and contact information, reports, contracts and financial management documentation, deliverables; formal acceptance documentation; requirements, design documents, testing results; data cleanup and conversion; documentation and procedures for code migration from development to production; documentation of user aids and temporary and permanent business processes.



If the tool used for document management is unique to the Contractor, then appropriate licenses will be granted to the State to facilitate transfer. The document library will be in a centralized electronic repository, managed by the Contractor but owned by HCFA for audit and historical purposes. The document library should follow a standard approach that allows a complete historical trail of project progress and completed action items.

- l. Procurement Management Approach – The Contractor shall integrate the TAS contractor's Procurement Management Plan (see Attachment 8 section A.43) in the Program and Project Management Plans. Those plans shall also detail the Contractor's role in providing project management for all Program/Project procurement activities and deliverables.
  - m. Human Resource Management Plan – This Plan shall define the resource management plan to support the Program and Projects. The Plan shall define the organizational structure, roles, and responsibilities of the personnel, staffing levels, and other resources that will be utilized for Programs and Projects. It shall define the criteria and process used to develop staffing estimates and determine staffing qualifications. It shall contain detailed organizational charts. The organization structure must identify key personnel by name, title and job function, the percentage of time allocated to the Program/Projects, and whether each position will be filled by a State person, Contractor employee, or other MMP contractor employees. The plan shall also detail the Contractor's responsibilities in human resource management that shall include, but not be limited to the following tasks and activities:
    - (1) Providing or verifying other MMP contractor estimates on resource needs based on Program/Project demands.
    - (2) Creating/maintaining the IMS to include resource-loaded tasks.
    - (3) Assisting in the identification and assignment of the appropriate resources to necessary Program/Project tasks.
  - n. Quality Management Plan - The Contractor shall integrate the TAS contractor's Quality Management Plan (see Attachment 8 section A.50) in the Program and Project Management Plans. It shall also detail the Contractor's role in providing project management for all Program/Project quality management activities and deliverables.
  - o. Integrated Master Schedule (IMS). The Contractor will be required to maintain the IMS to include all MMP Projects as required, enabling the State, TAS and other MMP contractors to monitor the critical path of the Program/Projects. During the Program, a Program scheduler(s) shall work with the Contractor, Program Project Managers and any other relevant Program team members to build and maintain the IMS. The IMS will serve as a baselined, resource-loaded schedule which will facilitate critical path determination and monitoring. This schedule along with other project documents shall require approval by the HCFA Program Director. The IMS will be detailed enough to provide the Contractor and the HCFA Program Director a tool to:
    - (1) Coordinate State resource planning, loading, and leveling
    - (2) Coordinate Project Tasks/Milestones
    - (3) Manage Schedule and Scope change
    - (4) Identify potential schedule conflicts
- A.15. Framework Deliverable - Template Project Management Plan for Individual Projects. In cooperation with the TAS contractor, during the SPMO Startup, the Contractor shall develop the Project Management Plan that will detail the Contractor's approach to management of the MMP Projects. The Project Management Plan shall adhere to all specifications, principles and guidelines set forth in the Program Management Plan for Project Management and Governance.



The Template Plan should serve as a template to be used by the Contractor to base the Project Management Plans for each MMP Project. The Project Management Plans for each MMP project should be tailored to the unique requirements for each project where necessary. The Template Plan should also define and detail how critical project metrics will be created, tracked, analyzed, and reported by the Contractor over the lifecycle of each Project. The metrics reporting section of the template plan will also include a critical analysis of the reported data, as well as an evaluation of the impact of the data on the project and recommended courses of action. This reporting should be done at least monthly. The Project Management Plan template shall include the Contractor responsibilities over the lifecycle of each project for project initiation, planning, execution, monitor and control, and close as specified in section A.26. The plan shall be based on the specifications contained in this Contract, the TAS Contractor's SPMO Startup Plan (see Attachment 8, section A.52), the TAS contractor's Project and Systems Development Lifecycle Management Plan (see Attachment 8, section A.24), and industry leading practices and methodologies. The Contractor shall develop the Template Project Management Plan which shall include, but not be limited to the following subordinate plans.

- a. Project Management Approach
- b. Project Scope
- c. Scope Management Plan
- d. Schedule Management Plan
- e. Cost Management Plan
- f. Risk Management Plan
- g. Issue Management Plan
- h. Communication Management Plan
- i. Decision Management
- j. Document Management
- k. Procurement Management Plan
- l. Human Resource Management Plan
- m. Quality Management Plan

#### **Startup Activities and Deliverables**

- A.16. Specific Startup Phase Deliverables. The Contractor shall provide project management input for the Startup activities and deliverables set forth in sections A.17 – A.22. The Contractor's advice and recommendations shall build upon the initial work done by the TAS contractor for each specific startup deliverable. The Contractor's deliverable may be either a finalized plan or a project schedule tied to the specific startup deliverable as specified below in sections A.17 – A.22.
- A.17. Strategic Program Management Office (SPMO) Startup/Governance Deployment. The Contractor shall cooperate with the State Program leadership and the TAS contractor in the SPMO Startup activities as defined in the TAS contractor's SPMO Startup Plan (refer to Attachment 8, section A.52.). The Contractor shall advise on ways to refine the startup plan and SPMO structure. The startup activities shall include implementing and staffing the SPMO, aligning the SPMO with the role defined for the SPMO in the overall Program governance structure per the TAS Program Governance Management Plan, and operationalize and transition the SPMO into the role of Program Governance Administrator. The Contractor will deliver their SPMO Startup Plan to detail the Contractor's activities, responsibilities, and resources needed to standup and operate the SPMO.

#### Deliverables Summary

- (1) Finalized SPMO Startup Plan
- A.18. Program Startup Planning/Project Analysis and Deployment Roadmap. The Contractor shall evaluate the TAS Planning/Project Analysis and Deployment Roadmap and the TAS interim IMS



and refine the MMP IMS as necessary and approved by the State. (Refer to Attachment 8, section A.54). The Contractor deliverables shall include, but not be limited to:

Deliverables Summary

- (1) Finalized MMP IMS

- A.19. Project and Systems Development Lifecycle Design. Refer to Attachment 8, section A.55. The Contractor deliverables shall include, but not be limited to:

Deliverables Summary

- (1) Project and Systems Development Lifecycle Design Project Schedule (with inclusion in the Program IMS)
- (2) Weekly and Monthly Project and Systems Development Lifecycle Design Status Reporting

- A.20. Business and IT Capability Assessment/Future State Roadmap Capability Development, Deployment and Operational Support. Refer to Attachment 8, section A.56. The Contractor deliverables shall include, but not be limited to:

Deliverables Summary

- (1) Business and IT Capability Assessment/Future State Roadmap Capability Development, Deployment and Operational Support Project Schedule (with inclusion in the Program IMS)
- (2) Weekly and Monthly Business and IT Capability Assessment/Future State Roadmap Capability Development, Deployment and Operational Support Status Reporting

- A.21. Medicaid Eligibility System Market Assessment (MESMA). Refer to Attachment 8, section A.57. The Contractor deliverables shall include, but not be limited to:

Summary Deliverables

- (1) MESMA Project Schedule (with inclusion in the Program IMS)
- (2) Weekly and Monthly MESMA Status Reporting

- A.22. HCFA Organizational Change Capacity Assessment. Refer to Attachment 8, section A.58. The Contractor deliverables shall include, but not be limited to:

Summary Deliverables

- (1) HCFA Organizational Change Capacity Assessment Project Schedule (with inclusion in the Program IMS)
- (2) Weekly and Monthly HCFA Organizational Change Capacity Assessment Status Reporting

**Lifecycle Services, Activities and Deliverables**

- A.23. Lifecycle Services, Activities and Deliverables. The Lifecycle services, activities, and deliverables listed below represent those that the Contractor shall deliver for the Portfolio Program and Projects over the term of the Contract.

- A.24. Portfolio Management. The Contractor shall deliver the services, activities and deliverables to be detailed to the Portfolio Management Plan as described in Section A.13 over the term of each MMP project. The Contractor deliverables shall include, but not be limited to:

Project Lifecycle Deliverables Summary

- (1) Weekly SPMO Portfolio Management Support Activities Status Reports
- (2) Monthly SPMO Portfolio Management Support Activities Status Reports

- A.25. Program Management. The Contractor shall deliver the services, activities and deliverables to be detailed in the Program Management Plan described in Section A.14 over the term of the



Contract. Evidence of delivery shall be provided in weekly and monthly status reports as defined in the Program Communication Management Plan that will include status on all Program management activities for all program management, startup activities and deliverables, and consolidated status on MMP projects.

The Contractor deliverables shall include, but not be limited to:

Lifecycle Deliverables Summary

- (1) Weekly Program Status Reports
- (2) Monthly Program Status Reports

A.26. Project Management. The Contractor shall deliver the services, activities and deliverables related to the Project Management Plan described in Section A.15 over the term of the Contract for each MMP project shall assist the State with project management of other MMP contractors' project activities and deliverables. For all project phases (Initiation, Planning, Execution, Monitor and Control, and Close) of each MMP project the Contractor shall provide the project management services that were detailed in each of the Framework deliverables set forth above. Additionally, other specific services, activities, and deliverables related to each project phase may include, but not be limited to the following:

a. Initiation

- (1) Project Charters - The Contractor will assist the TAS contractor in the completion of each Project Charter as needed, and will provide Project Charter (refer to Attachment 8, Section A.18 and A.61) review and advise the State on accepting the Project Charter for each MMP project. This advice shall be provided in a Project Charter Deliverable Review Document. These reviews will include the initial and all subsequent revisions of the Project Charters. The Contractor deliverables shall include, but not be limited to:

Project Charter Deliverable Review Document

- (2) Initial Project Assessment – The Contractor will complete the Initial Project Assessment as described in the TBSM methodology in Section A.10 during the initiation phase of each project. The Contractor deliverables shall include, but not be limited to:

Initial Project Assessment

b. Planning

- (1) Project Management Plan – The Contractor shall develop and deliver the Project Management Plan for each MMP project during the project planning phase. The Contractor shall maintain the Project Management Plans through all phases of the Project.
- (2) The Contractor shall collect the required project inputs and integrate them into IMS.

c. Execution

The Contractor will provide project management services as defined in the Framework deliverables, including, but not limited to:

- (1) Project schedule change impact analysis
- (2) IMS updates and rebaselining as needed and as approved by the State.



- (3) Human resource management tasks as needed.
- (4) Stakeholder Management as needed.
- (5) Communications Management.
- (6) Risk and Issue Management.

d. Monitor and Control

- (1) Scope Management – Services shall include those detailed the Project Management Plan
- (2) Schedule Management - Services under schedule management may include, but not be limited to the following:
  - i. Developing and maintaining the comprehensive IMS that includes timelines and milestones.
  - ii. Developing, implementing, and using IMS monitoring tools and methodologies to support effective status reporting
  - iii. Tracking, managing and reporting project progress and performance against the IMS including managing percent complete of individual tasks and monitoring critical path.
  - iv. Developing and delivering weekly and monthly status reports based on the IMS and Program and Project Management Plans.
  - v. Monitoring, calculating, and reporting impacts of change or schedule deviation throughout the lifecycle of the project.
  - vi. Monitoring and managing all MMP contractor project management processes and work plans
    - (a) Change Control – Services shall include those detailed in the Project Management Plan
    - (b) Cost Management – Services shall include those detailed in the Project Management Plan
    - (c) Risk Management – Services shall include those detailed in the Project Management Plan
    - (d) Issue Management – Services shall include those detailed in the Project Management Plan
- (3) The Contractor deliverables shall include, but not be limited to:
  - i. Weekly Project Status Reports
  - ii. Monthly Project Status Reports

e. Close

- (1) The Contractor will oversee and manage all program and project closeout activities. Closeout will include finalizing activities across program and project management processes to formally complete the project. The purpose of the closeout activities is to assess the project, ensure completion, and derive any lessons learned and best practices to be applied to future projects. The Contractor will assist the State by facilitating Program and project closeout activities that shall include, but not be limited to:
  - i. A review of each Project Charter and a MMP contractor contract deliverables review to verify fulfillment of the Project Charter and completion of all project contract deliverables.
  - ii. A review to verify that all specified deliverables were submitted and accepted, with an explanation for any exceptions.



- iii. Track, coordinate and manage all project closeout related activities based on the needs of the project.
- iv. Assist the State in identifying any issues pertaining to closeout and provide project management services to assist the State in insuring that issues are closed in a timely manner and in compliance with the requirements, terms and conditions of the relevant MMP contractor contracts.
- v. Confirm that all projects have been closed, as applicable, and explanation for any exceptions are gathered and accepted by the State.
- vi. Confirm that final project documents and records have been appropriately accepted by the State, stored in the Program/project document library for future reference.
- vii. Confirm that knowledge transfer activities have been completed.
- viii. Complete summary of final project costs in a Project Closeout Report.
- ix. Confirm that operational transition plans have been completed. The Contractor must confirm that a maintenance and operations plans are in place and functioning to support the new solution in production and should include the State's plans to fund the maintenance and operations of each project.
- x. Outstanding defects and change requests. The closeout report must also provide a list of any defects or change requests that remain to be completed or that are recommended enhancements or updates. This should include details of changes, estimated levels of effort by high-level task, and estimated costs.
- xi. In cooperation with the State and other MMP contractors, the Contractor will coordinate and facilitate a lessons learned session with the State project team and all other relevant MMP contractors. The approach and method of lessons learned documentation shall at a minimum comply with the TBSM Lessons Learned template per the TBSM methodology referenced in section A.10.

(2) The Contractor deliverables shall include, but not be limited to:

- i. Program/Project Close-Out Plan
- ii. Program Close-Out Report(s)
- iii. Project Close-Out Report(s)
- iv. Lessons Learned Report

A.27. Gate Review Support. As part of the Contractor's Project Management Services, the Contractor shall assist the State and other MMP contractors as needed in the preparation for and execution of, CMS gate reviews as defined in the Project and Systems Development Lifecycle Management Plan (see Attachment 8, section A.24). The plan will define a Project and Systems Development Lifecycle management methodology that will be based on the CMS Enterprise Life Cycle (ELC). The Contractor will assist the State in preparing whatever materials are required by CMS in preparation for the gate review. The State may delegate to the Contractor primary responsibility for preparation for the gate review in those cases in which the Contractor possesses specific skills and/or information that would lead to a successful gate review.

