



STATE OF TENNESSEE
 DEPARTMENT OF FINANCE AND ADMINISTRATION
 DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION

AMENDMENT # 1

**REQUEST FOR PROPOSALS # 31865-00395
 FOR PROVISION OF COVERKIDS ELIGIBILITY**

DATE: April 29, 2015
 RFP # 31865-00395 IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME	DATE	UPDATED / CONFIRMED
1 State Issues RFP		April 1, 2015	Confirmed
2 Disability Accommodation Request Deadline	2:00 p.m.	April 7, 2015	Confirmed
3 Pre-response Conference	1:30 p.m.	April 10, 2015	Confirmed
4 Notice of Intent to Respond Deadline	2:00 p.m.	April 13, 2015	Confirmed
5 Written Questions & Comments Deadline	2:00 p.m.	April 16, 2015	Confirmed
6 State Responds to Written Questions and Comments		April 29, 2015	Confirmed
7 Response Deadline	12:00 p.m.	May 21, 2015	Updated
8 State Completion of Technical Response Evaluations		June 1, 2015	Updated
9 State Opening & Scoring of Cost Proposals	9:00 p.m.	June 2, 2015	Updated
10 State Notice of Intent to Award Released and RFP Files Opened for Public Inspection	1:30 p.m.	June 3, 2015	Updated
11 State Sends Contract to Contractor for Signature		June 11, 2015	Updated
12 Contractor Signature Deadline	2:00 p.m.	June 12, 2015	Updated
13 Contract Start Date		July 1, 2015	

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
<p>1 Are there any avenues for CHIP applications other than through the FFM? If yes, what are they? How does the Contractor interface with these avenues?</p>	<p>No.</p> <p>The applicant can only apply through the FFM for CoverKids coverage. A pregnant woman can apply directly to CoverKids for HealthyTNBabies coverage via paper application.</p> <p>The Contractor shall accept paper and online application from pregnant women applying for HealthyTNBabies coverage.</p>
<p>2 How is the Contractor provided with data for CHIP applications submitted other than through the FFM?</p>	<p>Please refer to Item #3 and item #4 of this amendment.</p>
<p>3 Should vendors include postage costs in their price or will they be billed separately as a pass-through?</p>	<p>Postage can be billed as a pass-through. Please refer to Item #11 of this amendment.</p>
<p>4 Who completes the 12 month reviews of eligibility determination?</p>	<p>Please refer to Item #4 of this amendment.</p>
<p>5 Does the Contractor have any responsibilities for the 12 month reviews?</p>	<p>Please refer to Item #4 of this amendment.</p>
<p>6 Does the Contractor have responsibility for processing mailed applications?</p>	<p>Yes, a pregnant woman can apply directly to CoverKids for HealthyTNBabies coverage via paper application. Please refer to Item #4 of this amendment.</p> <p>The Contractor is not required to process any paper CoverKids applications for applicants applying for CoverKids coverage.</p>
<p>7 What avenues are available for applicants to apply other than the FFM? Can applicants apply over the phone, via paper app, etc.?</p>	<p>The applicant can only apply through the FFM for CoverKids Children coverage. A pregnant woman can apply directly to CoverKids for HealthyTNBabies coverage via paper application.</p> <p>Applicants cannot apply for CoverKids and/or HealthyTNBabies coverage over the telephone.</p>
<p>8 How many applications and reviews are completed per month?</p>	<p>There were 1,737 paper and online applications received for the month of March, 2015.</p>
<p>9 How many paper applications are completed per month?</p>	<p>There were 850 paper received for the month of March, 2015.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>10 How many health plans provide services to CoverKids participants?</p>	<p>There is only one health plan administrator for the CoverKids program. The health plan administrator is BlueCross BlueShield of Tennessee.</p>
<p>11 RFP Section 4.8.1 Disclosure of Response Contents; p 21</p> <p>May bidders also provide a redacted copy of their technical proposals, provided that a complete copy is provided to the State? This will allow bidders to provide more competitive proposals without the concern of releasing confidential information to competitors.</p>	<p>No. The State is not requesting confidential information and all information submitted with the proposals will be released.</p>
<p>12 RFP Section 3.3.3 Response & Respondent Prohibitions; p 23</p> <p>May vendors propose alternate solutions that will leverage existing infrastructure, resources, and personnel in order to provide the State with a more competitive proposal?</p>	<p>A response must not propose alternative goods or services (i.e., offer services different from those requested and required by this RFP) unless expressly requested in this RFP.</p>
<p>13 RFP Section 3.3.3 Response & Respondent Prohibitions; p 23</p> <p>If bidders have existing contracts in the State of Tennessee, may bidders propose leveraging existing staff in order to provide the State with a more cost-competitive proposal?</p>	<p>Pro Forma contract sections A.15 and A. 41 refer to specific staffing requirements for this contract.</p> <p>In the instance where a bidder may have other contracts <u>WITH</u> the State of Tennessee, HCFA would consider allowing the use of a Privacy Officer (contract section A.41.d) that is also in use in conjunction with another HCFA contract. The bidder must specify in the proposal how this shared arrangement would be able to adequately meet the requirements of this contract while also being utilized by another HCFA contract.</p> <p>All other staffing listed in the Pro Forma contract should be dedicated full time to the CoverKids program.</p>
<p>14 RFP Section B.13 General Qualifications and Experience; p 20</p> <p>Must bidders provide resumes for all key positions? Would the State accept detailed job descriptions in the event the vendor is not able to identify named staff for each position?</p>	<p>The requirement is for provision of resumes for all key positions. Section B., General Qualifications will be evaluated based on what is submitted by the respondent.</p>
<p>15 <i>Pro Forma</i> Contract Section A.3 CoverKids and HealthyTNBabies Enrollment Information; p 34</p> <p>What is an Intake Staging Folder? Who owns the Intake Staging Folder (e.g., the State or the Contractor)? What files are uploaded to the Intake Staging Folder? Does the contractor take action on the files before or after they</p>	<p>Please refer to Item #3 and Item #7 of this amendment. All references to “staging folder” have been deleted.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>have been uploaded to the Intake Staging Folder? If so, what actions does the contractor take?</p>	
<p>16 <i>Pro Forma</i> Contract Section A.5 CoverKids and HealthyTNBabies Enrollment Information; p 35</p> <p>How is the Contractor provided with data for non-FFM accounts?</p>	<p>There are no non-FFM accounts for the CoverKids members unless the HealthyTNBabies mom's newborn is eligible to continue coverage with CoverKids. Please refer to RFP Attachment 6.6, Section A.14.g.</p> <p>Please refer to Item #4 of this amendment.</p>
<p>17 <i>Pro Forma</i> Contract Section A.9.b CoverKids Program Activities; p 35</p> <p>Please confirm case maintenance activities for this Project does not relate to premium collection activities.</p>	<p>Confirmed. CoverKids members do not pay any premiums.</p>
<p>18 <i>Pro Forma</i> Contract Section A.10 CoverKids Program Activities; p 35</p> <p>Please define what an "overlap in eligibility" is.</p>	<p>A CoverKids enrollee cannot be enrolled in another health insurance plan. This is considered an overlap in eligibility. The Contractor must cancel the CoverKids enrollee's coverage once you identify overlap in eligibility.</p>
<p>19 <i>Pro Forma</i> Contract Section A.10 CoverKids Program Activities; p 35</p> <p>We understand that the Contractor will receive one data source of CoverKids applicants through the FFM. What data sources will we receive to compare this data against?</p>	<p>The applicants approved CoverKids coverage at the FFM level has completed the various verifications through the HUB. No additional verifications/comparisons are necessary upon receipt of the eligibility data.</p>
<p>20 <i>Pro Forma</i> Contract Section A.10 CoverKids Program Activities; p 35</p> <p>In order to detect overlaps in eligibility and process the appropriate disenrollments, the Contractor will need access to an alternate data source. Can this data source be provided in the form of a regular file?</p>	<p>Please refer to Item #5 of this amendment. The electronic interface is the current 270/271 format.</p>
<p>21 <i>Pro Forma</i> Contract Section A.11 CoverKids Program Activities; p 35</p> <p>As long as the Contractor provides direct access to the system in real-time for the State, must the system be web-based?</p>	<p>No.</p>
<p>22 <i>Pro Forma</i> Contract Section A.11 CoverKids Program Activities; p 35</p> <p>How many State users need to have access to the Contractor's system?</p>	<p>The State will have four (4) users requiring access to the Contractor's system.</p>
<p>23 <i>Pro Forma</i> Contract Section A.11 CoverKids</p>	<p>The Contractor shall have their own algorithm to calculate household income and size to obtain the</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Program Activities; p 35</p> <p>What is the software used for calculating budgets? In what scenarios is it used?</p>	<p>family's Federal Poverty Level (FPL).</p> <p>The Contractor shall calculate the household income and size to obtain the new FPL when the family provides updated income etc.</p>
<p>24 <i>Pro Forma</i> Contract Section A.12 CoverKids Eligibility; p 36</p> <p>It is our understanding that the eligibility determination is made at the FFM level. Please clarify when the eligibility determination is made and by whom.</p>	<p>FFM referrals are determined at the FFM level. The inconsistency files are determined at the state level.</p> <p>The Contractor shall also ensure the enrollee is eligible to continue coverage in the CoverKids program. Once a member is enrolled in the Medicaid program, the enrollee's CoverKids coverage will cancel.</p> <p>Please refer to Item #4 of this amendment.</p>
<p>25 <i>Pro Forma</i> Contract Section A.12 CoverKids Eligibility; p 36</p> <p>Please clarify what the Contractor's role is for eligibility determination (e.g., redetermination, verification of eligibility determination, etc.).</p>	<p>The Contractor shall ensure the enrollee is eligible to continue coverage in the CoverKids program. Once a member is enrolled in the Medicaid program, the enrollees CoverKids coverage will cancel.</p> <p>Please refer to Item #4 of this amendment.</p>
<p>26 <i>Pro Forma</i> Contract Section A.14.a CoverKids Eligibility; p 36</p> <p>Please elaborate on the Contractor's responsibilities for eligibility. Does the Contractor have responsibilities for determining program eligibility? If so, under what conditions?</p>	<p>The Contractor will process the FFM and inconsistency files to enroll enrollees into the CoverKids program.</p> <p>Please refer to Item #4 of this amendment.</p>
<p>27 <i>Pro Forma</i> Contract Section A.14.a CoverKids Eligibility; p 36</p> <p>Is eligibility determined through the FFM and therefore outside of the Contractor's responsibilities? Or, is the contractor responsible for determining eligibility through the data provided?</p>	<p>The eligibility from the FFM has completed the verification process to make an eligibility determination. Members will contact the Eligibility Contractor with income changes and the Eligibility Contractor will make an eligibility determination.</p> <p>Please refer to Item #4 of this amendment.</p>
<p>28 <i>Pro Forma</i> Contract Section A.14.a CoverKids Eligibility; p 36</p> <p>Is the Contractor responsible for income verification?</p>	<p>Contract Section A.14.f is modified. Please refer to Item #13 of this amendment.</p>
<p>29 <i>Pro Forma</i> Contract Section A.14.b CoverKids Eligibility; p 36</p> <p>What system does the data need to be entered into?</p>	<p>The contractor will create an eligibility system to store the converted eligibility data from the current Eligibility Contractor and enter the new eligibility from the FFM files, the HealthyTNBabies application process and renewals.</p> <p>Please refer to Item #4 of this amendment.</p>

