



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 31786-00111	<b>Edison ID</b> 28614	<b>Contract #</b> n/a	<b>Amendment #</b> 1
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<b>Contractor Legal Entity Name</b> POMCO, Inc	<b>Edison Vendor ID</b> 7888
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**Amendment Purpose & Effect(s)**  
 Extend contract term to include claims run-out period, add funding, remove Attachment D to remove reference to Eligibility information, revise the returned mail provision, and revise Contract clause specifying eligibility for program participants prior to 7/1/2015.

<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	<b>End Date:</b> June 30, 2018
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**TOTAL Contract Amount INCREASE or DECREASE per this Amendment** (zero if N/A):                    **\$ 1,650,000.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012			\$1,070,887.50		\$1,070,887.50
2013			\$2,141,775.00		\$2,141,775.00
2014			\$2,141,775.00		\$2,141,775.00
2015			\$2,141,775.00		\$2,141,775.00
2016			\$2,141,775.00		\$2,141,775.00
2017			\$2,720,887.50		\$2,720,887.50
<b>TOTAL:</b>			<b>\$12,358,875.00</b>		<b>\$12,358,875.00</b>

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

<p><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.</p> <p style="text-align: right;">Digitally signed by Felenceo Hill Date: 2015.11.19 13:38:47 -06'00'</p>	<p>CPO USE</p>
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<b>Speed Chart</b> (optional)	<b>Account Code</b> (optional) 78901000 <i>mm</i>
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## AMENDMENT ONE OF CONTRACT EDISON #28614

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, State Insurance Committee hereinafter referred to as the "State" and POMCO, 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 A.1.b is deleted in its entirety and replaced with the following:
  - b. The Contractor agrees to provide administrative services for the State's self-insured Medicare Supplement Plan for qualified former State of Tennessee employees, higher education employees, local education employees, local government employees, county judges and county officials who were hired prior to July 1, 2015 and are retired and receiving a monthly retirement allowance from the Tennessee Consolidated Retirement System (TCRS), or a higher education optional retirement plan, and who are enrolled in Medicare Part A and their eligible Medicare dependents (hereinafter referred to as "members") who elect to participate in the Plan, in accordance with the contract and its clarifications of this agreement (Collectively referred to as the "Contract").
2. Contract section A.3.n is deleted in its entirety and replaced with the following:
  - n. Unless otherwise directed by the State, the Contractor shall comply with the State's requirements regarding subrogation. The Contractor shall implement new or revised requirements received from the State within sixty (60) calendar days of receipt of the requirements from the State, unless otherwise directed by the State.
3. Contract section A.9.j is deleted in its entirety and replaced with the following:
  - j. The Contractor shall ensure that the U.S. Postal Service does not return any undeliverable mail to the State.
4. Contract section A.9.k is deleted in its entirety, and all subsequent subsections renumbered.
5. Contract section A.16.x is deleted in its entirety and replaced with the following:
  - x. Plan Document: The "Plan Document and Summary Plan Description for the Tennessee Plan (Medicare Supplemental Benefit Plan)", which is located on the State's website at <http://www.tn.gov/finance/article/fa-benefits-publications> and which govern coverage of services and eligibility under this plan.
6. Contract section B is deleted in its entirety and replaced with the following:

This Contract shall be effective on September 15, 2011 ("Effective Date") and extend for a period of eighty (80) months and 15 days after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.
7. The following is added as Contract section B.2.
  - B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to one (1) renewal option under the same terms and conditions for a period not to exceed eighteen (18) months each by the State, at the State's sole option.
8. 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 Twelve Million Three Hundred Fifty- Eight Thousand Eight Hundred



Seventy Five Dollars (\$12,358,875.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

8. Contract section C.3.f is deleted in its entirety and replaced with the following:

f. The State authorizes the Contractor to retain monies received through subrogation, on a per patient basis, of no more than five percent (5%) of the gross recoveries received, provided that the Contractor shall comply with the State's requirements regarding subrogation. However, if the Contractor subcontracts the subrogation function to a subcontractor that is not an organizational unit, affiliate, subsidiary, or parent company, then the Contractor may instead request reimbursement from the State for seventy-five percent (75%) of the subcontracted costs incurred for subrogation activities for the public sector plans. Such reimbursement shall be in lieu of rather than in addition to the five percent (5%) retention allowance described above.

9. The following is added as Contract section D.21.

D.21. 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.

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

E.2 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Sylvia D. Chunn, Procurement & Contracting Manager  
Tennessee Department of Finance & Administration  
Benefits Administration Division  
William R. Snodgrass Tennessee Tower  
312 Rosa L. Parks Avenue, Suite 1900  
Nashville, Tennessee 37243  
Telephone: 615.253.8358  
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[Sylvia.chunn@tn.gov](mailto:Sylvia.chunn@tn.gov)

The Contractor:

Robert W. Pomfrey, President and CEO



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with a copy to:  
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 2425 James Street  
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All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- 11. Contract Attachment C. #8 is deleted in its entirety, and all subsequent subsections renumbered.
- 12. Contract Attachment D is deleted in its entirety.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective January 1, 2016. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**POMCO, INC:**

  
 \_\_\_\_\_  
 SIGNATURE 10/28/15  
 DATE  
 Robert W. Pomfrey, President & CEO  
 \_\_\_\_\_  
 PRINTED NAME AND TITLE OF SIGNATORY (above)

**DEPARTMENT OF FINANCE AND ADMINISTRATION:  
 STATE INSURANCE COMMITTEE:**

  
 \_\_\_\_\_  
 LARRY B. MARTIN, COMMISSIONER 11/12/15  
 DATE