- a. The Contractor shall also provide the State with decision support analysis and phase gate exit evaluations and recommendations during each phase of each project prior to the phase gate review exit decision. This evaluation will include, but not be limited to a summary and analysis of all gate review management activities as defined within the Project and Systems Development Lifecycle Management Plan, and the key issues outstanding that would impact the State's decision to exit the phase gate. The Contractor will also assist the State in maintaining the State's enterprise Portfolio Management System, Planview or such other system as the State may designate from time to time, for



the Program and its projects during the all project phases as detailed in the Portfolio Management Plan described in section A.13.

b. The Contractor deliverables shall include, but not be limited to:

- (1) Phase Gate Review Preparation Materials
- (2) Project and Systems Development Lifecycle Management Phase Gate Exit Evaluation and Recommendations

A.28. Maintenance and Operations Support. The Contractor shall provide Maintenance and Operations Management support for a minimum of ninety (90) days after implementation of each Project. This support shall include, but not be limited to post production issue tracking and coordination management support.

### **Medicaid Modernization Program Projects**

A.29. Medicaid Modernization Program (MMP) Projects. The Contractor shall provide support to the State for all phases, from initial planning through final certification as applicable, for the individual projects that are included in the MMP services and deliverables described sections A.29 – A.34, as appropriate for each project. Details of the services and deliverables that shall be delivered for each Project, based on their status and needs at the time of contract execution for each project will be determined and memorialized in the Contractor's SPMO Management Plan per section A.12. Industry Standard project status reporting shall be used to monitor project execution over the lifecycle of each project, per Section A.10.

A.30. Eligibility Modernization. HCFA is assuming control of the eligibility determination function for Medicaid eligibility from the Department of Human Services. Contractor shall assist the State in this process by providing Project management services for the projects described below.

- a. Tennessee Eligibility Determination System (TEDS) – The Contractor shall provide Project Management services for the TEDS project which will develop and implement an eligibility determination system for TennCare and CHIP, which shall contain a rules-based decision engine, and that will be compliant with the Affordable Care Act, CMS requirements and all applicable State and Federal regulations. The new system shall be able to interface with the Federal HUB in order to make real-time TennCare and CHIP eligibility determinations.
- b. Interim Eligibility Solution (IEM) – The Contractor shall provide Project Management services for a cloud based interim eligibility solution that electronically captures and processes potential TennCare and CHIP enrollee eligibility applications. The IEM will include web based access for acceptance of potential TennCare and CHIP enrollee application data input, and a multi-step, automated business rules-based electronic workflow. The IEM will interface with (i) BlueLab's MAGI in the Cloud solution to provide modified adjusted gross income (MAGI) determinations, (ii) TennCare's MMIS, and (iii) HCFA's CHIP enrollment system to automate enrollment of approved TennCare and CHIP applications.
- c. Account Transfer Process (ATP) Enhancements - The Contractor shall assist the State in provide Project Management services for developing and implementing enhancements to the ATP, an existing component of HCFA's temporary eligibility determination system. The State will implement several enhancements to make this a more durable solution. The daily operations of the system will be conformed to standard automated IT operations practiced by TennCare today. There will be additional infrastructure implemented for disaster recovery and test environments. A list of additional ATP modifications due to changes by CMS and the evolution of the ATP process will be



implemented. Two way communications will be implemented so that required data can also be returned to the federal HUB. Finally, the ATP database will be redesigned to provide the Eligibility team with the ability to search the ATP records to support their eligibility appeals process.

A.31. Medicaid Modernization Program (MMP). The Contractor shall provide Project Management services for the State in the MMP Project which is comprised of multiple sub-projects, including but not limited to:

- a. **MMIS Modernization - The Medicaid Management Information System (MMIS) Modernization project** which is intended to make changes to the MMIS to make it more flexible and scalable to meet the future needs of the TennCare and CHIP Programs. This Project shall satisfy the CMS Seven Conditions and Standards required to obtain federal enhanced match funding for Medicaid technology investments and to advance the State's maturity level with regard to Medicaid Information Technology Architecture (MITA) 3.0. The enhancements include, but are not limited to:
  - (1) Enrollment Module rewrite to leverage rules based capabilities and Service Oriented Architecture (SOA)
  - (2) Code Scan based analysis of MMIS modules to identify and prioritize candidates for further rules based capability enhancements and SOA Architecture integration
  - (3) Enhanced File Transfer and Event Handling System leveraging the SOA infrastructure.
  - (4) HCFA "System Development Lifecycle (SDLC) Ecosystem" Enhancements:
    - i. Oracle DBMS Upgrade
    - ii. Automated Software Quality Control Implementation (Synopsis and Fortify)
    - iii. Software Configuration Management (implementation of Subversion)
  - (5) Information Architecture - Data Governance and Data Quality:
    - i. Establish an Enterprise Data Dictionary
    - ii. Establish a Master Data Management Index
- b. **MMIS Procurement for operations and maintenance takeover** - The Contractor shall assist the State with project management services over a competitive procurement process for the takeover of its current MMIS operations and maintenance.
- c. **MMIS Takeover** - The Contractor shall assist the State in the transition from the current MMIS contract/contractor to a new MMIS contract/contractor with project management services.
- d. **TPAES Replacement** - Replacing the Serena Business Manager (SBM), currently used as an interim solution to handle workflow and functions that support the Long Term Services and Supports' TennCare Pre-Admission Evaluation System (TPAES) process. The new system shall be an HP solution built on Adobe Lifecycle and the Corticon Rules Engine, or such other system as the State may direct in a Control Memorandum.
- e. **Appeals Systems Modernization** - Modernizing the Medical and Medicaid Eligibility appeals systems by leveraging the same tools and infrastructure that will be used for the TPAES replacement above.

A.32. Health Information Exchange. The State's Managed Care Organization (MCO) contracts require MCOs to collect and provide Admission, Discharge and Transfer (ADT) information to Primary Care Providers for patient centered care. The purpose of this project and related subprojects is to use the ADT data supplemented by claims and pharmacy data to leverage a Care



Coordination Tool (CCT) so that hospital readmissions will be reduced, gaps in care will be closed and patient risk identified thus generating healthcare savings. The Contractor shall provide Project Management services for the State with the following projects:

- a. Leverage the Secure File Transmission Protocol (SFTP) connections TennCare currently has with various hospitals to include the Admit, Discharge, and Transfer (ADT) feeds from these hospitals;
  - b. Set up ADT feeds for hospitals that do not currently submit ADT data;
  - c. Develop a process for sending ADT data to the shared CCT;
  - d. Leverage the Master Patient Index (MPI) software currently owned by TennCare to establish the MPI and help link patient information across ADT feeds from different sources;
  - e. Build a statewide master provider directory to help move enrollee data to the correct healthcare provider, and
  - f. Implement a State cloud based portal to integrate physician facing tools such as Care Coordination, MCO Provider Portals, PIPP/PDMS, Episodes of Care Reporting, etc. into a single portal.
- A.33. Analytics Enhancements Modernization. The Contractor shall provide Project Management services for the State with the procurements and implementation of services for the procurements to enhance HCFA's Data Analytic capabilities.
- a. The procurements may include establishment of data governance, technology infrastructure, and services.
  - b. The Contractor shall assist the State in implementing services procured above to continue to enhance the agency's data analytics capabilities.
- A.34. Security Enhancements. HCFA will conduct a risk assessment of its Information Systems and Data Security. The completed risk assessment shall inform HCFA IT of the security priorities in a three to five (3-5) year Information Security Roadmap. These priorities will lead to the identification of additional projects over the term of this Contract that HCFA will require assistance for from the Contractor. These projects will be funded through the use funding provided for in Section A.35, Special Projects. The Contractor shall provide Project Management services for the State in the following projects:
- a. Security Roadmap Projects - The Contractor shall provide Project Management services for the State in implementation of the information security projects identified by the information security risk assessment and included in the HCFA information security roadmap.
  - b. Identity and Access Management (IAM) – The Contractor shall provide Project Management services for the State in implementation and integration of an Access Management program. The Contractor shall base its planning and advisory activities on the following phased implementation approach:
    - (1) Phase 1 is estimated to take approximately one (1) year to complete, and will consist of base hardware/software implementation, web based access request forms, web-based password resets, with the possibility of integration with Active Directory (AD) and one (1) other initial system, and access recertification checks.



- (2) Phase 2 is estimated to take an additional three (3) years to complete. Phase 2 will consist of continuing to integrate additional systems for process automation and implementing multifactor authentication.

A.35. Special Projects. Special Projects are additional projects that may be initiated and assigned to the Contractor during the term of the Contract for performance of the services and deliverables specifically detailed in the Scope of Services of this Contract. These projects may involve extra staffing, in either quantity of staff or additional job expertise. The Special project will be authorized by a Change Order and implemented by a Control Memorandum as otherwise described in this Contract in Section A.8. Special Projects compensation shall be deliverables based, reimbursed according to the rate bid by the Contractor pursuant to Section A. 43. The Contractor shall submit Special Project estimates for the State's review and approval and shall base those estimates on the Contractor's Payment Rates detailed in this Contract for the units of service authorized by the State. The State shall compensate the Contractor for Project work based on the approved deliverables and payment milestones detailed in the Control Memorandum, as the defined project deliverables are completed. The Contractor shall submit invoices upon deliverable completion, in a form and manner specified by the State, with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. The Special Projects shall be funded through a Special Projects Fund that will be limited to fifteen percent (15%) of the entire Contract Liability.

A.36. Facilities. The Contractor shall secure temporary office space within six (6) weeks after the start of the contract. Within that six (6) week period, the Contractor shall secure a permanent facility sufficient to house its staff to fulfill the entire scope of this Contract. The facility shall be located within five (5) miles of HCFA offices located at 310 Great Circle Road, Nashville TN. All costs associated with the facility, including any costs related to temporary office space, is the responsibility of the Contractor for the entire Contract period and such costs shall be factored in the Contractor's bid included in the maximum liability of the Contract and shall not be billed separately. The Contractor shall, at its discretion, either directly house or mandate its subordinate contractor location terms optimally favorable to the completion of Program objectives.

The Contractor staff (including the Project Manager) shall be available for in-person meetings at the TennCare office and at the Contractor's local office as needed. Meeting locations will be established by TennCare and may be held at either TennCare's offices or the Contractor's local offices.

A.37. General Staffing Requirements. The Contractor shall provide experienced, qualified professionals to ensure the success of this project. Contractor personnel shall be qualified, allocated, present, focused and engaged with State, other State entities and other State MMP Contractors. The Contractor shall provide these personnel in sufficient quantity to enable the Contractor to provide consistent and high quality deliverables and supporting work product, even during periods in which work on multiple projects are underway.

- a. Contractor work will normally occur during the State's core business hours (8:00 AM to 5:00 PM Central time, Monday through Friday), during which the Contractor must provide adequate coverage of key business areas. As directed by the State, exceptions may occur to accommodate scheduled project events that must occur during evenings or on weekends. The parties agree that the State will furnish State personnel as needed for these after-hours projects. Contractor work and travel schedules shall be approved in advance by the Program Director. The Contractor shall have production support staff available twenty four (24) hours per day, seven (7) days per week during the Operations and Maintenance Phase.
- b. The Contractor is responsible for maintaining a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties as contained herein, regardless of the level of staffing included in its proposal. After consultations with the



Contractor the State shall make the final decision as to the required staffing levels based upon current progress in meeting the goals of the MMP and anticipated future needs for the Program. The State will use the Control Memorandum process to indicate dates by which staffing increases or replacements must be made. Failure to meet the staffing deadlines in the Control Memorandum may lead to the imposition of Liquidated Damages as specified in Attachment 5.

- A.38. Key Personnel Requirements. For purposes of this Contract, the term "Key Project Personnel" refers to Contractor personnel deemed by the State to be essential to the Contractor's satisfactory performance of the requirements contained in this Contract. Contract Attachment 6 contains the required Key Project Personnel positions, corresponding roles and responsibilities and minimum qualifications for each.
- a. All key personnel shall be employed by the Contractor and be present full-time at the Contractor's local site from their start date throughout the project. Changes to this arrangement must receive prior approval from the State. All key personnel must be one hundred percent (100%) dedicated to this Contract unless approved by the State as part-time
  - b. The Contractor shall obtain prior State approval of all key personnel. Resumes for key personnel must be provided for State review at least thirty (30) days prior to the expected employee's start date. The State may require personal interviews with these individuals prior to the employee's start date. The same person may be able to fill a different position in different Contract phases. The State will consider suggestions for alternative alignment of duties. Changes to the proposed positions, staff and responsibilities will only be allowed with prior written permission from the State.
  - c. If the Contractor's methodology deems an additional key personnel position(s) necessary, beyond the positions listed in the table below, the Contractor must identify these positions and provide a complete description of how these positions support the fulfillment of the Contract scope of work. All key personnel must be one hundred percent (100%) dedicated to this Contract unless approved by the State as part-time. All Contractor key personnel must be formally committed to join the project by the beginning of the contract start date.
  - d. If any Contractor staff members are not employees of the Contractor, the Contractor is required to identify those personnel, provide the State with agreements establishing their subcontract and the Contractor must receive approval of that subcontract with the State.
  - e. References for key personnel shall meet the following requirements:
    - (1) Must include a minimum of three (3) professional references outside the employee's current employer who can provide information about the key person's work on relevant past assignments;
    - (2) Must include the reference's full name, mailing address, telephone number and e-mail address;
    - (3) For any client contact listed as a reference, must also include the agency's or company's full name with the current telephone number and e-mail address of the client's responsible project administrator or service official who is directly familiar with the key person's performance;
    - (4) Must reflect the key person's professional experience within the past five (5) years; and



(5) Must include all professional certifications and affiliations.

f. Key Personnel resumes shall include the following information:

- (1) Employment history for all relevant and related experience
- (2) Names of employers for the past five (5) years, including specific dates
- (3) All education institutions attended and degrees obtained

A.39. Key Personnel Replacements. The State retains the right to approve or disapprove proposed key personnel staffing and reserves the right to require the Contractor to replace specified staff. The Contractor agrees to substitute, with the State's prior approval, any employee so replaced with an employee of equal or better qualifications. The Contractor agrees to propose within thirty (30) days, and appropriately staff within forty-five (45) days, any changes made to Key Project Personnel, regardless of the reason for the change. In the event it becomes necessary to replace key personnel during the term of this Contract, the Contractor shall:

- a. Provide the State Program Director with written notification of such replacement, providing, when possible, for a two (2) week period for knowledge transfer from the key personnel to the replacement personnel. This knowledge transfer shall be provided at no charge to the State;
- b. Provide the State Program Director with documentation describing the circumstances of the need for the replacement;
- c. Provide documentation of experience for the proposed replacement personnel; and
- d. Obtain prior written approval from the State Program Director.