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<p>30 <i>Pro Forma</i> Contract Section A.14.b CoverKids Eligibility; p 36</p> <p>When the Contractor enters data into the eligibility system, is it via manual data entry or via file transfer?</p>	<p>Refer to pro forma contract section A.14.a and A.14.b and Item # 4 of this amendment.</p>																												
<p>31 <i>Pro Forma</i> Contract Section A.15 Customer Service Call Center; p 37</p> <p>Please provide quantities and descriptions of items mailed, by month, for the last year.</p>	<p>On a regular basis, the Contractor will mail the enrollee approval, cancellation, Missing Information letter and notifications to apply for Medicaid coverage through the FFM.</p> <p>In the event the state needs to send correspondence to the entire CoverKids population then the Contractor will mail all notices to the members.</p> <p>In Calendar Year 2014, CoverKids mailed 148,694 notices to applicants and/or members. See chart below.</p> <table border="1" data-bbox="880 783 1360 1341"> <thead> <tr> <th>Month</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2014</td> <td>27,957</td> </tr> <tr> <td>February 2014</td> <td>13,818</td> </tr> <tr> <td>March 2014</td> <td>10,162</td> </tr> <tr> <td>April 2014</td> <td>8,256</td> </tr> <tr> <td>May 2014</td> <td>10,565</td> </tr> <tr> <td>June 2014</td> <td>5,992</td> </tr> <tr> <td>July 2014</td> <td>11,307</td> </tr> <tr> <td>August 2014</td> <td>14,852</td> </tr> <tr> <td>September 2014</td> <td>15,096</td> </tr> <tr> <td>October 2014</td> <td>8,490</td> </tr> <tr> <td>November 2014</td> <td>12,194</td> </tr> <tr> <td>December 2014</td> <td>10,005</td> </tr> <tr> <td>Totals</td> <td>148,694</td> </tr> </tbody> </table> <p>In Calendar Year 2013, CoverKids mailed 473,459 notices to applicants and/or members.</p>	Month	Total	January 2014	27,957	February 2014	13,818	March 2014	10,162	April 2014	8,256	May 2014	10,565	June 2014	5,992	July 2014	11,307	August 2014	14,852	September 2014	15,096	October 2014	8,490	November 2014	12,194	December 2014	10,005	Totals	148,694
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<p>32 <i>Pro Forma</i> Contract Section A.15 Customer Service Call Center; p 37</p> <p>Is the Contractor required to print any materials, or will materials be provided to the Contractor. If the Contractor is required to print materials, please provide types, descriptions, and volumes expected for printing.</p>	<p>The enrollee may request a copy of their CoverKids application. The Contractor shall mail applications and renewal forms to the member. Please refer to Contract Section A.14.a and Item #4 of this amendment.</p> <p>The volume of printed documents is not available.</p>																												
<p>33 <i>Pro Forma</i> Contract Section A.15 Customer Service Call Center; p 37</p> <p>What types of documents are received?</p>	<p>Paper application, pay stubs, citizenship documents, custody documents, release of information, etc.</p>																												

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34 <i>Pro Forma</i> Contract Section A.15 Customer Service Call Center; p 37 Please provide inbound mail volumes.	For the month of March 2015, the mail volume was 850.																																																								
35 <i>Pro Forma</i> Contract Section A.16 Customer Service Call Center; p 37 Please provide the average number of calls per month, by month, for the last year.	<table border="1"> <thead> <tr> <th data-bbox="821 327 993 394">Month</th> <th data-bbox="1000 327 1123 394">Calls Offered</th> <th data-bbox="1130 327 1253 394">Calls Handled</th> <th data-bbox="1260 327 1432 394">Calls Abandoned</th> </tr> </thead> <tbody> <tr> <td data-bbox="821 403 993 470">January 2014</td> <td data-bbox="1000 403 1123 470">8537</td> <td data-bbox="1130 403 1253 470">8406</td> <td data-bbox="1260 403 1432 470">131</td> </tr> <tr> <td data-bbox="821 478 993 546">February 2014</td> <td data-bbox="1000 478 1123 546">7292</td> <td data-bbox="1130 478 1253 546">7188</td> <td data-bbox="1260 478 1432 546">104</td> </tr> <tr> <td data-bbox="821 554 993 579">March 2014</td> <td data-bbox="1000 554 1123 579">7562</td> <td data-bbox="1130 554 1253 579">7478</td> <td data-bbox="1260 554 1432 579">84</td> </tr> <tr> <td data-bbox="821 588 993 613">April 2014</td> <td data-bbox="1000 588 1123 613">6490</td> <td data-bbox="1130 588 1253 613">6424</td> <td data-bbox="1260 588 1432 613">66</td> </tr> <tr> <td data-bbox="821 621 993 646">May 2014</td> <td data-bbox="1000 621 1123 646">5659</td> <td data-bbox="1130 621 1253 646">5618</td> <td data-bbox="1260 621 1432 646">41</td> </tr> <tr> <td data-bbox="821 655 993 680">June 2014</td> <td data-bbox="1000 655 1123 680">5345</td> <td data-bbox="1130 655 1253 680">5305</td> <td data-bbox="1260 655 1432 680">40</td> </tr> <tr> <td data-bbox="821 688 993 714">July 2014</td> <td data-bbox="1000 688 1123 714">5483</td> <td data-bbox="1130 688 1253 714">5434</td> <td data-bbox="1260 688 1432 714">49</td> </tr> <tr> <td data-bbox="821 722 993 789">August 2014</td> <td data-bbox="1000 722 1123 789">6494</td> <td data-bbox="1130 722 1253 789">6405</td> <td data-bbox="1260 722 1432 789">89</td> </tr> <tr> <td data-bbox="821 798 993 865">September 2014</td> <td data-bbox="1000 798 1123 865">6461</td> <td data-bbox="1130 798 1253 865">6326</td> <td data-bbox="1260 798 1432 865">135</td> </tr> <tr> <td data-bbox="821 873 993 940">October 2014</td> <td data-bbox="1000 873 1123 940">6071</td> <td data-bbox="1130 873 1253 940">6008</td> <td data-bbox="1260 873 1432 940">63</td> </tr> <tr> <td data-bbox="821 949 993 1016">November 2014</td> <td data-bbox="1000 949 1123 1016">5121</td> <td data-bbox="1130 949 1253 1016">5081</td> <td data-bbox="1260 949 1432 1016">40</td> </tr> <tr> <td data-bbox="821 1024 993 1092">December 2014</td> <td data-bbox="1000 1024 1123 1092">6309</td> <td data-bbox="1130 1024 1253 1092">6226</td> <td data-bbox="1260 1024 1432 1092">83</td> </tr> <tr> <td data-bbox="821 1100 993 1167">Totals</td> <td data-bbox="1000 1100 1123 1167">76824</td> <td data-bbox="1130 1100 1253 1167">75899</td> <td data-bbox="1260 1100 1432 1167">925</td> </tr> </tbody> </table>	Month	Calls Offered	Calls Handled	Calls Abandoned	January 2014	8537	8406	131	February 2014	7292	7188	104	March 2014	7562	7478	84	April 2014	6490	6424	66	May 2014	5659	5618	41	June 2014	5345	5305	40	July 2014	5483	5434	49	August 2014	6494	6405	89	September 2014	6461	6326	135	October 2014	6071	6008	63	November 2014	5121	5081	40	December 2014	6309	6226	83	Totals	76824	75899	925
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36 <i>Pro Forma</i> Contract Section A.16 Customer Service Call Center; p 37 Please provide the average talk time for the last year.	The average talk time for the last 3 months was 3.975 minutes.																																																								
37 <i>Pro Forma</i> Contract Section A.17 Customer Service Call Center; p 37 What types of returned mail may be experienced?	The return mail will consist of: a. Acknowledgement letter b. Approval c. Missing information and/or termination letter d. Included Pregnant Woman letters																																																								
38 <i>Pro Forma</i> Contract Section A.17 Customer Service Call Center; p 37 What is the typical volume of returned mail on a monthly basis?	For the December 2014, there were 679 pieces of returned mail to the eligibility contractor.																																																								
39 <i>Pro Forma</i> Contract Section A.27 Customer Service Call Center; p 39 Please confirm position descriptions are a	RFP Attachment 6.2, Section C.9 requires the inclusion of draft job descriptions with the response.																																																								