During the first eighteen (18) months of the Contract performance period, no substitutions of key personnel shall be permitted unless such substitutions are necessitated by an individual's sudden illness, death, or resignation, or otherwise approved by the State Program Director or requested by the State. In any of these events, the Contractor shall follow the steps outlined above. Failure to meet the prior notice and approval requirements herein may result in the imposition of Liquidated Damages as contained in Attachment 5.

A.40. Non Key Personnel Requirements. The Contractor shall ensure that an adequate number of appropriately qualified and trained personnel are employed and available at all times to provide the services required under the Contract. Staff proposed for assignments shall be persons that have relevant domain knowledge as appropriate for such job title classifications.

Unless otherwise agreed by the State, the job title classification of individuals assigned to a project shall not change during the project.

In providing the services required under this Contract the Contractor shall provide, at a minimum the Non-Key personnel identified in Attachment 6. The quantity of the personnel for each of the positions shall be adequate to provide an appropriate level of service for each project within the MMP.

A.41. Contract Deliverables. Contract Attachment 7 represents a consolidated list of the anticipated final contractual deliverables. Reasonably necessary intermediate deliverables have not been included in the Consolidated Table but will be specified in the Control Memorandum for each project. Delivery date for the deliverables and the RACI chart depicting the various Responsible, Accountable, Consult and Inform (RACI) duties and relationships among the State, State MMP Contractors, and various State and other program participants will be detailed, approved by the State and Memorialized in the Contractor's SPMO Management Plan. Every plan produced under this Contract is incorporated into this Contract, and any deliverables identified as part of a plan are also incorporated into this Contract. Each deliverable should be oriented, branded and presented as the property of the State, as each will become the permanent organizational assets



of the State. Each deliverable will be approved by those parties identified in the deliverables RACI with approval authority. The State retains final approval authority over all deliverables.

- A.42. The Contractor shall be required to keep track of resource costs, both personnel and technical, on a per project basis in order to satisfy both the State and CMS reporting requirements for enhanced federal funding assistance. These resource costs shall be maintained by the Contractor and provided to the State upon request to support all projects authorized via the Control Memorandum process. After consultation with the Contractor, the State will approve an invoice format that will meet the needs of the State and CMS. The Contractor shall submit an invoice in the required format for approval once the State has issued its acceptance of the deliverable.
- A.43. The State may, at its sole discretion and with written notice to the Contractor, request changes in the Scope that are necessary but were inadvertently unspecified in this Contract.
- a. Change Order Creation— After receipt of a written request for additional services from the State, the Contractor shall respond to the State, within a maximum of ten (10) business days, with a written proposal for completing the service. Contractor's proposal must specify:
- (1) the effect, if any, of implementing the requested change(s) on all other services required under this Contract;
  - (2) the specific effort involved in completing the change(s);
  - (3) the expected schedule for completing the change(s);
  - (4) the maximum number of person hours required for the change(s); and
  - (5) the maximum cost for the change(s)— this maximum cost shall in no instance exceed the product of the person hours required multiplied by the appropriate payment rate proposed for such work.

The Contractor shall not perform any additional service until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Change Order between the Contract Parties pertaining to the specified change(s) and shall be incorporated, hereby, as a part of this Contract.

- b. Change Order Performance— Subsequent to creation of a Change Order, the Contractor shall complete the required services. The State will be the sole judge of the acceptable completion of work and, upon such determination, shall provide the Contractor written approval.
- c. Change Order Remuneration— The State will remunerate the Contractor only for acceptable work. All acceptable work performed pursuant to an approved Change Order, without a formal amendment of this Contract, shall be remunerated in accordance with and further limited by Contract section C.3.c., PROVIDED THAT, the State shall be liable to the Contractor only for the cost of the actual goods or services provided to complete the necessary work, not to exceed the maximum cost for the change detailed in the Change Order. In no instance shall the State be liable to the Contractor for any amount exceeding the maximum cost specified by the Change Order authorizing the goods or services. Upon State approval of the work, the Contractor shall invoice the State in accordance with the relevant provisions of this Contract.



## State Responsibilities

- A.44. The State's Program Director shall directly, or via delegation to a subordinate State project manager, be responsible for the following duties and tasks:
- a. Overall State Program Management
  - b. Assist in resolving and communicating contractual questions or issues
  - c. Assist the Contractor in coordination of stakeholder involvement when needed
  - d. Assist the Contractor in coordinating the review and approval of Contractor deliverables when needed
  - e. Approve Contractor invoices or authorize payment
  - f. Act as the primary point of contact for the Contractor for activities related to this contract
  - g. Coordinate meetings and/or interviews with State staff/subject matter experts (SMEs) or stakeholders when needed
  - h. Serve as the HCFA Chief Information Officer and contract owner's delegate in matters of contract management as shall be determined by the CIO and detailed in the Contractor's Program Governance Management Plan described in Attachment 8 section A.49.

## B. CONTRACT PERIOD:

- B.1. This Contract shall be effective on November 1, 2015 ("Effective Date") and extend for a period of thirty-six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.
- B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to two (2) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months

## C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Twenty Million Forty-Two Thousand Seventy-Six Dollars (\$20,042,076) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
  - b. The Contractor shall be compensated based upon the following payment methodology:



Goods or Services Description (Category of Service)	Amount (per compensable increment)
Framework Deliverables	<b>\$ <u>258,930.00</u> *</b>
Startup Activities (Section A.16 – A.22)	<b>\$ <u>1,708,125.00</u> *</b>
Medicaid Modernization Program (MMP) Projects (including M&O per Section A.28)	<b>\$ <u>15,460,837.00</u> *</b>

\* Each deliverable is made up of subparts (or projects or activities) as shall be set forth in the SPMO Management Plan and the Contractor will be compensated for completion of a project or activity that supports one of the twenty-four (24) deliverables. The sum of the projects and activities for each deliverable shall not exceed the maximum for that deliverable as set forth in Attachment 9. In order to ensure applicable funding availability for each individual project above, the payment totals may vary based on reduction/increase of hours necessary for project deliverables, provided that any increase is off-set by an equal reduction/increase of other line-item amounts. The net result of any changes from one line-item amount to the other shall not result in increase of any associated rates submitted in the Cost Proposal, nor the total Contract Maximum liability specified in Section C.1. The SPMO Management Plan shall be subject to review and approval by the State. Initial State approval and any subsequent State approved changes to the SPMO Management Plan required due to unforeseen circumstances shall be formally executed by a Control Memorandum.

- c. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.35 and A.43 without a formal amendment of this Contract based upon the hourly payment rates detailed in the Cost Proposal and as agreed pursuant to Section A.43, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed FIFTEEN PERCENT (15 %) of the sum of milestone payment rates detailed in Section C.3.b., above (which is the total cost for the milestones and associated deliverables set forth in Contract Sections A.2., through A.42.). If, at any point during the Term, the State determines that the cost of necessary "change order" work would exceed the maximum amount, the State may amend this Contract to address the need.

Service Description	Amount (per compensable increment)
Special Project Change Order Requests (Section A.35 and A.43)	<b>\$ <u>2,614,184.00</u></b> <b>(15% of the sum of milestone payment rates reimbursed at hourly rates as submitted in Cost Proposal for multiple staff levels)</b>
<b>NOTE: The Contractor shall not be compensated for travel time to the primary location of service provision.</b>	



- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

310 Great Circle Road  
Nashville, TN 37243

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- (1) Invoice number (assigned by the Contractor);
  - (2) Invoice date;
  - (3) Contract number (assigned by the State);
  - (4) Customer account name: Department of Finance and Administration, Division of Health Care Finance and Administration;
  - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
  - (6) Contractor name;
  - (7) Contractor Tennessee Edison registration ID number;
  - (8) Contractor contact for invoice questions (name, phone, or email);
  - (9) Contractor remittance address;
  - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
  - (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
  - (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
  - (13) Amount due for each compensable unit of good or service; and
  - (14) Total amount due for the invoice period.
- b. Contractor's invoices shall:
- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
  - (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
  - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
  - (4) Include shipping or delivery charges only as authorized in this Contract.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that 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 other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services 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 that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- 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 that 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, properly completed documentation. At the State's option, it may make payments to Contractor by automated clearing house ("ACH") or the State Purchasing Card ("P-Card").
- a. The Contractor shall complete, sign, and present to the State:
    - (1) An "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
    - (2) An "Authorization to Receive Payments by Purchasing Card Form" provided by the State. By doing so, the Contractor agrees that payments to the Contractor under this Contract may be made using the State P-Card.
  - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

**D. MANDATORY TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract, other than information or data that is necessary for one or more Contract deliverables, shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Department of Finance and Administration  
Division of Health Care Finance and Administration  
Bureau of HCFA  
310 Great Circle Road  
Nashville TN 37243



Telephone # (615) 507-6443  
FAX # (615) 253-5607

The Contractor:

Tony Curatola  
Public Consulting Group, Inc.  
10 East Doty Street, Suite 825  
Madison, WI 53703  
Telephone # (608) 509-8464  
[fcuratola@pcqus.com](mailto:fcuratola@pcqus.com)

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

All information or data that is necessary for one or more deliverables set forth in this Contract shall be transmitted between HCFA and Contractor via the data transfer method specified in advance by HCFA. This may include, but shall not be limited to, transfer through HCFA's SFTP system. Failure by the Contractor to transmit information or data that is necessary for a deliverable in the manner specified by HCFA, may, at the option of HCFA, result in Liquidated Damages as set forth on Contract Attachment 5 hereto.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. 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 materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.



D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation 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 under 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 (6) 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 (6) months has been, an employee of the State of Tennessee.

D.9. 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, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination. In addition, the Contractor shall comply with the provisions of Contract Section E.27 (Nondiscrimination Compliance Requirements) and this Section D.9 shall not be deemed to limit or abridge any requirement set forth in Section E.27.

D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 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 agrees 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 1, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor 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 Term, 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 under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from 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. Contractor's 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 Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. 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.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, 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 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.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party 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 are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.



- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising 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, fraudulent conduct, or omissions that result in personal injuries or death.
- D.19. 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 to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
  - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 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 under Tenn. Code Ann. §§ 8-35-101, *et seq.*, 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 Term.

- D.22. Insurance. Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insurance's expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

The COI shall be on a form approved by the Tennessee Department of Commerce and Insurance ("TDCI") and signed by an authorized representative of the insurer. The COI shall list each insurer's national association of insurance commissioners (also known as NAIC) number or federal employer identification number and list the State of Tennessee, Risk Manager, 312 Rosa L. Parks Ave., 3<sup>rd</sup> floor Central Procurement Office, Nashville, TN 37243 in the certificate holder section. At any time, the State may require the Contractor to provide a valid COI detailing coverage description; insurance company; policy number; exceptions; exclusions; policy effective date; policy expiration date; limits of liability; and the name and address of insured. The Contractor's failure to maintain or submit evidence of insurance coverage is considered a material breach of this Contract.

If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractor's letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to self-insure workers' compensation.

All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy.

The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) ("Professional Liability") insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.

The deductible and any premiums are the Contractor's sole responsibility. Any deductible over fifty thousand dollars (\$50,000) must be approved by the State. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

All coverage required shall be on a primary basis and noncontributory with any other insurance coverage or self-insurance carried by the State. The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on



the nature of the work. Purchases or contracts involving any hazardous activity or equipment, tenant, concessionaire and lease agreements, alcohol sales, cyber-liability risks, environmental risks, special motorized equipment, or property may require customized insurance requirements (e.g. umbrella liability insurance) in addition to the general requirements listed below.

**The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.**

a. Commercial General Liability Insurance

- 1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- 2) The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars (\$2,000,000).

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
  - i. Workers' compensation and employer liability insurance in the amounts required by appropriate state statutes; or
  - ii. In an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
  - i. The Contractor employees fewer than five (5) employees;
  - ii. The Contractor is a sole proprietor;
  - iii. The Contractor is in the construction business or trades with no employees;
  - iv. The Contractor is in the coal mining industry with no employees;
  - v. The Contractor is a state or local government; or
  - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.



- D.23 Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.24. 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 offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
  - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

- D.25. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.



- D.26. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract. In addition, the Contractor shall comply with the provisions of Contract Section E.16, (Applicable Laws, Rules, Policies and Court Orders), and this Section D.26 shall not be deemed to limit or abridge any requirement set forth in Section E.16.
- D.27. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.
- D.28. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.29. 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 of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.30. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.31. 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. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
  - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below);
  - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
  - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
  - e. any technical specifications provided to proposers during the procurement process to award this Contract; and,
  - f. the Contractor's response seeking 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, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. 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 that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, 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. Confidential Information shall not be disclosed except as required or permitted under state or federal law. The Contractor shall only use Confidential information for



activities pursuant to and related to the performance of the Contract. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E.3 State Ownership of Goods. The State shall have ownership, right, title, and interest in all goods provided by Contractor under this Contract including full rights to use the goods and transfer title in the goods to any third parties.

E.4 Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," 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," shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," 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," shall mean software not owned by the State or the Contractor.
- (5) "Work Product," 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 exclusively for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party 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 under this Contract.
- (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 and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.



- (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 under this Contract.
- c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.
- E.5 State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.
- E.6 Work Papers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis work papers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.7 Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.8. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- E.9 Intellectual Property. 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 or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or



action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

- E.10. Liquidated Damages. If failure to comply with requirements of this contract occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("Liquidated Damages") per Attachment 5. 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 Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Attachment 5 and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Liquidated Damages Event, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to avail itself of any other remedy available under this Contract or at law or equity.

- E.11 Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.
- E.12 Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State.
- E.13. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would



cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

- E.14. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a. Reporting of Total Compensation of the Contractor's Executives.
  - (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
    - i. 80 percent or more of the Contractor's annual gross revenues from federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and
    - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d))



or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.

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

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
- c. If this Contract is amended to extend the Term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the term extension becomes effective.
- d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

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

- E.15 Survival. The terms, provisions, representations, and warranties contained in Sections D.11 (Records), D.19 (Hold Harmless), D.20 (HIPAA Compliance), E.2 (Confidentiality of Records), E.7 (Prohibited Advertising), E.9 (Intellectual Property) E.13 (Personally Identifiable Information), E.19 (Notification of Breach), E.21 (SSA Data), and E.25 (IRS Data) of this Contract shall survive the completion of performance, termination or expiration of this Contract.
- E.16. Applicable Laws, Rules, Policies and Court Orders. The Contractor agrees to comply with all applicable federal and State laws, rules, regulations, sub-regulatory guidance, executive orders, HCFA waivers, and all current, modified or future Court decrees, orders or judgments applicable



to the State's TennCare and CHIP programs. Such compliance shall be performed at no additional cost to the State.