QUESTION / COMMENT	STATE RESPONSE
<p>deliverable that will be completed by the selected vendor and are not required as part of the proposal submission.</p>	
<p>40 <i>Pro Forma</i> Contract Section A.30 Customer Service Call Center; p 39</p> <p>Please clarify what materials the Contractor is required to print.</p>	<p>Please refer to State's response to question #32.</p>
<p>41 <i>Pro Forma</i> Contract Section A.35 Quality Assurance Activities; p 40</p> <p>How many complaints/grievances does the Contractor process on a monthly basis?</p>	<p>For the month of January 2015, four (4) eligibility appeals were processed.</p>
<p>42 <i>Pro Forma</i> Contract Section A.35.d Quality Assurance Activities; p 40</p> <p>Item d. references an Eligibility Counselor, which is not identified as a named staff position in A.41. Is the Contractor expected to employ Eligibility Counselors?</p>	<p>RFP Attachment 6.6., Section A.35.d language has been modified. Please refer to item #6 of this amendment.</p>
<p>43 <i>Pro Forma</i> Contract Section A.41 Administrative Requirements; p 42</p> <p>In response to the expected volumes and scope of work, would the State please revisit the key personnel required in Section A.41 and confirm all positions are required.</p>	<p>Confirmed. All positions are required by the Contractor.</p>
<p>44 <i>Pro Forma</i> Contract Section A.41 Administrative Requirements; p 42</p> <p>Can the Contractor propose an alternative management structure, provided it will ensure appropriate oversight to all personnel and ensure adequate staffing to meet the scope of work?</p>	<p>No.</p>
<p>45 <i>Pro Forma</i> Contract Section A.41 Administrative Requirements; p 42</p> <p>Please provide a list of responsibilities for each position.</p>	<p>It is the responsibility of the contractor to determine the responsibilities of each position required to ensure satisfactory delivery of the scope of services contained in this contract.</p>
<p>46 <i>Pro Forma</i> Contract Section A.41 Administrative Requirements; p 42</p> <p>Must all positions be dedicated full time?</p>	<p>Refer to State's response to Question #13.</p>
<p>47 <i>Pro Forma</i> Contract Section A.41 Administrative Requirements; p 42</p> <p>How many call center staff does the State expect the Contractor to employ?</p>	<p>The Contractor must adequately staff the Call Center to ensure you meet the Performance Guarantees within the contract.</p>
<p>48 <i>Pro Forma</i> Contract Section A.41</p>	<p>This information is not available.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Administrative Requirements; p 42</p> <p>What is the current Contractor's staffing plan?</p>	
<p>49 <i>Pro Forma</i> Contract Section A.43 Administrative Requirements; p 43</p> <p>What types of incoming mail will the Contractor receive?</p>	<p>The current eligibility contractor receives pay stubs, citizenship documents, SSN card, etc.</p> <p>Also, refer to Item #4 of this amendment.</p>
<p>50 <i>Pro Forma</i> Contract Section A.43 Administrative Requirements; p 43</p> <p>Please provide volumes of each type of incoming mail by month for the last year.</p>	<p>For the month of March 2015, CoverKids received 850 applications which consist of supporting documentation. Volume of incoming mail outside of applications not available.</p>
<p>51 <i>Pro Forma</i> Contract Section A.43 Administrative Requirements; p 43</p> <p>Does the Contractor have responsibilities for scanning and imaging incoming mail? If so, into what system?</p>	<p>Yes. The Contractor must scan and image all incoming mail and attach to the applicant and/or member's account within the eligibility system. Contract Section modified. Please refer to Item #15 of this amendment.</p>
<p>52 <i>Pro Forma</i> Contract Section A.43 Administrative Requirements; p 43</p> <p>What is the average processing type for incoming mail by document type?</p>	<p>The average processing time to work an application is 10 minutes. The average processing time to work all other documents is 15-20 minutes depending on the documents and actions needed to make an eligibility determination.</p>
<p>53 <i>Pro Forma</i> Contract Section A.43 Administrative Requirements; p 43</p> <p>Please confirm incoming mail does not include premium collections.</p>	<p>Please refer to State's response to question #17.</p>
<p>54 <i>Pro Forma</i> Contract Section A.44 Administrative Requirements; p 43</p> <p>Please confirm the Contractor is not responsible for providing office space for State staff.</p>	<p>The contractor will not need to provide office space for state staff. However, when the State visits the facility, you will need to provide space for staff.</p>
<p>55 <i>Pro Forma</i> Contract Section A.59 Deliverables; p 48</p> <p>Are there any costs to the Contractor associated with accessing SSA data?</p>	<p>No. The Eligibility Contractor will sign Memorandum of Understanding with the Department of Human Services to conduct the daily SSA data match.</p>
<p>56 <i>Pro Forma</i> Contract Section A.61 Deliverables; p 48</p> <p>When does the State expect TEDS will be operational?</p>	<p>This information is currently unavailable.</p>
<p>57 <i>Pro Forma</i> Contract Section A.61 Deliverables; p 48</p> <p>Will the Contractor be paid at the same rate</p>	<p>Yes</p>

QUESTION / COMMENT	STATE RESPONSE
during the run-out period?	
<p>58 <i>Pro Forma</i> Contract Section C.3 Payment Terms and Conditions; p 52</p> <p>Please reconcile the dates provided in Section C3 with the contract term provided in B1 and the cost proposal.</p>	<p>RFP Attachment 6.6, Section C.3 has been modified. Please refer to Item #11 of this amendment.</p>
<p>59 RFP Section 1.1; p 1</p> <p>This section references the “Contractor’s eligibility process” and “eligibility database.” What part of eligibility processing does the State require of the contractor if the FFM is determining eligibility including citizenship and income?</p>	<p>Please refer to Item #4 of this amendment.</p>
<p>60 RFP Section B.17; p 21</p> <p>Please clarify what is meant by a “completed” project.</p> <p>Does this apply to completion of one contract period even though the contract was successfully renewed through a subsequent procurement?</p> <p>Does this apply to completion of the base of a contract even though the contract continues through option year?</p>	<p>Yes to both. Also applies to contract that the term has ended entirely.</p>
<p>61 RFP Attachment 6.2, C.6 & A.14; pp 23-24 & p 36</p> <p>RFP Section Attachment 6.2, C.6, pages 23-24 asks for a narrative description of how the Contractor will manage “the application process.” Yet, the Model Contract Section A.14. states: “The Contractor will be responsible for all eligibility for the CoverKids program related to applicants approved through the Federally Facilitated Marketplace.”</p> <p>Please confirm the initial application responsibilities of the Contractor for these applications as it appears they have already been completed and determined eligible upon receipt of the file.</p> <p>Please confirm all files received through the SFTP process are approved for data processing and plan enrollment unless changes are reported or the file is incomplete.</p> <p>Please confirm that FFM referrals are the only application types included in the scope of work for this RFP.</p>	<p>Please refer to Item #4 of this amendment.</p> <p>Confirmed</p> <p>Please refer to Item #4 of this amendment.</p>

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<p>62 RFP Attachment 6.2, C.6 & A.14 Pre-Response Conference; pp 23-24 & p 36</p> <p>Per discussion presented at the pre-response conference, please confirm that all changes reported that may require new eligibility calculation (such as possible new Medicaid eligibility due to an income drop or new household members) will be referred to a State eligibility worker after documenting the change in the contractor system.</p> <p>If documentation is required, should this documentation be collected prior to referral to the State?</p> <p>Please confirm that due to the guarantee period, we will not request documentation for reported increases in income during the enrollment period.</p>	<p>Please refer to Item #4 of this amendment.</p> <p>If the member is unsure of the new gross income, the Contractor shall request the member to submit copies of paystubs for further review. If the Contractor needs copies of the member's paystubs you will request these documents from the member to ensure accuracy of the household income. The majority of the time the member will provide you with the gross income.</p>
<p>63 RFP Section C.8; p 24</p> <p>Other than recording the appeal and passing on to the state, does the vendor have any other responsibilities for eligibility appeals.</p>	<p>Refer to Pro Forma contract section A.35</p>
<p>64 <i>Pro Forma</i> Contract Section A.3; p 34</p> <p>Please confirm that there will not be new file formats for the FFM file extract.</p>	<p>The State is not in a position to confirm the FFM file extract will not change. The FFM file extract format is determined by CMS</p>
<p>65 <i>Pro Forma</i> Contract Section A.3.c; p 34</p> <p>What is the process to be followed once we receive an FFM referral that is a partial record?</p>	<p>The Eligibility contractor will contact the applicant to obtain the missing information. Upon receipt of the missing information, the Eligibility contractor will enter the data into the eligibility system to begin the eligibility process.</p>
<p>66 <i>Pro Forma</i> Contract Section A.3.e; p 34</p> <p>Is there a list of reasons for appropriate cancelations? Do any of the cancelations get treated differently than others? For example, with aging out, do we cancel prior to the enrollee turning 19 vs. moving out of TN, which might be immediate cancelation? Is it the vendors responsibility to submit the cancelation or should cancelations be referred or submitted through the FFM?</p>	<p>The Eligibility Contractor will enter the cancellation within the record. The cancellation will populate the denial letter with the appropriate denial reason. Cancellations will not be referred to the FFM. Below is a list of appropriate cancellations.</p> <ol style="list-style-type: none"> a. Aging off (end of month) b. Enrolled in other insurance (upon notification) c. Moved out of State of Tennessee (upon notification) d. Access to State insurance (upon notification) e. Parent request (upon notification) f. Enrollee dies (actual day)
<p>67 <i>Pro Forma</i> Contract Section A.4; p 35</p> <p>What is the FFM consistency file? This is the</p>	<p>Modified language. Please refer to Item # 3 of this amendment.</p>

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only reference to that term in the RFP.	
<p>68 <i>Pro Forma</i> Contract Section A.8; p 35</p> <p>Please define “assist HCFA in the eligibility administration of the CoverKids program.” Since eligibility is being determined by the FFM, what other duties associated with determining eligibility are meant here?</p>	<p>There will be instances where the State/HCFA will work closely with the contractor to determine eligibility on an account based on new information.</p> <p>Please refer to Item #4 of this amendment.</p>
<p>69 <i>Pro Forma</i> Contract Section A.10; p 35</p> <p>What is the frequency in which we need to detect overlaps (Medicaid and CHIP) in eligibility?</p>	<p>The overlap of Medicaid and CHIP coverage occurs quite frequently. Upon notification the Contractor will cancel the members CoverKids coverage.</p> <p>Please refer to Item #5 of this amendment.</p>
<p>70 <i>Pro Forma</i> Contract Section A.12; p 36</p> <p>Under what scenario would we be working with an 837 (claims) EDI format?</p>	<p>Upon the state’s request.</p>
<p>71 <i>Pro Forma</i> Contract Section A.14.e; p 36</p> <p>In regards to the statement “Changes in family circumstances will not terminate coverage within a 12 month eligibility period unless such change would result in the child being Medicaid eligible.” Does continuous eligibility apply in cases where it is brought to the contractor’s attention that an enrollee has private insurance elsewhere?</p>	<p>Upon notification an enrollee has other health insurance, the enrollee’s coverage will be cancelled. The enrollee cannot have other coverage while enrolled in the CoverKids Program</p>
<p>72 <i>Pro Forma</i> Contract Section A.14.f; p 36</p> <p>What is the process if we can’t resolve an incomplete FFM referral?</p>	<p>If the eligibility contractor is unable to obtain the missing information from the eligible enrollee then enrollee’s coverage will not be activated . Please refer to Item #13 of this amendment.</p>
<p>73 <i>Pro Forma</i> Contract Sections A.14.g & h; p 37</p> <p>Is presumptive eligibility screening for newborns done by the hospital/facility or by the contractor upon receipt of the form from the facility?</p> <p>Please confirm that the contractor does not process presumptive eligibility based on enrollee reports of birth.</p>	<p>The Contractor will conduct the presumptive eligibility screening for HealthyTNBabies moms at notification of delivery via the mom or facility. The contractor will complete the newborn PE form and submit eligibility data to the newborn PE database if newborn is eligible for TennCare Medicaid. Or the Contractor will enroll the newborn in the CoverKids program.</p> <p>The contractor will process PE for newborns based on notification of HTB mom delivery of newborn.</p> <p>The hospital will conduct presumptive eligibility screening on mothers applying for TennCare or CoverKids coverage.</p>
<p>74 <i>Pro Forma</i> Contract Sections A.17 & A.50; pp 37 & 47</p> <p>Is missing information/documentation limited to changes mid-year or will there be missing</p>	<p>There can be missing information from the FFM that requires the Contractor to obtain missing social security number etc.</p> <p>The Contractor shall not request citizenship/</p>

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<p>information/documentation required on pre-approved cases referred from the FFM that are approved, yet missing key information?</p> <p>What about citizenship/residency documentation for electronically unmatched applications? Do these come as pending the 90-day documentation period and include responsibility for receiving and processing this documentation? If this documentation exists will it be submitted to the vendor for intake and processing? Do we initiate auto disenrollment when not received?</p>	<p>residency from current members or applicants applying for HealthyTNBabies coverage. Any documentation obtained from the applicant and/or member will be scanned into their account.</p> <p>If HCFA obtains this information while working the inconsistency file, they normally do not forward the information to CoverKids unless there are paystubs.</p> <p>The Contractor shall disenroll an applicant and/or member during the HealthyTNBabies process or renewal process.</p> <p>Refer to Item #4 of this amendment.</p>
<p>75 <i>Pro Forma</i> Contract Section A.25; p 38</p> <p>This requirement indicates that call center representatives will process enrollments and dis-enrollments over the telephone. Please explain what is envisioned by “enrollments” over the phone.</p>	<p>The call center representative can receive/obtain missing information over the telephone to activate/disenroll an enrollee’s coverage.</p>
<p>76 <i>Pro Forma</i> Contract Section A.26.d; p 39</p> <p>What is meant by the reference to call volume “funded by HCFA?”</p>	<p>This reference to “call volume funded by HCFA” is referencing the call volume received as a result of the terms of this contract in which the contractor receives payment under the terms of this contract.</p>
<p>77 <i>Pro Forma</i> Contract Section A.28; p 39</p> <p>Since applications are exclusively from the FFM what type of application is referenced here? Also, what level of detail is the State seeking for this requirement for reporting on calls involving application requests? Since a request for an application could imply that the caller is new to the program (and, therefore, there is no record of the family in the database), should contractors assume that a system for recording informational calls is also required?</p>	<p>Please refer to Item #4 of this amendment.</p> <p>The Call Center telephone system should have a mechanism to document the type of calls received on a daily, monthly and annual basis. The member’s telephone history should be noted in their account of every telephone call made and received.</p>
<p>78 <i>Pro Forma</i> Contract Section A.28; p 39</p> <p>Call recordings are currently stored for 90 days – is that storage duration adequate for the new contract period?</p>	<p>No. The Contractor will need to store the recorded call beyond 90 days in archive in case they are needed for another time. Please refer to Item #17 of this amendment.</p>
<p>79 <i>Pro Forma</i> Contract Section A.30; p 39</p> <p>Please provide which applications are referenced here.</p>	<p>Language modified. Please refer to Item #16 of this amendment.</p>
<p>80 <i>Pro Forma</i> Contract Section A.30; p 39</p> <p>Please clarify the type of mailings that will be prepared by HCFA vs. the contractor and the volumes for each mailing.</p>	<p>If HCFA makes a change that requires the Contractor to send notification to the total enrollment population.</p>

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<p>81 <i>Pro Forma</i> Contract Section A.33.b; p 40</p> <p>Please confirm that eligibility determination is completed in the FFM and referrals are complete and do not require a quality review of the eligibility calculation by the vendor.</p>	<p>Please refer to Item #4 of this amendment.</p>
<p>82 <i>Pro Forma</i> Contract Section A.35; p 40</p> <p>SOW Section A.35 states: “The Contractor staff will review the grievance or complaint request. If the Contractor's review does not result in the child and/or unborn child being eligible, the enrollee parent will be notified of the reason the denial was upheld.”</p> <p>Please confirm that the contractor will not process a new eligibility calculation during the grievance process, but instead may propose an alternate process of informal resolution for those cases without the need for an eligibility change prior to the formal process conducted by the State.</p>	<p>There could be a situation where the Contractor must calculate the member's new income to determine eligibility during the grievance process.</p>
<p>83 <i>Pro Forma</i> Contract Section A.34; p 40</p> <p>Please confirm that the following statement, from the model contract section A.34, refers to providing education and instructions to the customer, but does not imply completing medical claim appeal paperwork for the customer.</p> <p>“The Contractor shall provide assistance to a CoverKids enrollee in completing a complaint or grievance filing necessary to appeal a medical and dental plan administrator(s) decision under the applicable law.”</p>	<p>The Contractor will provide guidance to the member to ensure they submit the grievance and/or appeal to the correct entity. For instance, the member wants to file an appeal on a medical claim. The appeal will not come to the Contractor but you will direct the member to the Plan Administrator to submit the appeal.</p>
<p>84 <i>Pro Forma</i> Contract Section A.41; p 42</p> <p>Are all of the ‘key staff positions’ identified in the RFP required, or may the vendor propose an organizational structure which includes corporate or shared resources that ensures that the project is adequately staffed and managed.</p> <p>‘Contractor shall have the following full-time positions and Key Personnel designated for this Contract:</p> <ul style="list-style-type: none"> a. Client Service Representative b. Senior Client Service Representative/Director of Call Center Operations c. Supervisor 	<p>Yes, Pro Forma contract sections A.15 and A. 41 refer to specific staffing requirements for this contract.</p> <p>In the instance where a bidder may have other contracts <u>WITH</u> the State of Tennessee, HCFA would consider allowing the use of a Privacy Officer (contract section A.41.d) that is also in use in conjunction with another HCFA contract. The bidder must specify in the proposal how this shared arrangement would be able to adequately meet the requirements of this contract while also being utilized by another HCFA contract.</p> <p>All other staffing listed in the Pro Forma contract should be dedicated full time to the CoverKids program.</p>

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<p>d. Admin 1 – Document Processing e. Director of Document Management f. Project Manager Training Specialist g. Program Manager h. Information Technology i. Privacy Officer’</p> <p>With this management structure, a large proportion of total staff could be at the management level – more than needed to support front line staff. Will a vendor’s response be technically compliant if they identify how to cover the services provided by each role (above) through a combination of dual responsibility for a single person and/or shared services with other project(s).</p>	<p>No, a vendor’s response will not be considered technically compliant if they identify how to cover the services provided by each role (above) through a combination of dual responsibility for a single person and/or shared services with other project(s).</p>
<p>85 <i>Pro Forma</i> Contract Section A.46.a; p 43</p> <p>In regards to the statement “When the State implements a new Medicaid/CHIP eligibility system, it will be in scope...” Can you please explain what “it” is referring to. CoverKids? HTNB? FFM Referrals?</p>	<p>This sentence is referring to what will occur when the State’s new Medicaid/CHIP eligibility system is operational and the contractor begins the three month run out period described in Pro Forma Contract section A.61. The Contractor will continue delivering all functions described in the Scope of Services.</p>
<p>86 <i>Pro Forma</i> Contract Section A.46.a; p 43</p> <p>Can you please explain what is expected during the 3-month run-out period?</p>	<p>The Eligibility Contractor will send conversion data from the eligibility system to the State. The Eligibility Contractor will go through testing phases until live data is submitted and complete.</p> <p>Please refer to State’s response to question # 85.</p>
<p>87 <i>Pro Forma</i> Contract Section A.46.e; p 44</p> <p>There is a reference to the contractor being charged for data refresh requests to HCFA. There is also a reference to HCFA providing refreshes to the contractor when required through no fault of the contractor. If the HCFA error causes some serious data integrity issues, the correction effort may be significant. In such a scenario, the vendor may want to ask HCFA for additional data or support. Would the vendor be charged for additional requests if that were the case?</p>	<p>No. If there was data corruption through no fault of the Contractor then there would not be additional charges for the Contractor.</p>
<p>88 <i>Pro Forma</i> Contract Section A.46.f; p 44</p> <p>What is the intent for granting HCFA access to a test environment? Would HCFA be involved in testing system changes?</p>	<p>No. Please refer to Item # 8 of this amendment.</p>
<p>89 <i>Pro Forma</i> Contract Section A.46.n; p 44</p> <p>What is the definition of “The transaction submission error rate?”</p>	<p>If the error rate for a file were above 5%, the file would be rejected and would not be loaded into the system. Please refer to Item #8 of this</p>

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	amendment.
<p>90 <i>Pro Forma</i> Contract Section A.46.p; p 44</p> <p>What kinds of records are included in the estimate of “an average growth rate of 1 million records per year?” Please provide what factors were used to prepare the average growth rate estimate.</p>	Please refer to Item #19 of this amendment.
<p>91 <i>Pro Forma</i> Contract Section A.49.a.(2); p 45</p> <p>In regards to the statement “HCFA will provide to the plan administrator(s) the monthly and weekly enrollment files that contain the official enrollment and disenrollment notification” what is the State referring to here? Isn’t the Contractor the entity that will provide the enrollment files to the administrators?</p>	Please refer to Item #18 of this amendment.
<p>92 <i>Pro Forma</i> Contract Section A.49.b.(1); p 45</p> <p>If the match with TennCare occurs prior to enrolling a member, then it will be possible that a record determined “eligible” by the FFM will in fact really not be eligible. What is the process the vendor needs to follow if we come across a referral that is found to be on TennCare?</p>	The eligible member from the FFM will appear on the next business day daily 270/271 data match to identify if the eligible member is enrolled in TennCare. Please refer to Item # 5 of this amendment.
<p>93 <i>Pro Forma</i> Contract Section A.49.c.(2); p 46</p> <p>There is a reference to monthly and weekly enrollment files – elsewhere in the RFP it is referenced that this is a daily file – please confirm the submission frequency.</p>	Please refer to Item #5 of this amendment.
<p>94 <i>Pro Forma</i> Contract Section A.49.c.(2); p 46</p> <p>There is another reference to enrollee choice of medical plan administrator. Please clarify if there is a current effort to involve additional plan providers. Also, there is no reference to a dental plan provider in this item. Should this item also reference choice of a dental provider?</p>	<p>Currently the State has one plan administrator. If the state ever chose to implement more than one medical plan administrator, this language would allow for that circumstance. The reference to “plan administrator(s)” includes all plan administrators, including the dental plan provider.</p> <p>No, this item should not reference a choice of dental provider.</p>
<p>95 <i>Pro Forma</i> Contract Section A.49.d.(2); p 46</p> <p>This item refers to a single interface to exchange electronic information with the plan administrators. What happens if the administrators have difference in standards that cannot be handled with a single interface?</p>	The Medical Plan & Dental administrator must accept the eligibility data from the eligibility contractor on a daily basis As stated in contract section A.49, “the contractor shall work with the CoverKids medical and dental plan administrator(s) to arrange transfer of the following data” which includes section A.49.d.(2).