E.17. Business Associate. Contractor hereby acknowledges its designation as a business associate under HIPAA and agrees to comply with all applicable HIPAA regulations. In accordance with the HIPAA regulations, the Contractor shall, at a minimum:

- a. Comply with requirements of the HIPAA, including, but not limited to, the transactions and code sets, privacy, security, and identifier regulations. Compliance includes meeting all required transaction formats and code sets with the specified data sharing agreements required under the regulations;
- b. Transmit/receive from/to its providers, subcontractors, clearinghouses and HCFA all transactions and code sets required by HIPAA in the appropriate standard formats, utilizing appropriate and adequate safeguards, as specified under the law and as directed by HCFA so long as HCFA direction does not conflict with the law;
- c. Agree that if it is not in compliance with all applicable standards defined within the transactions and code sets, privacy, security and all subsequent HIPAA standards, that it will be in breach of this Contract and will then take all reasonable steps to cure the breach or end the violation as applicable. Since inability to meet the transactions and code sets requirements, as well as the privacy and security requirements can bring basic business practices between HCFA and the Contractor and between the Contractor and its providers and/or subcontractors to a halt, if for any reason the Contractor cannot meet the requirements of this Section, HCFA may terminate this Contract.
- d. Ensure that Protected Health Information (PHI) exchanged between the Contractor and HCFA is used only for the purposes of treatment, payment, or health care operations and health oversight and its related functions. All PHI not transmitted for these purposes or for purposes allowed under the federal HIPAA regulations shall be de-identified to secure and protect the individual enrollee's PHI;
- e. Report to HCFA's Privacy Office immediately upon becoming aware of any use or disclosure of PHI in violation of this Contract by the Contractor, its officers, directors, employees, subcontractors or agents or by a third party to which the Contractor disclosed PHI;
- f. Specify in its agreements with any agent or subcontractor that will have access to PHI that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section;
- g. Make its internal policies and procedures, records and other documentation related to the use and disclosure of PHI available upon request to the U.S. Secretary of Health and Human Services for the purposes of determining compliance with the HIPAA regulations;
- h. Create and adopt policies and procedures to periodically audit adherence to all HIPAA regulations;
- i. Agree to ensure that any agent, including a subcontractor, to whom it provides PHI that was created, received, maintained, or transmitted by or on behalf of HCFA agrees to use reasonable and appropriate safeguards to protect the PHI.
- j. If feasible, return or destroy all PHI, in whatever form or medium (including any electronic medium) and all copies of any data or compilations derived from and allowing identification of any individual who is a subject of that PHI upon termination, cancellation, expiration or other



conclusion of the Agreement, and in accordance with this Section of this Contract. The Contractor shall complete such return or destruction as promptly as possible, but not later than thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement. The Contractor shall identify any PHI that cannot feasibly be returned or destroyed. Within such thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement, the Contractor shall: (1) certify an oath in writing that such return or destruction has been completed; (2) identify any PHI which cannot feasibly be returned or destroyed; and (3) certify that it will only use or disclose such PHI for those purposes that make its return or destruction infeasible;

- k. Implement all appropriate administrative, physical and technical safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Contract and, including, but not limited to, privacy, security and confidentiality requirements in 45 CFR Parts 160 and 164;
  - l. Set up appropriate mechanisms to limit use or disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure;
  - m. Create and implement policies and procedures to address present and future HIPAA regulatory requirements as needed, including, but not limited to: use and disclosure of data; de-identification of data; minimum necessary access; accounting of disclosures; enrollee's right to amend, access, request restrictions; notice of privacy practices and right to file a complaint;
  - n. Provide an appropriate level of training to its staff and employees regarding HIPAA related policies, procedures, enrollee rights and penalties prior to the HIPAA implementation deadlines and at appropriate intervals thereafter;
  - o. Track training of Contractor staff and employees and maintain signed acknowledgements by staff and employees of the Contractor's HIPAA policies;
  - p. Be allowed to use and receive information from HCFA where necessary for the management and administration of this Contract and to carry out business operations where permitted under the regulations;
  - q. Be permitted to use and disclose PHI for the Contractor's own legal responsibilities;
  - r. Adopt the appropriate procedures and access safeguards to restrict and regulate access to and use by Contractor employees and other persons performing work for the Contractor to have only minimum necessary access to PHI and personally identifiable data within their organization;
  - s. Continue to protect and secure PHI and personally identifiable information relating to enrollees who are deceased; and
  - t. Track all security incidents as defined by HIPAA and, as required by the HIPAA Reports. The Contractor shall periodically report in summary fashion to HCFA such security incidents.
- E.18. Information Holders. HCFA and the Contractor are "information holders" as defined in TCA 47-18-2107. In the event of a breach of the security of Contractor's information system, as defined by TCA 47-18-2107, the Contractor shall indemnify and hold HCFA harmless for expenses and/or damages related to the breach. Such obligations shall include, but not be limited to, mailing notifications to affected enrollees. Substitute notice to written notice, as defined by TCA 47-18-2107(e)(2) and (3), shall only be permitted with HCFA's express written approval. The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of any security incident that would constitute a "breach of the security of the system" as defined in TCA 47-18-2107.



- E.19. Notification of Breach and Notification of Suspected Breach. - The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of any incident, either confirmed or suspected, that represents or may represent unauthorized access, use or disclosure of encrypted or unencrypted computerized data that materially compromises the security, confidentiality, or integrity of enrollee PHI maintained or held by the Contractor, including any unauthorized acquisition of enrollee PHI by an employee or otherwise authorized user of the Contractor's system. This includes, but is not limited to, loss or suspected loss of remote computing or telework devices such as laptops, PDAs, Blackberrys or other Smartphones, USB drives, thumb drives, flash drives, CDs, and/or disks.
- E.20. Transmission of Contract Deliverables. All information or data that is necessary for one or more deliverable set forth in this Contract shall be transmitted between HCFA and Contractor via the data transfer method specified in advance by HCFA. This may include, but shall not be limited to, transfer through HCFA's SFTP system. Failure by the Contractor to transmit information or data that is necessary for a deliverables in the manner specified by HCFA, may, at the option of HCFA, result in liquidated damages as set forth on Contract Attachment 5, hereto.
- E.21. Social Security Administration (SSA) Required Provisions for Data Security. The Contractor shall comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. §3541, *et seq.*), and related National Institute of Standards and Technology guidelines. In addition, the Contractor shall have in place administrative, physical, and technical safeguards for data.
- a. The Contractor shall not duplicate in a separate file or disseminate, without prior written permission from HCFA, the data governed by the Contract for any purpose other than that set forth in this Contract for the administration of the HCFA program. Should the Contractor propose a redisclosure of said data, the Contractor must specify in writing to HCFA the data the Contractor proposes to redisclose, to whom, and the reasons that justify the redisclosure. HCFA will not give permission for such redisclosure unless the redisclosure is required by law or essential to the administration of the HCFA program.
  - b. The Contractor agrees to abide by all relevant federal laws, restrictions on access, use, and disclosure, and security requirements in this Contract.
  - c. The Contractor shall provide a current list of the employees of such contractor with access to SSA data and provide such lists to HCFA.
  - d. The Contractor shall restrict access to the data obtained from HCFA to only those authorized employees who need such data to perform their official duties in connection with purposes identified in this Contract. The Contractor shall not further duplicate, disseminate, or disclose such data without obtaining HCFA's prior written approval.
  - e. The Contractor shall ensure that its employees:
    - (1) properly safeguard PHI/PII furnished by HCFA under this Contract from loss, theft or inadvertent disclosure;
    - (2) understand that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee is at his or her regular duty station;
    - (3) ensure that laptops and other electronic devices/ media containing PHI/PII are encrypted and/or password protected;



- (4) send emails containing PHI/PII only if encrypted or if to and from addresses that are secure; and,
- (5) limit disclosure of the information and details relating to a PHI/PII loss only to those with a need to know.

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

- f. Loss or Suspected Loss of Data—If an employee of the Contractor becomes aware of suspected or actual loss of PHI/PII, he or she must immediately contact HCFA immediately upon becoming aware to report the actual or suspected loss. The Contractor will use the PHI/PII Loss Worksheet available on the TennCare website [http://www.tn.gov/assets/entities/tenncare/attachments/phi\\_piiworksheet.pdf](http://www.tn.gov/assets/entities/tenncare/attachments/phi_piiworksheet.pdf) to quickly gather and organize information about the incident. The Contractor must provide HCFA with timely updates as any additional information about the loss of PHI/PII becomes available.

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

- g. HCFA may immediately and unilaterally suspend the data flow under this Contract, or terminate this Contract, if HCFA, in its sole discretion, determines that the Contractor has: (1) made an unauthorized use or disclosure of HCFA SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this Contract.
- h. This Section further carries out Section 1106(a) of the Act (42 U.S.C. 1306), the regulations promulgated pursuant to that section (20 C.F.R. Part 401), the Privacy of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget ("OMB") guidelines, the Federal Information Security Management Act of 2002 ("FISMA") (44 U.S.C. 3541 et seq.), and related National Institute of Standards and Technology ("NIST") guidelines, which provide the requirements that the SSA stipulates that the Contractor must follow with regard to use, treatment, and safeguarding data in the event data is exchanged with a federal information system.

i. Definitions

- (1) "SSA-supplied data" – information, such as an individual's social security number, supplied by the Social Security Administration to HCFA to determine entitlement or eligibility for federally-funded programs (CMPPA between SSA and F&A; IEA between SSA and HCFA).
- (2) "Protected Health Information/Personally Identifiable Information" (PHI/PII)(45 C.F.R. 160.103; OMB Circular M-06-19) – Protected health information means individually identifiable health information that is: (i) Transmitted by electronic media; (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium.
- (3) "Individually Identifiable Health Information" – information that is a subset of health information, including demographic information collected from an individual, and: (1) Is created or received by a health care provider, health plan,



employer, or health care clearinghouse; and (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

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

E.22. Medicaid and CHIP - The Contractor must provide safeguards that restrict the use or disclosure of information concerning applicants and beneficiaries to purposes directly connected with the administration of the plan:

- a. Purposes directly related to the administration of Medicaid and CHIP include:
- (1) establishing eligibility;
  - (2) determining the amount of medical assistance;
  - (3) providing services for beneficiaries; and,
  - (4) conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to Medicaid or CHIP administration.
- b. The Contractor must have adequate safeguards to assure that:
- (1) Information is made available only to the extent necessary to assist in the valid administrative purposes of those receiving the information, and information received under 26 USC is exchanged only with parties authorized to receive that information under that section of the Code; and,
  - (2) the information is adequately stored and processed so that it is protected against unauthorized disclosure for other purposes.
- c. The Contractor must have criteria that govern the types of information about applicants and beneficiaries that are safeguarded. This information must include at least--
- (1) Names and addresses;
  - (2) Medical services provided;
  - (3) Social and economic conditions or circumstances;
  - (4) Contractor evaluation of personal information;
  - (5) Medical data, including diagnosis and past history of disease or disability
  - (6) Any information received for verifying income eligibility and amount of medical assistance payments, including income information received from SSA or the Internal Revenue Service;
  - (7) Any information received for verifying income eligibility and amount of medical assistance payments;
  - (8) Income information received from SSA or the Internal Revenue Service must be safeguarded according to Medicaid and CHIP requirements;
  - (9) Any information received in connection with the identification of legally liable third party resources; and,
  - (10) Social Security Numbers.
- d. The Contractor must have criteria approved by HCFA specifying:
- (1) The conditions for release and use of information about applicants and beneficiaries:



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

E.23. Employees Excluded from Medicare, Medicaid or CHIP. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare, Medicaid, and/or CHIP programs pursuant to Sections 1128 of the Social Security

E.24. Offer of Gratuities. By signing this contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the Center for Medicare and Medicaid Services, or any other state or federal agency has or will benefit financially or materially from this Contract. This Contract may be terminated by HCFA as provided in Section D.6, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

E.25. Internal Revenue Service (IRS) Safeguarding Of Return Information:

- a) Performance - In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
  - (1) This provision shall not apply if information received or delivered by the Parties under this Contract is NOT "federal tax returns or return information" as defined herein.
  - (2) All work will be done under the supervision of the contractor or the contractor's employees.
  - (3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to



any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.

- (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (5) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (7) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (8) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (9) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (10) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

b) Criminal/Civil Sanctions

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of



carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

- (3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

Inspection - The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safe.

- E.26. 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 Response to RFQ #32101-15106 (Attachment 6.2, Section 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



Tennessee service-disabled veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the required form and substance.

E.27. Nondiscrimination Compliance Requirements. The Contractor shall comply with all applicable federal and state civil rights laws, regulations, rules, and policies and Contract Section D.9 of this Contract.

- a) In order to demonstrate compliance with the applicable federal and State civil rights laws and regulations, which may include, but are not limited to, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and 42 U.S.C. § 18116 the Contractor shall designate a staff person to be responsible for nondiscrimination compliance.

The Contractor's Nondiscrimination Compliance Coordinator ("NCC") shall be responsible for compliance with the nondiscrimination requirements set forth in this Contract. The Contractor does not have to require that civil rights compliance be the sole function of the designated NCC staff member. However, the Contractor shall identify the designated NCC staff member to HCFA by name.

The Contractor shall report to HCFA, in writing, to the attention of the HCFA Director of Non-Discrimination Contract Compliance, within ten (10) calendar days of the commencement of any period of time that the Contractor does not have a designated staff person for nondiscrimination compliance. At such time that this function is redirected, the name of the staff member who assumed the duties shall be reported in writing to HCFAs within ten (10) calendar days of assuming the duties of the NCC.

- (1) The Contractor's NCC shall develop a nondiscrimination training plan within thirty (30) days of the implementation of this Contract and shall provide a copy of such training plan to HCFA on an annual basis and upon request. If needed, the NCC may request an extension of time for this due date. Thereafter, this training plan shall be updated as needed to conform to changes in Federal and State law and provided to HCFA as set forth above.

On an annual basis, the NCC shall be responsible for making nondiscrimination training available to all Contractor staff and to its subcontractors that are considered to be recipients of federal financial assistance under this contract. The Contractor shall be able to show documented proof that the training was made available to the Contractor's staff and to its subcontractors that are considered to be recipients of federal financial assistance under this contract.