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<p>96 <i>Pro Forma</i> Contract Section A.49.e.(10); p 46</p> <p>Just for clarity, can you please confirm that the State will be sending over MAGI income figures in “countable income” values?</p>	<p>Confirmed.</p>
<p>97 <i>Pro Forma</i> Contract Section A.49.e.(14); p 46</p> <p>There is a reference to the plan administrators providing the begin and end dates of enrollment. Would this not be determined and sent to the administrators by the vendor instead of the reverse?</p>	<p>All eligibility is determined by the Eligibility Contractor and/or the FFM. The Eligibility Contractor sends all eligibility effective dates to the Plan & Dental Administrators.</p> <p>However, the Plan Administrator sends the Eligibility Contractor HealthyTNBabies mom’s termination dates based on delivery claims submission if the Eligibility Contractor has not canceled the coverage.</p>
<p>98 <i>Pro Forma</i> Contract Section A.49.e.(17); p 46</p> <p>Please clarify that the reference to online and paper apps is to members that were previously in the CoverKids program prior to all eligibility referrals coming from the FFM.</p>	<p>The Eligibility Contractor will not receive any online and paper applications for new CoverKids applicants. The Eligibility Contractor will receive paper FFM applications on HealthyTNBabies applicants and paper renewals. Please refer to Item #4 of this amendment.</p>
<p>99 <i>Pro Forma</i> Contract Section A.49.e.(18); p 46</p> <p>What is the definition of “Preliminary eligibility granted?”</p>	<p>Language modified. Please refer for Item #9 of this amendment.</p>
<p>100 <i>Pro Forma</i> Contract Section A.49.f; p 47</p> <p>There is a reference to conversion completing within 4 months of the start of the contract. If the contract is effective July 1, 2015 and the start month of enrollment activity is January 1, 2016, there will be one-month gap.</p>	<p>Conversion data must be complete in order for new Contractor to finalize go live process prior to January 1, 2016.</p>
<p>101 <i>Pro Forma</i> Contract Section A.50.b; p 47</p> <p>Would the missing information be eligibility related? If yes, would that information be returned by the applicant to the contractor to process or returned by the applicant to the State? Would the missing information be entered through the contractor’s system or through the FFM?</p>	<p>Yes. The Eligibility Contractor will keep all information submitted to them. The member does not send original documents to the Eligibility Contractor. If the applicant mistakenly submits original documents, the Eligibility Contractor will mail the original document to the applicant.</p>
<p>102 <i>Pro Forma</i> Contract Section A.53; p 47</p> <p>What is an automated disenrollment and how would that function?</p>	<p>The Eligibility system will automatically disenroll members aging off the program.</p>
<p>103 <i>Pro Forma</i> Contract Section A.57; p 47</p> <p>Please define the phrase “fully integrate” and what is encompassed with that required functionality.</p>	<p>“Fully Integrate” means that the Contractor’s eligibility data shall be compatible to merge into the TennCare systems. Please refer to data elements specified in pro forma Section A.11.</p>

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<p>104 <i>Pro Forma</i> Contract Section A.59; p 48</p> <p>In regards to the match with the SSA, from other references in the RFP, it is our understanding that all referrals to the vendor are pre-determined as eligible. If the SSA returns a match that is a non-citizen, please provide information as to how to handle those records.</p>	<p>If SSA returns a match that is a non-citizen, the Contractor will send a Missing Information notice to the family to obtain immigration documents.</p>
<p>105 <i>Pro Forma</i> Contract Section A.61; p 48</p> <p>There is a reference to pending accounts that have a final determination. Does this mean that <u>all</u> referrals from the FFM are really pending final determination? If this statement is true, is it appropriate to assume that the final determination is provided by the vendor? If true, what criteria would we use for the final determination?</p>	<p>No, this does not mean that referrals from the FFM are pending final determinations.</p> <p>Please refer to Item #13 of this amendment.</p>
<p>106 <i>Pro Forma</i> Contract Section A.61; p 48</p> <p>In the event that the operation is transitioned out prior to the completion of the base contract due to the implementation of TEDS, would the state agree to compensate the contractor for the remaining portion of amortizable costs related to project startup?</p>	<p>No, the state cannot compensate the contractor for the remaining portion of amortizable costs related to project startup.</p>
<p>107 <i>Pro Forma</i> Contract Section A.62; p 48</p> <p>This sub-section does not seem to relate to normal transition activities. Could the state clarify?</p>	<p>This section is related to the three-month run-out period. The Contractor needs to avail itself to assist the Sate with any inquiries regarding the conversion data.</p>
<p>108 <i>Pro Forma</i> Contract Section A.62; p 48</p> <p>Do the staffing requirements listed in Section A.62 (under the Transition to TED heading) refer to the three-month run-out period or some period after the transition?</p>	<p>Yes.</p>
<p>109 <i>Pro Forma</i> Contract Section A.63; p 49</p> <p>Could the State clarify its intention with this subsection? Is it supposed to say "... send the State, in a mutually agreed format, test files prior to run-out . . .?"</p>	<p>Yes. Please refer to Item #10 of this amendment.</p>
<p>110 <i>Pro Forma</i> Contract Section A.65.b; p 49</p> <p>There are only two reasons listed for disenrollments? Would the State please provide all acceptable reasons for disenrollment that need to be reported? Would the state indicate if the vendor is responsible for completing the disenrollment?</p>	<p>The Contractor can disenroll a member for the following reasons:</p> <ol style="list-style-type: none"> 1. Move out-of-state 2. Age off the program 3. Have other insurance 4. Have access to State Health Insurance 5. Parent request

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	<p>6. Enrollee dies</p> <p>Yes, the Contractor is responsible for obtaining this information from the member and the state's Program Integrity team. The Contractor will send cancellation letter to the member stating their CoverKids coverage terminated on "xyz" date.</p>
<p>111 <i>Pro Forma</i> Contract Section A.65.c.(1); p 49</p> <p>Is there or will there be an electronic referral file from Medicaid to CoverKids?</p>	<p>Yes. Please refer to pro forma contract section A.49.a.(1) and A.49.b.</p> <p>Please refer to Items #4 and #5 to this amendment.</p>
<p>112 <i>Pro Forma</i> Contract Section A.65.c.(5); p 49</p> <p>In the event that an individual is terminated for multiple reasons. Will the report be expected to list a primary reason or should all reasons be listed?</p>	<p>The Contractor would be expected to attempt to list all of the reasons but the primary reason will supersede the minor reasons.</p>
<p>113 <i>Pro Forma</i> Contract Section A.66; p 49</p> <p>If the FFM is sending over eligible referrals, would the standard of promptness always be the same day as the receipt of referral?</p>	<p>The Contractor shall process the files within one (1) business day, load the records into the CoverKids system and produce an 834 transaction to the medical and dental plan administrator(s) for CoverKids.</p> <p>As referenced in Pro Forma contract section A.7, the standard of promptness upon receipt of the file from the state is (1) business day:</p> <p>"The Contractor shall process the files within one (1) business day, load the records into the CoverKids system and produce an 834 transaction to the medical and dental plan administrator(s) for CoverKids.</p>
<p>114 <i>Pro Forma</i> Contract Section A.66.b.(2); p 51</p> <p>The requirements for telephony reports state that these reports should come from the telephone company. Some of these requirements, such as average time in the queue would not be available to a telephone company once the call is answered by project systems. If a contractor's advanced telephony software captures all required data elements in much more detail than a telephone company report could provide, would this satisfy the requirement?</p>	<p>The Contractor shall submit the telephone log report from whatever system that creates and captures your telephone statistics. The reference to telephone company is whatever system captures your telephone statistics.</p>
<p>115 <i>Pro Forma</i> Contract Sections B.1 & C.3.b.(1); p 52</p> <p>Section B.1 states that the contract becomes effective July 1, 2015 and will extend for a period of 42 months, which would indicate that the contract would run through December 31, 2018, excluding renewal periods. Section C.3.b.(1) indicates an initial contract period</p>	<p>Please refer to State's response to Question #58.</p>

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<p>ending December 31, 2017. Please clarify the term of the contract.</p>	
<p>116 <i>Pro Forma</i> Contract Attachment B – Liquidated Damages 1; p 81</p> <p>There is a reference to Section A.10, which is on page 35. Is the State really referring to A.11?</p>	<p>RFP Attachment 6.6, Attachment B, has been modified. Please refer to Item #12 of this amendment.</p>
<p>117 <i>Pro Forma</i> Contract Attachment B – Liquidated Damages 2; p 81</p> <p>There is the usage of the word “provide,” implying that the data will be given to an entity and since this item refers to A.11, that entity would be HCFA. Please confirm that this item only refers to HCFA being granted access to the CoverKids data.</p>	<p>This is referring to HCFA or any entity under contract with HCFA who is authorized by HCFA to have access to the CoverKids data.</p>
<p>118 <i>Pro Forma</i> Contract Attachment B – Liquidated Damages 3; p 81</p> <p>There is a reference to Section A.13.b, which is on page 36 and does not exist. Is the State really referring to A.7 or A.14.b?</p>	<p>RFP Attachment 6.6, Attachment B, has been modified. Please refer to Item #12 of this amendment.</p>
<p>119 <i>Pro Forma</i> Contract Attachment B – Liquidated Damages 5; p 82</p> <p>Would the State accept the appointment of a qualified temporary assignment to fill a key vacancy in the event that a qualified permanent replacement cannot be identified and hired within 30 days?</p>	<p>No. Refer to Pro Forma contract section A.42 which states” Until a qualified and acceptable replacement is available, Contractor shall temporarily fill such Call Center and/or Key Personnel position, within three (3) business days of a vacancy occurring, with a qualified Contractor corporate staff resource who shall perform the Call Center and/or Key Personnel duties.”</p>
<p>120 What is the process if the Contractor receives CoverKids paper applications after the FFM is established as the only FFM method? Will receipt of paper application require an outbound letter or outreach to the applicant(s) or referral to the FFM?</p>	<p>The Contractor will not have the ability to process an old CoverKids application for CoverKids and/or HealthTNBabies coverage.</p> <p>The Contractor will send the applicant a notice referring them to the FFM to apply for CoverKids coverage.</p> <p>If a pregnant woman submitted a CoverKids application for HealthyTNBabies coverage, the Contractor will send her a FFM application to complete and sign to mail back to the Contractor for processing.</p> <p>Please refer to Item #4 of this amendment.</p>
<p>121 Can the state share the process for completing redeterminations in the new contract term? Will the renewal process be conducted through the FFM and follow a similar file receipt process?</p>	<p>Refer to Item #4 of this amendment.</p> <p>The Contractor will implement the renewal process for the CoverKids population.</p>

3. Delete RFP Attachment 6.6, section A.4 in its entirety and insert the following: (any sentence or paragraph containing revised or new text is highlighted):

A.4. The Contractor shall implement a mutually agreed format to receive the state's FFM inconsistency files to upload to the database for processing, reporting and monitoring as referenced above:

- a. Establish a process to pull the FFM inconsistency file from the SFTP site, and
- b. Establish a process to drop the FFM inconsistency file into the eligibility database.

4. RFP Attachment 6.6, Section A.14 is amended by adding the following new language:

- j. The Contractor shall receive FFM applications or a different application as directed by CoverKids by U.S. mail or fax from applicants applying for HealthyTNBabies. The Contractor shall use these applications to manually enter data into a web-based MAGI rules engine provided by the State and to determine applicants' eligibility for HealthyTNBabies. The Contractor shall scan copies of each application and the MAGI rules results from the MAGI rules engine into the eligibility system and into the applicant's account consistent with Section A.46 of this Contract. All HealthyTNBabies eligibility determinations must be made within 14 business days of receipt of the application.
- k. If the eligibility determination indicates that the individual is eligible for HealthyTNBabies, the Contractor will enroll the individual in HealthyTNBabies and send the appropriate approval notice to the applicant. The Contractor shall mail approval and denial notices as required by CoverKids to HealthyTNBabies applicants within three (3) business days of an eligibility determination. If, however, the eligibility determination results indicate that the applicant is potentially Medicaid eligible (and, thus, not eligible for HealthyTNBabies), the application and a copy of the results from the MAGI rules engine must be provided to TennCare within one (1) business day of such indication.
- l. The Contractor shall establish a process for individuals enrolled in CoverKids to be reverified every twelve (12) months. Since reverification should occur every twelve (12) months, the eligibility database should maintain records of who has been reverified and re-approved each year and maintain the previous years (household income, size and Federal Poverty Level percentage) data for historical purposes. The Contractor shall provide thirty (30) days for the individual to respond. Selection criteria for monthly reverification mailings shall be provided by CoverKids. Responses shall be accepted by U.S. Mail or fax.
- m. The Contractor shall use these applications to manually enter data into a web-based MAGI rules engine provided by the State to determine the applicants' eligibility for CoverKids. The Contractor shall scan copies of each application and the MAGI rule results from the MAGI rules engine into the eligibility system and into the applicant's account consistent with Section A.46 of this Contract. All CoverKids eligibility determinations shall be made within fourteen (14) business days of receipt of the application.
- n. If the eligibility determination indicates that the individual is eligible for CoverKids, the Contractor shall re-enroll the individual in CoverKids and send the appropriate approval notice to the applicant. If the individual respond and is not eligible for CoverKids or potentially eligible for Medicaid, the Contractor shall send an advance notice of termination to the member and termination benefits. If, however, the eligibility determination results indicate that the applicant is potentially Medicaid eligible (and, thus, not eligible for CoverKids), the application and a copy of the results from the MAGI rules engine shall be provided to TennCare on a weekly basis. The Contractor shall establish a separate interface to send these documents to TennCare. If the individual does not

respond, the Contractor shall send an advance notice of termination to the member and terminate benefits. The Contractor shall mail approval and denial notices as required by CoverKids to applicants within three (3) business days of an eligibility determination.

- o. If the member is determined Medicaid eligible, the Contractor shall not terminate benefits until the member is enrolled in TennCare and eligibility is available through normal eligibility verification processes established in A.49 of this contract. If the member is determined over the Medicaid income standard, TennCare will send information back to the Contractor to update the income reflecting the member is CoverKids eligible and the enrollment in CoverKids will continue.

5. RFP Attachment 6.6, Section A.49.b. is deleted in its entirety and replaced with the following:

b. Data Transfers Sent From the State to the Contractor:

- (1) The Contractor will use daily electronic files in a HIPAA compliant 270/271 eligibility verification process with HCFA to check that no family members are already enrolled in Medicaid.
- (2) The Contractor will run a weekly and monthly HIPAA compliant 270/271 eligibility verification process with HCFA in order to conduct electronic matches to identify CoverKids enrollees who gained TennCare Medicaid after they became active CoverKids enrollees.
- (3) The State of Tennessee Acceptable Use Policy for Network Access Rights and Obligations will be required. Signature of contracted users will be mandatory.

6. RFP Attachment 6.6., Section A. 35.d is deleted in its entirety and replaced with the following:

A.35.d. Conduct an independent evaluation of the Client Service Representative process at least annually

7. RFP Attachment 6.6, Section A.6 is deleted in its entirety and replaced with the following:

- A.6. The Contractor shall provide ongoing maintenance projected to require a monthly estimate of development and operational staff to maintain and manage the daily referral process for the FFM records, provide reporting and support the accounts once enrolled, as identified below:
 - a. Establish a process to pull the FFM transfer records from the SFTP site;
 - b. Establish a process to drop the referral files into the eligibility database;
 - c. Establish a daily batch intake process to import the new FFM referral files;
 - d. Provide analytical support to track and report on the FFM records, and
 - e. Provide data maintenance support to ensure the FFM records are stored and administered as intended.

8. RFP Attachment 6.6, Section A.46 f. and A.46.n. are deleted in their entirety and replaced with the following:

A.46.f. The Contractor shall maintain a complete testing environment with a test database.

A.46.n. The transmission submission error rate cannot exceed 5%. If the error rate for a file were above 5%, the file would be rejected and would not be loaded into the system.

- 9. RFP Attachment 6.6, Section A.49.e(18) is deleted in its entirety and remaining sections renumbered.
- 10. RFP Attachment 6.6, Section A.63 is deleted in its entirety and replaced with the following:

A.63. The Contractor shall send the State, in a mutually agreed format, test files prior to run-out period and implementation of the new TEDS for the Medicaid and CHIP programs.

- 11. RFP Attachment 6.6, 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:

- (1) For service performed from January 1, 2016, through December 31, 2018, the following rates shall apply:

Service Description	Amount (per compensable increment)
General Administration and Operations (including all scopes of services and deliverables included in the pro forma)	\$ _____ per month

- (2) Should term extension option be utilized, for services performed from January 1, 2019, through December 31, 2020, the following rates shall apply:

Service Description	Amount (per compensable increment)
General Administration and Operations (including all scopes of services and deliverables included in the pro forma)	\$ _____ per month

c. Actual postage expenses associated with required Contractor mail outs will be reimbursed by the State as a pass thru cost.

12. RFP Attachment 6.6, Attachment B is deleted in its entirety and replaced with the following:

ATTACHMENT B

LIQUIDATED 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.

	<u>PROGRAM ISSUES</u>	<u>DAMAGE</u>
1.	Failure to provide a complete and accurate database of demographic eligibility data related to CoverKids enrollees per Section A.11.	\$1,000 per occurrence and \$1,000 per each date until the database is corrected.
2.	Failure to provide compatible data system capable to utilize information provided by the State in the format of HIPAA 834 or 837 per Section A.12.	\$1,000 per occurrence and \$1,000 per each date until the database is compatible.
3.	Failure to enter eligibility files from the	\$500.00 per each file that was not

	State into the Eligibility system within one (1) business day of receipt of the file throughout the contract per Section A.14.b.	processed within one (1) day of receipt.
4.	Failure to ensure level of call center staffing adequate to fulfill the standards of promptness and quality stipulated per Section A.25.	\$500.00 per each incident that phone calls are not answered within four rings; \$500.00 per each incident that exceeds queue wait time of three (3) minutes; \$500.00 for each report of abandoned (dropped) call rates exceeded 5%.
5.	All Key Personnel and Call Center staff defined in Section A.41. Vacancies must be filled within thirty (30) days from the date the key personnel left his/her position.	A maximum of five hundred dollars (\$500.00) for each business day past the thirty (30) days vacant period for all Key Personnel and Call Center.
6.	Failure to issue document(s) at a 6 th grade reading level to the enrollee within the agreed upon time frame per Section A.50	\$500 per day the document(s) are not disseminated at a 6 th grade reading level
7.	Failure to submit to the state the project plan that will comply with PMBOK within 10 days of the contract start date per contract Section A.51.	\$1,000 per each day the project plan is delayed
8.	Failure to provide the Department of Human Services an electronic record on every new application to secure verification of citizenship of alien status per Section A.59.	\$1,000 per incident that citizenship or alien status was not verified.
9.	Failure to provide reports timely as stipulated in Section A.65 and A.66, and any other section throughout this Contract.	\$1,000 per report
10.	Failure by the Contractor to meet the standards for privacy, security, and confidentiality of individual data as evidenced by a breach of the security per Section D. 20. and E.2.	\$1,000 per affected enrollee per occurrence.
11.	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 enrollee per occurrence.
	Failure by the Contractor to seek	\$1,000 per affected enrollee per

12.	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)	occurrence.
13.	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 enrollee per occurrence.