- (2) The Contractor shall, at a minimum, emphasize nondiscrimination in its personnel policies and procedures as it relates to hiring, promoting, operational policies, contracting processes and participation on advisory/planning boards or committees.
- (3) Prior to implementation of this Contract, Contractor shall provide its written policies and procedures that demonstrate nondiscrimination in the provision of services provided under this Contract to HCFA. These policies shall include topics, such as, the provision of language services to individuals with Limited English Proficiency and individuals requiring communication assistance in alternative formats and providing other forms of assistance to individuals with disabilities. These nondiscrimination policies and procedures shall be approved in writing by HCFA.
- (4) The Contractor shall keep such records as may be necessary in order to submit timely, complete and accurate compliance reports that may be requested by the U.S. Department of Health and Human Services ("HHS"), HCFA, and the Tennessee Human Rights Commission ("THRC") or their designees. If requested, the information shall be provided in a format and timeframe specified by HHS, HCFA, or THRC. The requested information may be necessary to enable HHS, HCFA, or THRC to ascertain whether the Contractor is complying with the applicable civil



rights laws. For example, the Contractor should have available data showing the manner in which services are or will be provided by the program in question, and related data necessary for determining whether any persons are or will be denied such services on the basis of prohibited discrimination. Further examples of data that could be requested can be found at 45 C.F.R. § 80.6 and 28 C.F.R. § 42.406.

- (5) The Contractor shall permit access as set forth in the applicable civil rights laws, such as, 45 C.F.R. § 80.6 to HHS, HCFA, and THRC or their designees during normal business hours to such of its books, records, accounts, and other sources of information, and its facilities as may be pertinent to ascertain whether the Contractor is complying with the applicable civil rights laws.
- (6) The Contractor shall make available to beneficiaries and participants in HCFA's programs and other interested persons information regarding the provisions of the applicable civil rights laws as set forth in the implementing regulations, including 45 C.F.R. § 80.6 and 45 C.F.R. § 84.8. For example, a notification shall state, where appropriate, that the Contractor does not discriminate in admission or access to, or treatment or employment in, its programs or activities. The notification shall also include an identification of the responsible employee designated for its nondiscrimination compliance. This notice shall be considered a vital document and shall be available at a minimum in the English and Spanish languages.
- (7) The Contractor shall use and have available to individuals HCFA's discrimination complaint forms for the HCFA program or programs covered under this contract. These discrimination complaint forms shall be provided to individuals upon request and be available on the Contractor's website. HCFA's discrimination complaint forms are vital documents and must be available at a minimum in the English and Spanish languages. HCFA's Director of Non-Discrimination Contract Compliance shall work with the Contractor's NCC on providing the Contractor with the HCFA program's or programs' discrimination complaint forms that are required under this contract.

The Contractor shall provide assistance to individuals that request that the Contractor assist them with filing discrimination complaints with the HCFA program or programs covered under this contract. The Contractor shall inform its employees and its providers and subcontractors that are considered to be recipients of federal financial assistance under this contract about how to assist individuals with obtaining discrimination complaint forms and assistance with submitting the forms to the HCFA program or programs covered under this contract.

- (8) Written materials provided pursuant to this Contract shall be in plain language and ensure effective communication with Limited English Proficiency ("LEP") individuals and individuals with disabilities at no expense to these individuals and/or their representatives and shall meet the standards set forth in the applicable civil rights laws and guidance. Effective Communication may be achieved by providing interpretation and translation services and other forms of auxiliary aids or services, including, Braille and large print and shall be based on the needs of the individual and/or the individual's representative. Written materials specific to HCFA's programs' members shall be prior approved in writing by HCFA prior to the materials being sent to these individuals.
- (9) Written materials provided pursuant to this Contract shall include a number individuals can call free of charge for language assistance services. This information shall be considered a vital document and shall be available at a minimum in the English and Spanish languages.
- (10) In addition, written materials shall include information and a toll free number for individuals with disabilities to use in order to request assistance with accessing services or other program benefits that these individuals are entitled to under the applicable federal and state civil rights laws including, but not limited to, Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act of 1990. This information shall be considered a vital document and shall be available at a minimum in the English and Spanish languages.



- (11) Within ninety (90) calendar days of notification from HCFA, all vital Contractor documents related to this Contract shall be translated and available to each Limited English Proficiency ("LEP") group identified by HCFA in accordance with the applicable standards set forth below:
- (i) If a LEP group constitutes five percent (5%) or 1,000, whichever is less, of the population targeted under this Contract, vital documents shall be translated into that LEP language. Translation of other documents, if needed, can be provided orally; or
  - (ii) If there are fewer than fifty (50) individuals in a language group that is part the population targeted under this Contract that reaches the five percent (5%) trigger in (a), the Contractor shall inform those individuals that it does not provide written translation of vital documents but provides written notice in that group's primary language of the right to receive competent oral interpretation of those written materials, free of cost.
  - (iii) At a minimum, all vital Contractor documents shall be translated and available in Spanish.
- (12) In accordance with the requirements set forth in 42 U.S.C. § 300kk, the Contractor must develop and maintain the ability to collect and report data on race, ethnicity, sex, primary language, and disability status for the population targeted under this Contract and the parents or legal guardians of minors or legally incapacitated individuals targeted under this Contract. In collecting this data the Contractor shall use the Office of Management and Budget (OMB) standards, at a minimum, for race and ethnicity measures. Data collection standards for Race, Ethnicity, Sex, Primary Language, and Disability Status are available from the Office of Minority Health and on its website located at: <http://www.minorityhealth.hhs.gov/templates/content.aspx?ID=9227&lvl=2&lvlID=208>.
- b) The Contractor shall submit the following nondiscrimination compliance deliverables to HCFA as follows:

Annually, HCFA shall provide the Contractor with a Nondiscrimination Compliance Questionnaire. The Contractor shall answer the questions contained in the Compliance Questionnaire and submit the completed Questionnaire to HCFA within ninety (90) days of the end of the calendar year with any requested documentation, which shall include, the Contractor's Assurance of Nondiscrimination. The signature date of the Contractor's Nondiscrimination Compliance Questionnaire shall be the same as the signature date of the Contractor's Assurance of Nondiscrimination. The Nondiscrimination Compliance Questionnaire deliverables shall be in a format specified by HCFA.

As part of the requested documentation for the Nondiscrimination Compliance Questionnaire, the Contractor shall submit copies of its nondiscrimination policies and procedures that demonstrate nondiscrimination in the provision of its services, programs, or activities provided under this Contract. These policies shall include topics, such as, the provision of language assistance services for LEP individuals and those requiring effective communication assistance in alternative formats, and providing assistance to individuals with disabilities. Any nondiscrimination policies and procedures that are specific to HCFA program members shall be prior approved in writing by HCFA.

Also as part of the requested documentation for the Nondiscrimination Compliance Questionnaire the Contractor shall include reports that capture data for all language assistance services used and provided by the Contractor under this Contract. One report shall contain the names of the Contractor's language assistance service providers, the languages that interpretation and translation services are available in, the auxiliary aids or services that were provided and that are available, the hours the language assistance services are available, and the numbers individuals call to access language assistance services. A separate report shall list all requests for language assistance services, including the requestor's name and identification number, the requested service, the date of the request, the date the service was provided, and the name of the service provider.



- c) Discrimination Complaint Investigations. All discrimination complaints against the Contractor and its employees and its subcontractors that are considered to be recipients of federal financial assistance under this contract shall be resolved according to the provisions of this Section and the below subsections:
- (1) Discrimination Complaints against the Contractor and/or Contractor's Employees. When complaints concerning alleged acts of discrimination committed by the Contractor and/or its employees related to the provision of and/or access to one of HCFA's programs are reported to the Contractor, the Contractor's NCC shall send such complaints within two (2) business days of receipt to HCFA. HCFA shall investigate and resolve all alleged acts of discrimination committed by the Contractor and/or its employees. The Contractor shall cooperate with HCFA during the investigation and resolution of such complaints. HCFA reserves the right to request that the Contractor's NCC assist with conducting the initial investigations and to suggest resolutions of alleged discrimination complaints. If HCFA requests that the Contractor's NCC assist HCFA with conducting the initial investigation, the Contractor's NCC within five (5) business days from the date of the request shall start the initial investigation. The Contractor's NCC shall provide HCFA with all requested information, including but not limited to, the identity of the party filing the complaint; the complainant's relationship to the Contractor; the circumstances of the complaint; date complaint filed; and the Contractor's suggested resolution. HCFA shall review the Contractor's initial investigations and determine the appropriate resolutions for the complaints as set forth in subsection c below. During the complaint investigation, the Contractor shall have the opportunity to provide HCFA with any information that is relevant to the complaint investigation. Any documentation or materials related to such investigation shall be considered confidential and not subject to disclosure to any third party, unless disclosure is otherwise required by law.
  - (2) Discrimination Complaints against the Contractor's Subcontractors that are recipients of federal financial assistance under this Contract. Should complaints concerning alleged acts of discrimination committed by the Contractor's subcontractors related to the provision of and/or access to one of HCFA's programs be reported to the Contractor, the Contractor's nondiscrimination compliance officer shall inform HCFA of such complaints within two (2) business days from the date Contractor learns of such complaints. If HCFA requests that the Contractor's nondiscrimination compliance officer assist HCFA with conducting the initial investigation, the Contractor's nondiscrimination compliance officer within five (5) business days from the date of the request shall start the initial investigation. Once an initial investigation has been completed, the Contractor's nondiscrimination compliance officer shall report his/her determinations to HCFA. At a minimum, the Contractor's nondiscrimination compliance officer's report shall include the identity of the party filing the complaint; the complainant's relationship to the Contractor; the circumstances of the complaint; date complaint filed; and the Contractor's suggested resolution. HCFA shall review the Contractor's initial investigations and determine the appropriate resolutions for the complaints as set forth in subsection (3) below. HCFA reserves the right to investigate and resolve all complaints concerning alleged acts of discrimination committed by the Contractor's subcontractors that are recipients of federal financial assistance under this Contract. The Contractor's Providers and Subcontractors that are recipients of federal financial assistance under this Contract shall cooperate with HCFA and the Contractor during discrimination investigations and resolutions.
  - (3) Corrective Action Plans to Resolve Discrimination Complaints. If a discrimination complaint against the Contractor or its employees or one of its subcontractors who are recipients of federal financial assistance under this contract, is determined by HCFA to be valid, HCFA shall, at its option, either (i) provide the Contractor with a corrective action plan to resolve the complaint, or (ii) request that the Contractor submit a proposed corrective action plan to HCFA for review and approval that specifies what actions the Contractor proposes to take to resolve the discrimination complaint. Upon provision of the corrective action plan to Contractor by HCFA, or approval of the Contractor's proposed corrective action plan by HCFA, the Contractor shall implement the approved corrective action plan to resolve the discrimination complaint. HCFA, in its sole



discretion, shall determine when a satisfactory discrimination complaint resolution has been reached and shall notify Contractor of the approved resolution. A discrimination complaint resolution corrective action plan may consist of approved nondiscrimination training on relevant discrimination topics. Prior to use, the nondiscrimination training material shall be reviewed and approved by HCFA. Time periods for the implementation of the corrective action plan nondiscrimination training shall be designated by HCFA.

- d) Electronic and Information Technology Accessibility Requirements. Contractor agrees to comply with the electronic and information technology accessibility requirements under the federal civil rights laws including Section 504 and Section 508 of the Rehabilitation Act of 1973 ("Section 508") and the Americans with Disabilities Act. To comply with the accessibility requirements for Web content and non-Web electronic documents and software, the Contractor shall use W3C's Web Content Accessibility Guidelines ("WCAG") 2.0 AA (For the W3C's guidelines see: <http://www.w3.org/TR/WCAG20/>) (Two core linked resources are Understanding WCAG 2.0 <http://www.w3.org/TR/UNDERSTANDING-WCAG20/> and Techniques for WCAG 2.0 <http://www.w3.org/TR/WCAG20-TECHS/>).

Should the Contractor have a designated staff member responsible for Contractor's electronic and information technology accessibility compliance, the name and contact information for this individual shall be provided to HCFA within ten (10) days of the implementation of this Contract and within ten (10) days of this position being reassigned to another staff member.

Prior to the start of this Contract and on an annual basis thereafter, the Contractor's staff that is designated to work on HCFA's electronic and information technology projects shall receive training on electronic and information technology accessibility requirements. The Contractor shall be able to show documented proof that this training was provided. In addition, Contractor shall provide a copy of its electronic and information technology accessibility training to HCFA upon request.

Contractor agrees to perform regularly scheduled (i.e., automatic) scans and manual testing for WCAG 2.0 AA compliance for all user content and applications in order to meet the standards for compliance. The Contractor must ensure that any system additions, updates, changes or modifications comply with WCAG 2.0 AA. Commercial Off-the-shelf ("COTS") products may be used to verify aspects of WCAG 2.0 AA compliance.

Additionally, the Contractor agrees to comply with Title VI of the Civil Rights Act of 1964. In order to achieve Title VI compliance the Contractor should add a system function that allows users to translate the content into a language other than English. This requirement may be satisfied by the provision of a link to Google translate or other machine translate tool.

Should the system or a component of the system fail to comply with the accessibility standards, the Contractor shall develop and submit to HCFA for approval a noncompliance report that identifies the areas of noncompliance, a plan to bring the system or component into compliance, an alternative/work around that provides users with the equivalent access to the content, and a timeframe for achieving that compliance. HCFA shall review the noncompliance report to determine whether or not it is acceptable and should be implemented. Once the noncompliance report is approved by HCFA the Contractor may implement the compliance plan. HCFA, in its sole discretion, shall determine when a satisfactory compliance plan resolution has been reached and shall notify the Contractor of the approved resolution. If Contractor is unable to obtain content that conforms to WCAG 2.0 AA, it shall demonstrate through its reporting to HCFA that obtaining or providing accessible content would fundamentally alter the nature of its goods and services or would result in an undue burden.





**Pro Forma Contract ATTACHMENT 1**  
**(Fill out only by selected Contractor)**

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	48027
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	Public Consulting Group, Inc.
<b>FEDERAL Program EMPLOYER IDENTIFICATION NUMBER</b> (or Social Security number)	04-2942913

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 Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind Contractor.