13. RFP Attachment 6.6, Section A.14.f. is deleted in its entirety and replaced with the following:

- f. The Contractor shall resolve incomplete accounts from the file from the State within twenty (20) business days of receipt of the file. The Contractor shall contact the applicant/member to obtain the missing or needed information to resolve the account, such as pay stubs, social security number, estimated due date, etc.

14. RFP Attachment 6.6, Section A.16.a. is deleted in its entirety and replaced with the following:

- a. Requests for FFM applications or a different application as directed by CoverKids, renewal form, copy of documents within their account (prior notices, applications, etc.) that require the Contractor's call center to mail the requested information;

15. RFP Attachment 6.6, Section A.43 is deleted in its entirety and replaced with the following:

- A.43. The Contractor shall maintain an office in Tennessee to process all incoming CoverKids mail received from the enrollee or legal representative. The Contractor must scan and image all incoming mail via United States Postal Service or facsimile to the applicant's account within the eligibility system.

16. RFP Attachment 6.6, Section A.30 is deleted in its entirety and replaced with the following:

- A.30. HCFA and/or enrollees may request FFM applications or a different application as directed by CoverKids, renewal form, copy of documents within their account (prior notices, applications, etc.) some of which shall be prepared and maintained by the Contractor and some to be ordered from HCFA, and a supply maintained by the Contractor for mailing purposes.

17. RFP Attachment 6.6, Section A.28.c. is deleted in its entirety and replaced with the following:

- A.28.c. The Contractor shall retrieve recorded calls for the State; within two (2) hours during normal operating hours of receiving the request from the State; and any call within the previous ninety (90) days and retrieve for the State, within one (1) business day of receiving the request from the State. The Contractor shall store all recorded calls older

than 90 days and retrieve for the State, within (7) business day of receiving the request from the State.

18. **RFP Attachment 6.6, Section A.49.a.(2) is deleted in its entirety and replaced with the following:**
 - (2) The Contractor shall publish an implementation guide that has been approved by the State.
19. **RFP Attachment 6.6, Section A.46.p is deleted in its entirety.**
20. **RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION**

**REQUEST FOR PROPOSALS
FOR
PROVISION OF COVERKIDS ELIGIBILITY**

RFP # 31865-00395

RFP CONTENTS

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1. INTRODUCTION

The State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA, hereinafter referred to as the "State," or "HCFA," has issued this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and, outline the State's process for evaluating responses and selecting a contractor to provide the needed goods or services.

Through this RFP, the State seeks to procure necessary goods or services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, an opportunity to do business with the state as contractors, subcontractors or suppliers.

1.1. Statement of Procurement Purpose

The State is procuring a Contractor to assist the Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), with the eligibility administration of the CoverKids program ("CoverKids"). CoverKids implementation began after passage of Public Chapter 867 in the State of Tennessee in 2006 and falls under Title XXI of the Social Security Act enacted in 1997. The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) requires states to apply "certain managed care quality safeguards" to their Children's Health Insurance Programs (CHIPs). Under the CoverKids program, HCFA contracts with licensed medical and dental plan administrator(s) to provide a specified health and dental benefit package to enrollees. The benefit package is based upon the State of Tennessee's employee benefit package. Children at or below 250% of the federal poverty level (FPL) who are not otherwise insured are eligible for participation in CoverKids unless the child has access to state employee health insurance. As of December 31, 2014, CoverKids enrollment was 75,592. The State also provides "unborn" maternity health benefits through a part of the CoverKids program known as "HealthyTNBabies" to eligible pregnant women who do not have maternity coverage. These benefits include prenatal, delivery, and 60 days post-partum care and are provided with no monthly premiums. Unless otherwise indicated in this Contract, all references to CoverKids shall also include HealthyTNBabies. The Contract start date for this contract is scheduled to begin July 1, 2015, with readiness review and deliverables to be performed until the Contractor begins the eligibility determination process scheduled for implementation January 1, 2016.

The Contractor shall build and implement a process to accept eligibility records from the State where the child and pregnant woman has been determined eligible for CoverKids and/or HealthyTNBabies through the Federally Facilitated Marketplace (FFM). The State shall receive the transaction from the FFM, separate the CoverKids and HealthyTNBabies eligible children's and pregnant women's information and send it to the Contractor on a daily basis through a secure file transfer process. The Contractor's eligibility process shall be capable of configuring the information as approved CoverKids and/or HealthyTNBabies accounts, and upload the accounts to Eligibility database for processing, reporting and monitoring per the *pro forma* contract, RFP Attachment 6.6.

Upon contract signature, the winning respondent will be required to sign RFP Attachment 6.7, HIPAA Business Associate Agreement.

1.2. Scope of Service, Contract Period, & Required Terms and Conditions

The RFP Attachment 6.6., *Pro Forma* Contract details the State's requirements:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,

- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Respondent must sign.

1.3. **Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP 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, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. **RFP Communications**

- 1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP #31865-00395

- 1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

- 1.4.2.1. Prospective Respondents must direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Alma Chilton, Director of Contracts
 Department of Finance and Administration
 Division of Health Care Finance and Administration
 310 Great Circle Road
 Nashville, TN 37243
 (615) 507-6384 (phone)
 (615) 253-5414 (fax)
Alma.chilton@tn.gov

- 1.4.2.2. Notwithstanding the foregoing, Prospective Respondents may alternatively contact:

- staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses as well as general, public information relating to this RFP (visit www.tn.gov/businessopp/ for contact information); and
- the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Helen Moore
 Department of Finance and Administration
 Division of Health Care Finance and Administration
 310 Great Circle Road
 Nashville, TN 37243
 (615) 507-6474 (Phone)
Helen.moore@tn.gov

- 1.4.3. Only the State's official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.
- 1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Respondents must assume the risk of the method of dispatching any communication or response to the State. The State assumes no responsibility for delays or delivery failures resulting from the Respondent's method of dispatch. Actual or digital "postmarking" of a communication or response to the State by a specified deadline is not a substitute for the State's actual receipt of a communication or response.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State. For internet posting, please refer to the following website: http://tn.gov/generalserv/cpo/sourcing_sub/rfp.shtml.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is the Respondent's obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

1.5. **Assistance to Respondents With a Handicap or Disability**

Prospective Respondents with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Prospective Respondents may contact the Solicitation Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. **Respondent Required Review & Waiver of Objections**

- 1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").
- 1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.

- 1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

1.7. Pre-Response Conference

A Pre-response Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-response Conference attendance is not mandatory, and prospective Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

Bureau of TennCare
310 Great Circle Road
Nashville, TN 37243

The purpose of the conference is to discuss the RFP scope of goods or services. The State will entertain questions, however prospective Respondents must understand that the State's oral response to any question at the Pre-response Conference shall be unofficial and non-binding. Prospective Respondents must submit all questions, comments, or other concerns regarding the RFP in writing prior to the Written Questions & Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to these questions and comments to prospective Respondents from whom the State has received a Notice of Intent to respond as indicated in RFP Section 1.8 and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. Notice of Intent to Respond

Before the Notice of Intent to Respond Deadline detailed in the RFP Section 2, Schedule of Events, prospective Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

A Notice of Intent to Respond creates no obligation and is not a prerequisite for submitting a response, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. Response Deadline

A Respondent must ensure that the State receives a response no later than the response Deadline time and date detailed in the RFP Section 2, Schedule of Events. A response must respond, as required, to this RFP (including its attachments) as may be amended. The State will not accept late responses, and a Respondent's failure to submit a response before the deadline will result in disqualification of the response. It is the responsibility of the Respondent to ascertain any additional security requirements with respect to packaging and delivery to the State of Tennessee. Respondents should be mindful of any potential delays due to security screening procedures, weather, or other filing delays whether foreseeable or unforeseeable.

2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Issued		April 1, 2015
2. Disability Accommodation Request Deadline	2:00 p.m.	April 7, 2015
3. Pre-response Conference	1:30 p.m.	April 10, 2015
4. Notice of Intent to Respond Deadline	2:00 p.m.	April 13, 2015
5. Written "Questions & Comments" Deadline	2:00 p.m.	April 16, 2015
6. State Response to Written "Questions & Comments"		April 29, 2015
7. Response Deadline	12:00 p.m.	May 15, 2015
8. State Completion of Technical Response Evaluations		May 22, 2015
9. State Opening & Scoring of Cost Proposals	9:00 a.m.	May 26, 2015
10. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	1:30 p.m.	May 27, 2015
11. End of Open File Period		June 5, 2015
12. State sends contract to Contractor for signature		June 8, 2015
13. Contractor Signature Deadline	2:00 p.m.	June 10, 2015
14. Contract Start Date		July 1, 2015

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to section 1.8).

3. RESPONSE REQUIREMENTS

3.1. Response Form

A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.

- 3.1.1. **Technical Response.** RFP Attachment 6.2., Technical Response & Evaluation Guide provides the specific requirements for submitting a response. This guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

NOTICE: A technical response must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical response, the state may deem the response to be non-responsive and reject it.

- 3.1.1.1. A Respondent must use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.
- 3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Response should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a response to be non-responsive and reject it if:
- a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or
 - b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.

- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

NOTICE: If a Respondent fails to submit a cost proposal exactly as required, the State may deem the response to be non-responsive and reject it.

- 3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.
- 3.1.2.3. A Respondent must sign and date the Cost Proposal.
- 3.1.2.4. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*).