**William S. Mosakowski, President and CEO**

\_\_\_\_\_  
**PRINTED NAME AND TITLE OF SIGNATORY**

10-2-2015

\_\_\_\_\_  
**DATE OF ATTESTATION**



Public Focus. Proven Results.™

Public Consulting Group, Inc.  
148 State Street  
Boston, MA 02109

July 15, 2015

Dear Mr. Edwards:

Public Consulting Group, Inc. (PCG) has concentrated its efforts toward partnering with business enterprises owned by minorities, women, persons with disabilities, and small business enterprises. PCG is also committed to a diverse internal workforce that reflects our customers and their clients: nearly 20 percent of staff members classify themselves in a minority category and over 50 percent are female.

PCG has a Featured Business Partner (FBP) Program which is a proactive business development process designed to cultivate partnerships and alliances with major firms, emerging businesses, and small businesses. FBP small businesses consist of the following types of organizations: Qualified Small, Small Disadvantaged, Women-Owned, Hubzone, Veteran and Service Disabled, and Veteran-Owned Businesses. We believe that our FBP Program advances the State's efforts to expand opportunity of diversity businesses to do business with the State. PCG understand the benefits of working and developing relationships with our FBP partners to build and cultivate win-win partnerships. Our existing relationships have been achieved through an active program of marketing and outreach assistance, up-front teaming, and subcontracting alliances.

PCG supports our small and emerging business partners in a Mentor/Protégé Program designed to transfer business knowledge and expertise. The FBP program was developed, in large part, to help organizations thrive and prosper by establishing a team environment. We believe that our FBP partners are an important source of economic growth, not only for the communities in which they reside, but for the country as a whole.

PCG confirms our commitment by using the following diversity businesses on other projects across the country:

Contractor Name	Ownership	Contract Description
Marion Edward & Associates	Minority	IT programming, consulting, and temporary staffing services
Coleman & Associates	Minority & Women	Professional services in the area of program support and management, IT, and operation assessment
Briljent	Women	Conduct satisfaction surveys
Cyndel Enterprises	Women	Database work
Access Personnel Services	Minority	Quality assurance and compliance
A Personnel Connection	Minority & Women	Quality assurance and compliance



Nicholas Edwards  
10/2/2015  
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Abel Personnel	Women	Quality assurance and compliance
Paradyme Management	Minority	Software development and integration services.
Document Managers	Minority	Staff augmentation services
Group 360	Women	Communication Plan and Web Portal design and development

In addition, PCG does not plan on using sub-contractors for the TN SPMO contract. PCG believes that our staff has the necessary experience and skill sets to meet and exceed the requirements required for TN SPMO contract.

PCG commits to:

1. Using applicable reporting tools that allow the State to track and report purchases from businesses owned by minority, women, Tennessee service-disabled veterans and small business.
2. Reporting quarterly to the Go-DBE office the dollars spent with certified diversity businesses owned by minority, women, Tennessee service-disabled veterans and small business accomplished under contract # (Edison number).

PCG is committed to working with the Go-DBE office to accomplish this goal.

Sincerely,

William S. Mosakowski  
President & CEO  
Public Consulting Group, Inc.



**DEFINITIONS**

TERM	DEFINITION
Contract Change Requests	The method used to identify and request changes to contracts with vendors for the State.
Contractor	The SPMO Services Contractor
Control Memorandum Process	Process utilized by the State to clarify Contract requirements, issue instruction to the Contractor, document action required of the Contractor, or request information from the Contractor
CoverKids	The program created by Tennessee Code Annotated Section 71-3-1101 et seq. and includes its authorized employees and agents as the context of the rules requires.
Framework Deliverables	One time deliverables required to establish a base of management plans for MMP project planning, execution, monitoring and controlling, and close.
Gate Review	The process used to evaluate the current work period's products against pre-established exit criteria for the work period to determine if the work is sufficient to continue to the next work period.
Medicaid	The federal and state-financed, state-run program of medical assistance pursuant to Title XIX of the Social Security Act.
Planview	State portfolio and resource management software
Portfolio	A collection of planned projects of similar work.
Portfolio Management	The process of adding, removing and reprioritizing projects within the portfolio based on defined criteria established by the governing body.
Program	Medicaid Modernization Program
State	State of Tennessee



ACRONYMS

ACRONYM	DEFINITION
AD	Active Directory
ADT	Admission, Discharge, and Transfer
ANSI	American National Standards Institute
ATP	Account Transfer Process
BABOK	Business Analysis Body of Knowledge
CCT	Care Coordination Tool
CD	Control Directive
CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CIO	Chief Information Officer
CM	Control Memorandum
CMS	Centers for Medicare and Medicaid Services
CTO	Chief Technology Officer
DBMS	Database Management System
DHS	Department of Human Services (State of Tennessee)
EPIC	Enterprise Portfolio Investment Committee (State of Tennessee)
FFATA	Federal Funding Accountability and Transparency Act
HCFA	Division of Health Care Finance and Administration (State of Tennessee)
HHS	United States Department of Health and Human Services
HIE	Health Information Exchange
HIPAA	Health Insurance Portability and Accountability Act
HITECH	Health Information Technology for Economic and Clinical Health Act
IAM	Identity and Access Management
IEM	Interim Eligibility System
IMS	Integrated Master Schedule
IRS	Internal Revenue Service
ISC	Information Systems Council (State of Tennessee)
IT	Information Technology
IT-ABC	Information Technology Assessment and Budget Committee
IV&V	Independent Verification and Validation
MAGI	Modified Adjusted Gross Income
MCO	Managed Care Organization
MESMA	Medicaid Eligibility System Market Assessment
MITA	Medicaid Information Technology Architecture
MMIS	Medicaid Management Information System
MMP	Medicaid Modernization Program
MPI	Master Patient Index
NCPD	Notice of Calculation of Potential Damages
NIAD	Notice of Intent to Assess Damages
NPD	Notice of Potential Damages
OeHI	Tennessee Office of eHealth Initiatives
OIR	Office of Information Resources (State of Tennessee)
ORR	On Request Report
PDMS	Provider Data Management System
PHI	Protected Health Information
PII	Personally Identifiable Information



ACRONYM	DEFINITION
PIPP	Provider Incentive Payment Program
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
PMP	Program Management Plan
PPACA	Patient Protection and Affordable Care Act
RACI	Responsible, Accountable, Consulted, Informed
RFP	Request for Proposals
RFQ	Request for Qualifications
SDLC	System Development Lifecycle
SFTP	Secure File Transfer Protocol
SI	System Integrator
SME	Subject Matter Expert
SOA	Service Oriented Architecture
SPMO	Strategic Program Management Office
SSA	United States Social Security Administration
TAS	Technical Advisory Services
TBSM	Tennessee Business Solutions Methodology
TCRS	Tennessee Consolidated Retirement System
TEAMS	Tennessee Eligibility Appeals Management System
TEDS	Tennessee Eligibility Determination System
TNHC	Tennessee Health Connection (Call Center)
TPAES	Long-Term Services and Supports' TennCare Pre-Admission Evaluation System
WCAG	Web Content Accessibility Guidelines



## LIQUIDATED DAMAGES

### E.1. Overview of Performance Measures Liquidated and Actual Damages

A general liquidated damage of up to One Thousand Dollars (\$1,000.00) per calendar day/occurrence, as applicable, may be assessed at the sole discretion of the State for any violation of a Contract provision that is not specifically listed in the following table.

HCFA may elect to apply the following liquidated damages remedies in the event the Contractor fails to perform its obligations under this Contract in a proper and/or timely manner. Upon determination by HCFA that the Contractor has failed to meet any of the requirements of this Contract in a proper and/or timely manner, HCFA will notify the Contractor in writing of the deficiency and of the potential liquidated damages to be assessed. Liquidated damages shall be assessed for any part of each week during which the deficiency occurs or remains uncorrected, unless the amount of liquidated damages is otherwise designated as "per occurrence" or "per incident" in the following table. Should the deficiency remain uncorrected for more than thirty (30) days from the date of the original notification of the deficiency by HCFA, HCFA may impose an additional liquidated damage of Five Hundred Dollars (\$500) per day from the date of the original notification to Contractor until said deficiency is resolved.

All liquidated damages remedies set forth in the following table may, at HCFA's election, be retroactive to the date of the initial occurrence of the failure to comply with the terms of the Contract as set forth in the notice of deficiency from HCFA and may continue until such time as the HCFA Deputy Commissioner determines the deficiency has been cured.

If liquidated damages are assessed, HCFA shall reduce the Contractor's payment for administrative services in the following month's invoice by the amount of damages. In the event that damages due exceed the amount HCFA is to pay to Contractor in a given payment cycle, HCFA shall invoice Contractor for the amount exceeding the amount payable to Contractor, and such excess amount shall be paid by Contractor within thirty (30) calendar days of the invoice date. In situations where the Contractor wishes to dispute any liquidated damages assessed by HCFA, the Contractor must submit a written notice of dispute, including the reasons for disputing the liquidated damages, within thirty (30) days of receipt of the notice from HCFA containing the total amount of damages assessed against the Contractor. If the Contractor fails to timely dispute a liquidated damages assessment as set forth herein, such failure shall constitute a bar to the Contractor seeking to have the assessment amount overturned in a forum or court of competent jurisdiction.

### E.2. Other Liquidated Damages

	PROGRAM ISSUES	DAMAGE
	<b>Data Security</b>	
1.	Failure by the Contractor to meet the standards for privacy, security, and confidentiality of individual data as evidenced by a breach of the security	\$1,000 per affected member per occurrence.



	<b>PROGRAM ISSUES</b>	<b>DAMAGE</b>
	per Section E. 2. and E.19	
2.	Failure by the Contractor to execute the appropriate agreements to effectuate transfer and exchange of HCFA enrollee PHI or HCFA confidential information including, but not limited to, a data use agreement, trading partner agreement, business associate agreement or qualified protective order prior to the use or disclosure of PHI to a third party. (See E.17. and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
3.	Failure by the Contractor to seek express written approval from HCFA prior to the use or disclosure of HCFA enrollee data or HCFA confidential information in any form via any medium with any third party beyond the boundaries and jurisdiction of the United States. (See E. 18 and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
4.	Failure by the Contractor to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of suspected breach per Sections (See E.19 and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
	<b>Control Memorandum(a) Process</b>	
5.	Failure to complete or comply with an ORR (See Section A.8)	\$100 per business day starting on the business day after the ORR due date
6.	Failure to complete or comply with a Control Directive requirement by the due date (see Section A.8)	\$500 per business day starting on the next business day after the requirement due date
	<b>Deliverable Dates</b>	
7.	Failure to meet 100% of all deliverable dates.	<ul style="list-style-type: none"> <li>• For days 1-30, a liquidated damage of 3% of the total deliverable cost will be assessed. Such liquidated damage shall be prorated by the number of days if delay equals less than 30 days.</li> <li>• For days 31-60, an additional liquidated damage of 6% of the total deliverable cost will be assessed. Such liquidated damage shall be prorated by the number of days if delay equals less than 60 days.</li> <li>• For delays beyond 61 days, the State may avail itself of breach of</li> </ul>



	PROGRAM ISSUES	DAMAGE
		contract provisions hereunder.



**CONTRACTOR STAFF AND KEY PERSONNEL**

Title	Roles and Responsibilities	Minimum Qualifications
<p>Engagement Manager, Strategic Program Management Office</p>	<ul style="list-style-type: none"> <li>• Responsible for managing the SPMO staff, including training, assignments, performance evaluations and managing issues.</li> <li>• Responsible for the overall program and project management discipline, driving its consistent use throughout the portfolio of projects.</li> <li>• Oversee development and monitoring of program and project management standards, tools, and processes for HFCA portfolio.</li> <li>• Direct demand management activities and reporting across portfolio.</li> <li>• Direct portfolio budget forecasting.</li> <li>• Serve as contractor liaison to HCFA leadership</li> <li>• Provides regular SPMO performance reports to the State. Key Performance data to be determined at contract inception, but should include at least: PMO staff utilization/assignments for current and upcoming projects, status of process improvements, adherence/exceptions to PMO standards, SPMO budget performance against plan.</li> </ul>	<ul style="list-style-type: none"> <li>• At least 10 years of experience in a portfolio manager role with similar leadership and management responsibilities.</li> <li>• Experience developing and improving program and project management standards across a PMO team in a variety of roles.</li> <li>• At least 10 years' experience hands on project/program management roles.</li> <li>• Experience in serving as liaison to executive level leadership.</li> <li>• Experience working in or with state or local government and health care or human services agencies.</li> <li>• Project Management Professional (PMP) or other industry certification preferred.</li> </ul>



Title	Roles and Responsibilities	Minimum Qualifications
Program Manager	<ul style="list-style-type: none"> <li>• Acts as the single point of contact for the State for all aspects of the program and associated projects</li> <li>• Provides program management consistent with PMI and PMBOK principles of project management and HCFA SDLC.</li> <li>• Ensures the application of PMI and HCFA SDLC standards in managing programs and projects. Oversee application of these standards to projects within program.</li> <li>• Is responsible for all scheduling and operational correspondence between the State and the vendor</li> <li>• Use project scheduling and control tools to monitor projects plans, work hours, budgets and expenditures</li> <li>• Develops, delivers and supports all reports sent to the State and Federal partners, including all status reporting</li> <li>• Aligns all project standards with Program, State and Federal expectations</li> <li>• Provides the leadership, creating standards and processes, required for the successful execution of the program and projects</li> <li>• Manages the program and project (i.e., scope, schedule and budget and resources) and reports on these</li> <li>• Is accountable for execution of all program management tasks and deliverables specified within this RFQ</li> <li>• Ensures all deliverables meet the state and/or federally defined quality standards</li> <li>• Delivers briefings to the State project team leadership with support from the Vendor team as needed</li> <li>• Is responsible for assisting State with MMP Contractor management</li> <li>• Prepare project organization and communication/RACI charts</li> <li>• Track the progress and quality of work being performed by design/development disciplines</li> <li>• Track &amp; manage contemplated change notices and change orders</li> <li>• Prepare completion certificates and ensure all required project close out documents are obtained</li> <li>• Communicate ideas for improving company processes with a positive and constructive attitude, and for developing this attitude in others</li> <li>• Keep the Program Manager and others informed about project status and issues that may impact client relations</li> <li>• Effectively and accurately communicate relevant program information to the client</li> </ul>	<ul style="list-style-type: none"> <li>• Total of ten (10) years' experience overall: <ul style="list-style-type: none"> <li>- Must have a minimum of five (5) years' direct project oversight and authority over large-scale government health and human services system implementation projects.</li> <li>- Minimum of five (5) years' experience creating project management processes and plans directly related to large implementation projects to include industry-standard and best practices regarding quality, quality assurance and quality control principles and techniques</li> </ul> </li> <li>• Must have a Bachelor's degree or equivalent experience, preferably in Information Technology, Engineering or a business or related field.</li> <li>• Project Management Professional (PMP) or equivalent certification preferred</li> </ul>



Title	Roles and Responsibilities	Minimum Qualifications
Deputy Program Manager	<ul style="list-style-type: none"> <li>• Serves as the backup Program Manager in his or her absence.</li> <li>• Performs tasks as required by Program Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Total of five (5) years' experience overall:               <ul style="list-style-type: none"> <li>- Minimum of three (3) years' direct project oversight and authority over large-scale government health and human IT software development/system implementation projects.</li> <li>- Minimum of three (3) years' experience creating Project Management processes and plans directly related to large implementation projects to include industry-standard and best practices regarding quality, quality assurance and quality control principles and techniques</li> </ul> </li> <li>• Must have a Bachelor's degree or equivalent experience, preferably in Information Technology, Engineering or a business or related field.</li> <li>• Project Management Professional (PMP) or equivalent certification preferred</li> </ul>
Project Manager	<ul style="list-style-type: none"> <li>• Oversee and direct project team, which may include State and contractual personnel.</li> <li>• Direct project monitoring and reporting, control, team integration, change integration, and corrective action as needed.</li> <li>• Provide project management consistent with PMI and PMBOK principles of project management and HCFA SDLC.</li> <li>• Ensure the application of PMI and HCFA SDLC standards in managing projects.</li> <li>• Provides regular project performance reports to the SPMO and HCFA. Key performance data to be determined at project inception, but should include at least: resource utilization and assignments; adherence/exceptions to PM standards, project performance against plan in terms of schedule, scope, cost, and quality.</li> </ul>	<ul style="list-style-type: none"> <li>• 7-10 years' experience in a project manager role with similar leadership and management responsibilities for IT software development projects.</li> <li>• Preferred experience in state or local government and health care or human services.</li> <li>• PMP or other relevant industry certification preferred.</li> </ul>



Title	Roles and Responsibilities	Minimum Qualifications
Demand Manager/ Resource Manager	<ul style="list-style-type: none"> <li>• Responsible for working with the Engagement Manager and appropriate State resources on the identification of program and project demand, and aligning project resources as a necessary.</li> <li>• Supports the SPMO Program Manager in ensuring program and project management staff are appropriately trained for their current and upcoming assignments.</li> <li>• Manages the performance feedback loop and improvement process for program and project resources.</li> <li>• Tracks organization-wide resource capacity and utilization recommending optimal allocation</li> </ul>	<ul style="list-style-type: none"> <li>• 2-3 years' experience in a PMO support role, specific to demand management.</li> <li>• Experience managing a pool of program and project managers, leveraging portfolio plans to identify capacity and aligning the right skills to the right projects.</li> <li>• Experience implementing and managing a performance feedback mechanism, ensuring resources receive appropriate feedback and support on future assignments.</li> <li>• Preferred experience in state or local government and health care or human services.</li> <li>• PMP or other relevant industry certification preferred.</li> </ul>
Program process analyst(s) - service improvement	<ul style="list-style-type: none"> <li>• The program process analyst(s) are responsible for supporting the SPMO Program Manager in the design, delivery, execution and continuous improvement of program and project management processes and standards.</li> <li>• Provides industry leading advice and subject matter expertise on program and project management techniques to help ensure that program and project resources are highly skilled and appropriately trained and aligned.</li> </ul>	<ul style="list-style-type: none"> <li>• 3-5 years designing and developing program and project management methodologies.</li> <li>• 3+ years as a program or project manager.</li> <li>• Preferred experience in state or local government and health care or human services.</li> <li>• PMP or other relevant industry certification preferred.</li> </ul>
Risk Manager	<ul style="list-style-type: none"> <li>• Responsible for working with the Engagement Manager and Program Manager, project managers, and appropriate State resources on the identification of program and project risks and issues across programs, projects, and the HCFA portfolio.</li> <li>• Responsible for working with the state and MMP contractors to identify risk levels, developing mitigation strategies to resolve risks, and leading remediation efforts to implement strategies during project startup, initiation, planning, execution, monitoring and control, and closeout phases.</li> <li>• Responsible for actively managing risks to closure.</li> <li>• Monitors for consistency in risk management processes across the Program.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum 5 years' experience in program and project risk management with programs of similar scale and complexity to MMP Program.</li> <li>• Good communication skills, ability to translate risk data and information into management information for decision making purposes.</li> <li>• Preferred experience in state or local government and health care or human services.</li> <li>• PMI – Risk Management Professional or other relevant industry certification.</li> </ul>



Pro Forma ATTACHMENT 6 (Continued)

NON KEY STAFF PERSONNEL

Title	Roles and Responsibilities	Minimum Qualifications
<p>Program Scheduler</p>	<ul style="list-style-type: none"> <li>• Organize, implement and maintain scheduling management system supporting identified projects and their plans.</li> <li>• Responsible to collect and integrate scheduling inputs from State and MMP contractors to build and maintain IMS.</li> <li>• Interact with State and Program staff to manage resource loading and leveling in the IMS.</li> <li>• Interact with stakeholders to define scope of work to develop and update the IMS, cost information and identification of variances from original plan.</li> <li>• Evaluate project schedule progress and performance and identify developing problem areas.</li> <li>• Analyze critical path and constraints to determine effect of changes to schedule and recommend work-around.</li> <li>• Support Program / Project management team to maintain timely and effective change management processes, procedures and systems.</li> <li>• Assist Program / Project management team to develop and maintain periodic status reports to keep management informed on project progress.</li> <li>• Assist Program and/or Project managers to conduct analysis for determining alternative courses of action or recovery on slipped schedules.</li> <li>• Responsible for program/project schedule analysis and metrics</li> </ul>	<ul style="list-style-type: none"> <li>• 3 - 5 years' experience in a PMO support role, specific to schedule management.</li> <li>• Experience managing multiple schedules with critical dependencies in a program management environment of program and project managers,</li> <li>• Experience implementing and managing a schedule performance reporting system with useful metrics, ensuring stakeholders receive the appropriate level of status reporting, feedback, and support during program activities</li> <li>• Preferred experience in state or local government and health care or human services.</li> <li>• PMP or other relevant industry certification preferred</li> </ul>



Title	Roles and Responsibilities	Minimum Qualifications
Program Controller	<ul style="list-style-type: none"> <li>• Responsible for assisting the State with program cost management as defined by the Cost Management Plan referenced in section A.12.e.</li> <li>• Supporting Program Manager in identifying and documenting, key issues, and risks related to Program cost management.</li> <li>• Ensures cost management standards, tools, and procedures defined for use in the Program utilized and followed.</li> <li>• Manages cost management related documentation in the Program documentation library.</li> <li>• Coordinate with MMP contractors to ensure project invoices are accurately prepared and timely submitted and adhere to State standards.</li> <li>• Review actual Program and Project expenses for accuracy and completeness.</li> </ul>	<ul style="list-style-type: none"> <li>• Five (5) years of program and project cost and financial management experience.</li> <li>• Experience working with State and Federal HHS agency funding requirements preferred.</li> <li>• Must have a Bachelor's degree or equivalent experience.</li> </ul>
PMO Analyst	<ul style="list-style-type: none"> <li>• Maintains SPMO dashboards and reports. Assists Program and project teams with reporting and tracking. Provides system support and administration (e.g., project inventory database, knowledge repository, collaboration platform, etc.).</li> <li>• Assist Program and project managers to effectively and accurately communicate relevant information to the stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• 2-3 years experience in a PMO support role, specific to analysis and project administrative support.</li> <li>• Experience using data analysis tools for project analysis</li> <li>• Preferred experience in state or local government and health care or human services.</li> <li>• PMP or other relevant industry certification preferred.</li> </ul>



CONTRACTOR DELIVERABLE REQUIREMENTS

Section	Deliverable	Timing
<b>Framework Deliverables</b>		
A.12	SPMO Management Plan	TBD
A.12. a	Management Approach Plan	TBD
A.12.a(1)	Approach to IV&V	TBD
A.12.a(2)	Approach to TAS Cooperation and Accountability	TBD
A.12.a(3)	Approach to working with System Integrators	TBD
A.12.a(4)	Approach to working with the State and Accountability to the State	TBD
A.12.a(5)	Approach to working with the State Security Personnel and their contractors	TBD
A.12.b	Scope Management Plan	TBD
A.12.c	Human Resource Plan	TBD
A.12.d	Change Control Plan	TBD
A.12.e(1)	Risk Management Plan	TBD
A.12.e(2)	Communication Management Plan	TBD
A.12.e(3)	Cost Management Plan	TBD
A.12.e(4)	Quality Management Plan	TBD
A.12.e(5)	SPMO Schedule	TBD
A.12.e(6)	RACI Matrix	TBD
A.13	Portfolio Management Plan	TBD
A.14	MMP Management Plan	TBD
A.14.a.	Program Governance Approach	TBD
A.14.b.	Program Management Approach	TBD
A.14.c.	Program Scope	TBD
A.14.d.	Scope Management Plan	TBD
A.14.e.	Schedule Management Plan	TBD
A.14.f.	Cost Management Plan	TBD
A.14.g.	Risk Management Plan	TBD
A.14.h.	Issue Management Plan	TBD
A.14.i.	Communication Management Plan	TBD
A.14.j.	Decision Management Plan	TBD
A.14.k.	Document Management	TBD



Section	Deliverable	Timing
A.14.l.	Procurement Management Plan	TBD
A.14.m.	Human Resource Management Plan	TBD
A.14.n.	Quality Management Plan	TBD
A.14.o.	Integrated Master Schedule (IMS)	TBD
A.15	Template Project Management Plan for Individual Projects	TBD
A.15.a.	Project Management Approach	TBD
A.15.b.	Project Scope	TBD
A.15.c.	Scope Management Plan	TBD
A.15.d.	Schedule Management Plan	TBD
A.15.e.	Cost Management Plan	TBD
A.15.f.	Risk Management Plan	TBD
A.15.g.	Issue Management Plan	TBD
A.15.h.	Communication Management Plan	TBD
A.15.i.	Decision Management	TBD
A.15.j.	Document Management	TBD
A.15.k.	Procurement Management Plan	TBD
A.15.l.	Human Resource Management Plan	TBD
A.15.m.	Quality Management Plan	TBD
<b>Startup Activities and Deliverables</b>		
A.17.	Finalized SPMO Startup Plan	TBD
A.18.	Finalized MMP IMS	TBD
A.19.	Project and Systems Development Lifecycle Design Project Schedule (with inclusion in the Program IMS)	TBD
A.19.	Weekly and Monthly Project and Systems Development Lifecycle Design Status Reporting	TBD
A.20.	Business and IT Capability Assessment/Future State Roadmap Capability Development, Deployment and Operational Support Project Schedule (with inclusion in the Program IMS)	TBD
A.20.	Weekly and Monthly Business and IT Capability Assessment/Future State Roadmap Capability Development, Deployment and Operational Support Status Reporting	TBD
A.21.	MESMA Project Schedule (with inclusion in the Program IMS)	TBD
A.21.	Weekly and Monthly MESMA Status Reporting	TBD
A.22.	HCFA Organizational Change Capacity Assessment Project Schedule (with inclusion in the Program IMS)	TBD
A.22.	Weekly and Monthly HCFA Organizational Change Capacity Assessment Status Reporting	TBD
<b>Lifecycle Services, Activities and Deliverables</b>		



Section	Deliverable	Timing
A.24.	Weekly SPMO Portfolio Management Support Activities Status Reports	TBD
A.24.	Monthly SPMO Portfolio Management Support Activities Status Reports	TBD
A.25.	Weekly Program Status Reports	TBD
A.25.	Monthly Program Status Reports	TBD
A.26.a.	Project Charter Deliverable Review Document	TBD
A.26.a.	Initial Project Assessment	TBD
A.26.b.	Project Management Plan	TBD
A.26.d.	Weekly Project Status Reports	TBD
A.26.d.	Monthly Project Status Reports	TBD
A.26.e.	Program/Project Close-Out Plan	TBD
A.26.e.	Program Close-Out Report(s)	TBD
A.26.e.	Project Close-Out Report(s)	TBD
A.26.e.	Lessons Learned Report	TBD
A.27.	Project and Systems Development Lifecycle Management Phase Gate Exit Evaluation	TBD
<b>Medicaid Modernization Program (MMP) Projects</b>		
A.30.	Eligibility Modernization	TBD
A.31.	Medicaid Modernization	TBD
A.32.	Health Information Exchange	TBD
A.33.	Analytics Enhancements Modernization	TBD
A.34.	Security Enhancements	TBD



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*Pro Forma Contract ATTACHMENT 8*

**TECHNICAL ADVISORY SERVICE EXECUTED CONTRACT**

**The Technical Advisory Services pro forma contract with KPMG and any amendments as amended can be located at the following website link:**

<http://tn.gov/assets/entities/tenncare/attachments/KPMG.pdf>



## **DELIVERABLES BY RATES AND PROJECT STAFFING**



RFQ 32101-15106 Cost Proposal Totals	Framework Deliverable
	Table 1
	A.12 SPMO Management Plan
Engagement Manager, Strategic Program Management Office	40
Program Manager	40
Deputy Program Manager	40
Project Manager	40
Demand Manager/Resource Manager	40
Program Process Analyst(s) - Service Improvement	40
Risk Manager	40
Program Scheduler	20
Program Controller	20
PMO Analyst	20
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>340</b>
<b>Total Amount per Table</b>	<b>\$ 63,560.00</b>

<b>Framework Deliverables Total</b>	\$ 258,930.00
<b>Startup Activities Total</b>	\$ 1,708,125.00
<b>MMP Projects Total</b>	\$ 15,460,837.00

Total \$ 17,427,892.00



RFQ 32101-15106 Cost Proposal Totals	Framework Deliverable
	Table 2
	A. 13 Portfolio Management Plan
Engagement Manager, Strategic Program Management Office	40
Program Manager	40
Deputy Program Manager	40
Project Manager	40
Demand Manager/Resource Manager	40
Program Process Analyst(s) - Service Improvement	40
Risk Manager	40
Program Scheduler	20
Program Controller	20
PMO Analyst	20
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>340</b>
<b>Total Amount per Table</b>	<b>\$ 63,560.00</b>

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	Framework Deliverable
	Table 3
	A.14 MMP Management Plan
Engagement Manager, Strategic Program Management Office	40
Program Manager	80
Deputy Program Manager	80
Project Manager	40
Demand Manager/Resource Manager	40
Program Process Analyst(s) - Service Improvement	40
Risk Manager	40
Program Scheduler	20
Program Controller	20
PMO Analyst	80
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>480</b>
<b>Total Amount per Table</b>	<b>\$ 88,700.00</b>

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	Framework Deliverable
	Table 4
	A.15 Template Project Management Plan for Individual Projects
Engagement Manager, Strategic Program Management Office	20
Program Manager	40
Deputy Program Manager	10
Project Manager	40
Demand Manager/Resource Manager	0
Program Process Analyst(s) - Service Improvement	0
Risk Manager	20
Program Scheduler	20
Program Controller	20
PMO Analyst	70
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>240</b>
<b>Total Amount per Table</b>	<b>\$ 43,110.00</b>

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals		Start Up Activities
		Table 5
		A.17 Finalized SPMO Startup Plan
Engagement Manager, Strategic Program Management Office		30
Program Manager		30
Deputy Program Manager		10
Project Manager		30
Demand Manager/Resource Manager		30
Program Process Analyst(s) - Service Improvement		30
Risk Manager		30
Program Scheduler		0
Program Controller		20
PMO Analyst		60
Project Manager Pool		0
<b>Total Hours per Table</b>		270
<b>Total Amount per Table</b>		\$ 48,630.00

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals		Start Up Activities
		Table 6
		A. 18 Finalized MMP IMS
Engagement Manager, Strategic Program Management Office		30
Program Manager		30
Deputy Program Manager		10
Project Manager		30
Demand Manager/Resource Manager		30
Program Process Analyst(s) - Service Improvement		30
Risk Manager		30
Program Scheduler		0
Program Controller		20
PMO Analyst		60
Project Manager Pool		0
<b>Total Hours per Table</b>		270
<b>Total Amount per Table</b>		\$ 48,630.00

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	Start Up Activities
	Table 7
	A.19 Project and Systems Development Lifecycle Design Project Schedule (with inclusion in the Program IMS)
Engagement Manager, Strategic Program Management Office	20
Program Manager	80
Deputy Program Manager	80
Project Manager	80
Demand Manager/Resource Manager	110
Program Process Analyst(s) - Service Improvement	20
Risk Manager	20
Program Scheduler	200
Program Controller	40
PMO Analyst	0
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>650</b>
<b>Total Amount per Table</b>	<b>\$ 117,540.00</b>

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	Start Up Activities
	Table 8
	A. 19 Weekly and Monthly Project and Systems Development Lifecycle Design Status Reporting
Engagement Manager, Strategic Program Management Office	150
Program Manager	150
Deputy Program Manager	100
Project Manager	100
Demand Manager/Resource Manager	150
Program Process Analyst(s) - Service Improvement	0
Risk Manager	150
Program Scheduler	100
Program Controller	100
PMO Analyst	150
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>1150</b>
<b>Total Amount per Table</b>	<b>\$ 214,350.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	Start Up Activities
	Table 9
	A.20 Business and IT Capability Assessment/Future State Roadmap Capability Development, Deployment and Operational Support Project Schedule (with Inclusion in the Program IMS)
Engagement Manager, Strategic Program Management Office	80
Program Manager	100
Deputy Program Manager	100
Project Manager	100
Demand Manager/Resource Manager	200
Program Process Analyst(s) - Service Improvement	100
Risk Manager	150
Program Scheduler	250
Program Controller	150
PMO Analyst	100
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>1330</b>
<b>Total Amount per Table</b>	<b>\$ 236,690.00</b>

Framework Deliverables Total
Startup Activities Total
MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	Start Up Activities
	Table 10
	A. 20 Weekly and Monthly business and IT Capability Assessment/Future State Roadmap Capability Development, Deployment and Operational Support Status Reporting
Engagement Manager, Strategic Program Management Office	150
Program Manager	150
Deputy Program Manager	100
Project Manager	150
Demand Manager/Resource Manager	150
Program Process Analyst(s) - Service Improvement	0
Risk Manager	150
Program Scheduler	100
Program Controller	100
PMO Analyst	150
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>1200</b>
<b>Total Amount per Table</b>	<b>\$ 223,850.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	Start Up Activities
	Table 11
	A. 21 MESMA Project Schedule (with Inclusion in the Program IMS)
Engagement Manager, Strategic Program Management Office	80
Program Manager	100
Deputy Program Manager	100
Project Manager	150
Demand Manager/Resource Manager	120
Program Process Analyst(s) - Service Improvement	40
Risk Manager	80
Program Scheduler	235
Program Controller	100
PMO Analyst	200
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>1205</b>
<b>Total Amount per Table</b>	<b>\$ 213,515.00</b>

Framework Deliverables Total
Startup Activities Total
MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals		Start Up Activities
		Table 12
		A. 21 Weekly and Monthly MESMA Status Reporting
Engagement Manager, Strategic Program Management Office		150
Program Manager		150
Deputy Program Manager		100
Project Manager		150
Demand Manager/Resource Manager		150
Program Process Analyst(s) - Service Improvement		0
Risk Manager		150
Program Scheduler		100
Program Controller		100
PMO Analyst		150
Project Manager Pool		0
<b>Total Hours per Table</b>		1200
<b>Total Amount per Table</b>		\$ 223,850.00

<b>Framework Deliverables Total</b>
Startup Activities Total
MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	Start Up Activities
	Table 13
	A. 22 HCFA Organizational Change Capacity Assessment Project Schedule (with Inclusion in the Program IMS)
Engagement Manager, Strategic Program Management Office	20
Program Manager	125
Deputy Program Manager	125
Project Manager	100
Demand Manager/Resource Manager	100
Program Process Analyst(s) - Service Improvement	20
Risk Manager	20
Program Scheduler	200
Program Controller	100
PMO Analyst	0
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>810</b>
<b>Total Amount per Table</b>	<b>\$ 148,770.00</b>

Framework Deliverables Total
Startup Activities Total
MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	Start Up Activities
	Table 14
	A. 22 Weekly and Monthly HCFA Organizational Change Capacity Assessment Status Reporting
Engagement Manager, Strategic Program Management Office	150
Program Manager	125
Deputy Program Manager	125
Project Manager	150
Demand Manager/Resource Manager	150
Program Process Analyst(s) - Service Improvement	0
Risk Manager	150
Program Scheduler	100
Program Controller	150
PMO Analyst	150
Project Manager Pool	0
<b>Total Hours per Table</b>	<b>1250</b>
<b>Total Amount per Table</b>	<b>\$ 232,300.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 15
	A. 30. a Tennessee Eligibility Determination System (TEDS)
Engagement Manager, Strategic Program Management Office	623
Program Manager	623
Deputy Program Manager	623
Project Manager	523
Demand Manager/Resource Manager	626
Program Process Analyst(s) - Service Improvement	753
Risk Manager	583
Program Scheduler	539
Program Controller	569
PMO Analyst	576
Project Manager Pool	4658
<b>Total Hours per Table</b>	<b>10696</b>
<b>Total Amount per Table</b>	<b>\$ 1,988,726.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 16
	A. 30. b Interim Eligibility Solution (IEM)
Engagement Manager, Strategic Program Management Office	623
Program Manager	623
Deputy Program Manager	623
Project Manager	523
Demand Manager/Resource Manager	576
Program Process Analyst(s) - Service Improvement	753
Risk Manager	583
Program Scheduler	539
Program Controller	569
PMO Analyst	576
Project Manager Pool	3639
<b>Total Hours per Table</b>	<b>9627</b>
<b>Total Amount per Table</b>	<b>\$ 1,786,316.00</b>

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 17
	A. 30. c Account Transfer Process (ATP) Enhancements
Engagement Manager, Strategic Program Management Office	623
Program Manager	623
Deputy Program Manager	623
Project Manager	523
Demand Manager/Resource Manager	576
Program Process Analyst(s) - Service Improvement	753
Risk Manager	583
Program Scheduler	539
Program Controller	569
PMO Analyst	576
Project Manager Pool	4708
<b>Total Hours per Table</b>	<b>10696</b>
<b>Total Amount per Table</b>	<b>\$ 1,989,426.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 18
	A. 31. a Medication Management Information System (MMIS) Modernization
Engagement Manager, Strategic Program Management Office	623
Program Manager	623
Deputy Program Manager	509
Project Manager	523
Demand Manager/Resource Manager	576
Program Process Analyst(s) - Service Improvement	753
Risk Manager	583
Program Scheduler	539
Program Controller	569
PMO Analyst	576
Project Manager Pool	5778
<b>Total Hours per Table</b>	<b>11652</b>
<b>Total Amount per Table</b>	<b>\$ 2,169,926.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 19
	A. 31. b MMIS Procurement for Operations and Maintenance Takeover
Engagement Manager, Strategic Program Management Office	623
Program Manager	566
Deputy Program Manager	566
Project Manager	523
Demand Manager/Resource Manager	576
Program Process Analyst(s) - Service Improvement	753
Risk Manager	583
Program Scheduler	569
Program Controller	569
PMO Analyst	576
Project Manager Pool	2574
<b>Total Hours per Table</b>	<b>8478</b>
<b>Total Amount per Table</b>	<b>\$ 1,565,078.00</b>

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 20
	A. 31. c MMIS Takeover
Engagement Manager, Strategic Program Management Office	254
Program Manager	254
Deputy Program Manager	311
Project Manager	425
Demand Manager/Resource Manager	341
Program Process Analyst(s) - Service Improvement	341
Risk Manager	341
Program Scheduler	284
Program Controller	455
PMO Analyst	405
Project Manager Pool	3003
<b>Total Hours per Table</b>	<b>6414</b>
<b>Total Amount per Table</b>	<b>\$ 1,184,480.00</b>

**Framework Deliverables Total**

**Startup Activities Total**

**MMP Projects Total**

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 21
	A. 31. d TennCare Pre-Admission Evaluation System (TPAES) Replacement
Engagement Manager, Strategic Program Management Office	254
Program Manager	254
Deputy Program Manager	311
Project Manager	311
Demand Manager/Resource Manager	341
Program Process Analyst(s) - Service Improvement	341
Risk Manager	341
Program Scheduler	341
Program Controller	455
PMO Analyst	321
Project Manager Pool	2665
<b>Total Hours per Table</b>	<b>5935</b>
<b>Total Amount per Table</b>	<b>\$ 1,095,537.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 22
	A. 31. e Appeals Systems Modernization
Engagement Manager, Strategic Program Management Office	509
Program Manager	400
Deputy Program Manager	400
Project Manager	355
Demand Manager/Resource Manager	398
Program Process Analyst(s) - Service Improvement	228
Risk Manager	398
Program Scheduler	350
Program Controller	455
PMO Analyst	410
Project Manager Pool	2240
<b>Total Hours per Table</b>	<b>6143</b>
<b>Total Amount per Table</b>	<b>\$ 1,149,344.00</b>

**Framework Deliverables Total**

**Startup Activities Total**

**MMP Projects Total**

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 23
	A. 32 Health Information Exchange
Engagement Manager, Strategic Program Management Office	254
Program Manager	254
Deputy Program Manager	311
Project Manager	311
Demand Manager/Resource Manager	228
Program Process Analyst(s) - Service Improvement	341
Risk Manager	341
Program Scheduler	341
Program Controller	341
PMO Analyst	400
Project Manager Pool	3656
<b>Total Hours per Table</b>	<b>6778</b>
<b>Total Amount per Table</b>	<b>\$ 1,255,172.00</b>

<b>Framework Deliverables Total</b>
<b>Startup Activities Total</b>
<b>MMP Projects Total</b>

Total



RFQ 32101-15106 Cost Proposal Totals	MMP Projects
	Table 24
	A. 33 Analytics Enhancements Modernization
Engagement Manager, Strategic Program Management Office	254
Program Manager	254
Deputy Program Manager	311
Project Manager	439
Demand Manager/Resource Manager	228
Program Process Analyst(s) - Service Improvement	341
Risk Manager	341
Program Scheduler	341
Program Controller	341
PMO Analyst	400
Project Manager Pool	3642
<b>Total Hours per Table</b>	<b>6892</b>
<b>Total Amount per Table</b>	<b>\$ 1,276,832.00</b>

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



## RFQ 32101-15106 Cost Proposal Totals

	Total Hours per Position
Engagement Manager, Strategic Program Management Office	5640
Program Manager	5714
Deputy Program Manager	5608
Project Manager	5656
Demand Manager/Resource Manager	5776
Program Process Analyst(s) - Service Improvement	5717
Risk Manager	5747
Program Scheduler	5747
Program Controller	5852
PMO Analyst	6026
Project Manager Pool	36563
<b>Total Hours per Table</b>	
<b>Total Amount per Table</b>	

Framework Deliverables Total

Startup Activities Total

MMP Projects Total

Total



## RFQ 32101-15106 Cost Proposal Totals

	Total Amount per Position
<b>Engagement Manager, Strategic Program Management Office</b>	\$ 1,342,320.00
<b>Program Manager</b>	\$ 1,222,796.00
<b>Deputy Program Manager</b>	\$ 1,121,600.00
<b>Project Manager</b>	\$ 1,074,640.00
<b>Demand Manager/Resource Manager</b>	\$ 1,016,576.00
<b>Program Process Analyst(s) - Service Improvement</b>	\$ 897,569.00
<b>Risk Manager</b>	\$ 1,011,472.00
<b>Program Scheduler</b>	\$ 902,279.00
<b>Program Controller</b>	\$ 1,029,952.00
<b>PMO Analyst</b>	\$ 861,718.00
<b>Project Manager Pool</b>	\$ 6,946,970.00
<b>Total Hours per Table</b>	
<b>Total Amount per Table</b>	

**Framework Deliverables Total**

**Startup Activities Total**

**MMP Projects Total**

Total



## RFQ 32101-15106 Cost Proposal Totals

	Hourly Rate
<b>Engagement Manager, Strategic Program Management Office</b>	\$ 238.00
<b>Program Manager</b>	\$ 214.00
<b>Deputy Program Manager</b>	\$ 200.00
<b>Project Manager</b>	\$ 190.00
<b>Demand Manager/Resource Manager</b>	\$ 176.00
<b>Program Process Analyst(s) - Service Improvement</b>	\$ 157.00
<b>Risk Manager</b>	\$ 176.00
<b>Program Scheduler</b>	\$ 157.00
<b>Program Controller</b>	\$ 176.00
<b>PMO Analyst</b>	\$ 143.00
<b>Project Manager Pool</b>	\$ 190.00
<b>Total Hours per Table</b>	
<b>Total Amount per Table</b>	

**Framework Deliverables Total**

**Startup Activities Total**

**MMP Projects Total**

Total