3.2. Response Delivery

- 3.2.1. A Respondent must ensure that both the original Technical Response and Cost Proposal documents meet all form and content requirements, including all required signatures, as detailed within this RFP.
- 3.2.2. A Respondent must submit original Technical Response and Cost Proposal documents and copies as specified below.
 - 3.2.2.1. One (1) original Technical Response paper document labeled:

“RFP #31865-00395 TECHNICAL RESPONSE ORIGINAL”

and five (5) digital copies of the Technical Response each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

“RFP #31865-00395 TECHNICAL RESPONSE COPY”

The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Response document and any digital copies may result in the State rejecting the proposal as non-responsive.
 - 3.2.2.2. One (1) original Cost Proposal paper document labeled:

“RFP #31865-00395 COST PROPOSAL ORIGINAL”

and one (1) copy in the form of a digital document in “PDF/XLS” format properly recorded on separate, blank, standard CD-R recordable disc or USB flash drive labeled:

“RFP #31865-00395 COST PROPOSAL COPY”

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.
- 3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:
 - 3.2.3.1. The Technical Response original document and digital copies must be placed in a sealed package that is clearly labeled:

**“DO NOT OPEN...RFP #31865-00395 TECHNICAL RESPONSE FROM
[RESPONDENT LEGAL ENTITY NAME]”**
 - 3.2.3.2. The Cost Proposal original document and digital copy must be placed in a separate, sealed package that is clearly labeled:

“DO NOT OPEN...RFP #31865-00395 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

“RFP #31865-00395 SEALED TECHNICAL RESPONSE& SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

Alma Chilton, Director of Contracts
 Department of Finance and Administration
 Division of Health Care Finance and Administration
 310 Great Circle Road
 Nashville, TN 37243

3.3. Response & Respondent Prohibitions

- 3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.
- 3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.
- 3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.
- 3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part

of their responses (provided that the subcontractor does not also submit a response as a prime contractor).

3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:

3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;

3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and

3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

3.4. **Response Errors & Revisions**

A Respondent is responsible for any and all response errors or omissions. A Respondent will not be allowed to alter or revise response documents after the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.5. **Response Withdrawal**

A Respondent may withdraw a submitted response at any time before the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Respondent representative. After withdrawing a response, a Respondent may submit another response at any time before the Response Deadline. After the Response Deadline, a Respondent may only withdraw all or a portion of a response where the enforcement of the response would impose an unconscionable hardship on the Respondent.

3.6. **Additional Services**

If a response offers goods or services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Respondent must not propose any additional cost amounts or rates for additional goods or services. Regardless of any additional services offered in a response, the Respondent's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

NOTICE: If a Respondent fails to submit a Cost Proposal exactly as required, the State may deem the response non-responsive and reject it.

3.7. **Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response.

4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State at its sole discretion may amend this RFP, in writing, at any time prior to contract award. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential Respondents to meet the response deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential Respondents who submitted a Notice of Intent to Respond (refer to RFP Section 1.8). A response must address the final RFP (including its attachments) as amended.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel the RFP or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all responses.

4.3.2. The State may deem as non-responsive and reject any response that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, minor variances from full compliance with this RFP. If the State waives variances in a response, such waiver shall not modify the RFP requirements or excuse the Respondent from full compliance, and the State may hold any resulting Contractor to strict compliance with this RFP.

4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.

4.5. Right to Refuse Personnel or Subcontractors

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

4.6. **Insurance**

From time-to-time, the State may require the awarded Contractor to provide a Certificate of Insurance issued by an insurance company licensed or authorized to provide insurance in the State of Tennessee. Each Certificate of Insurance shall indicate current insurance coverages meeting minimum requirements as may be specified by this RFP. A failure to provide a current, Certificate of Insurance will be considered a material breach and grounds for contract termination.

4.7. **Professional Licensure and Department of Revenue Registration**

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.
- 4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from HCFA of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. For purposes of this registration requirement, the Department of Revenue may be contacted at: TN.Revenue@tn.gov.

4.8. **Disclosure of Response Contents**

- 4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Respondents submitting timely responses may be available to the public, upon request, after technical responses are opened.
- 4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

4.9. **Contract Approval and Contract Payments**

- 4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.
- 4.9.2. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Respondent with the apparent best-evaluated response or any other Respondent. State obligations pursuant to a contract award shall commence only after the contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.

- 4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.
- 4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract start date or after the Contract end date.
- 4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma Contract*, Section C).
- 4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

4.10. **Contractor Performance**

The Contractor who is awarded a contract will be responsible for the delivery of all acceptable goods or the satisfactory completion of all services set out in this RFP (including attachments) as may be amended. All goods or services are subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that goods delivered or services rendered are in compliance with the Contract, and the Contractor must cooperate with such efforts.

4.11. **Contract Amendment**

After contract award, the State may request the Contractor to deliver additional goods or perform additional services within the general scope of the contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional goods or services. The Contractor must respond to the State with a time schedule for delivering the additional goods or accomplishing the additional services based on the compensable units included in the Contractor's response to this RFP. If the State and the Contractor reach an agreement regarding the goods or services and associated compensation, such agreement must be effected by means of a contract amendment. Further, any such amendment requiring additional goods or services must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes, rules, policies and procedures of the State of Tennessee. The Contractor must not provide additional goods or render additional services until the State has issued a written contract amendment with all required approvals.

4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Respondents will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

4.13. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked Respondent should the State cease doing business with any Respondent selected via this RFP process.

5. EVALUATION & CONTRACT AWARD

5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of responses and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each response deemed by the State to be responsive.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	30
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	40
Cost Proposal (refer to RFP Attachment 6.3.)	30

5.2. Evaluation Process

The evaluation process is designed to award the contract resulting from this RFP not necessarily to the Respondent offering the lowest cost, but rather to the Respondent deemed by the State to be responsive and responsible who offers the best combination of attributes based upon the evaluation criteria. ("Responsive Respondent" is defined as a Respondent that has submitted a response that conforms in all material respects to the RFP. "Responsible Respondent" is defined as a Respondent that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Response Evaluation.** The Solicitation Coordinator and the Proposal Evaluation Team (consisting of three (3) or more State employees) will use the RFP Attachment 6.2., Technical Response & Evaluation Guide to manage the Technical Response Evaluation and maintain evaluation records.

- 5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.
- 5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A—Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the team's determination of whether:
- the response adequately meets RFP requirements for further evaluation;
 - the State will request clarifications or corrections for consideration prior to further evaluation; or,
 - the State will determine the response to be non-responsive to the RFP and reject it.
- 5.2.1.3. Proposal Evaluation Team enrollees will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP, and will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.

5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.

5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not to meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.

5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

5.2.3. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

5.3. **Contract Award Process**

5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.

5.3.2. The procuring agency head will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.

5.3.3. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the apparent best-evaluated Respondent or any other Respondent.

5.3.4. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.

5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

5.3.6. If the State determines that a response is non-responsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

RFP ATTACHMENT 6.1.**RFP # 31865-00390 STATEMENT OF CERTIFICATIONS AND ASSURANCES**

The Respondent must sign and complete the Statement of Certifications and Assurances below as required, and it must be included in the Technical Response (as required by RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A, Item A.1.).

The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma Contract* for the total contract period.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma Contract*.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Respondent will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Respondent (if an individual) or the Respondent's company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the Respondent.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT

SIGNATURE:

PRINTED NAME & TITLE:

DATE:

RESPONDENT LEGAL ENTITY
NAME:

RESPONDENT FEDERAL EMPLOYER IDENTIFICATION NUMBER (or
SSN):

RFP ATTACHMENT 6.2. — Section A

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION A: MANDATORY REQUIREMENTS. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review the response to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the response and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFP requirements.

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Response must be delivered to the State no later than the Response Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Response and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i>).	
		The Technical Response must NOT contain cost or pricing information of any type.	
		The Technical Response must NOT contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must NOT submit alternate responses (refer to RFP Section 3.3.).	
		A Respondent must NOT submit multiple responses in different forms (as a prime and a sub-contractor) (refer to RFP Section 3.3.).	
	A.1.	Provide the Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall cause to deliver goods or perform services under the contract has a possible conflict of interest (<i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Respondent's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	A.4.	Provide two current positive credit references from vendors with which the Respondent has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	
	A.5.	Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		satisfactory credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)	
	A.6.	Provide written attestation that the Respondent does 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 Act.	
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>			

RFP ATTACHMENT 6.2. — SECTION B

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
	B.1.	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.
	B.2.	Describe the Respondent's form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	B.3.	Detail the number of years the Respondent has been in business.
	B.4.	Briefly describe how long the Respondent has been providing the goods or services required by this RFP.
	B.5.	Describe the Respondent's number of employees, client base, and location of offices.
	B.6.	Provide a statement of whether there have been any mergers, acquisitions, or change of control of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.
	B.7.	Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	B.8.	Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	B.9.	Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFP. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	B.10.	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFP. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		Respondent to submit proof of license for each person or entity that renders such opinions.
	B.11.	Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	B.12.	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP.
	B.13.	Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent's requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.
	B.14.	Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent's requirements of any contract awarded pursuant to this RFP, and if so, detail: <ul style="list-style-type: none"> (a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each; (b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u> (c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFP.
	B.15.	Provide documentation of the Respondent's commitment to diversity as represented by the following: <ul style="list-style-type: none"> (a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable. (b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information: <ul style="list-style-type: none"> (i) contract description and total value; (ii) contractor name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled); (iii) contractor contact name and telephone number. (c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information: <ul style="list-style-type: none"> (i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and DO NOT INCLUDE DOLLAR AMOUNTS); (ii) anticipated goods or services contract descriptions; (iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors.

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9265 for more information.</p> <p>(d) <u>Workforce</u>. Provide the percentage of the Respondent's total current employees by ethnicity and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce.</p>
	B.16.	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:</p> <p>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</p> <p>(b) the procuring State agency name;</p> <p>(c) a brief description of the contract's scope of services;</p> <p>(d) the contract period; and</p> <p>(e) the contract number.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points. ▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.
	B.17.	<p>Provide customer references from individuals (who are <u>not</u> current or former officials or staff of the State of Tennessee) for projects similar to the services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) of the larger accounts currently serviced by the Respondent, <u>and</u> ▪ three (3) completed projects. <p>All references must be provided in the form of standard reference questionnaires that have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which <u>must</u> be used and completed as required, is detailed at RFP Attachment 6.4. References that are not completed as required will be considered non-responsive and will not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining the fully completed reference questionnaires, and for including them within the Respondent's sealed Technical Response. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below.</p> <p>(a) Customize the standard reference questionnaire at RFP Attachment 6.4. by adding the subject Respondent's name, and make duplicates for completion by references.</p> <p>(b) Send the customized reference questionnaires to each individual chosen to provide a reference along with a new standard #10 envelope.</p> <p>(c) Instruct the person that will provide a reference for the Respondent to:</p> <p>(i) complete the reference questionnaire (on the form provided or prepared, completed, and</p>

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>printed using a duplicate of the document);</p> <p>(ii) sign <u>and</u> date the completed, reference questionnaire;</p> <p>(iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided;</p> <p>(iv) sign his or her name in ink across the sealed portion of the envelope; and</p> <p>(v) return the sealed envelope containing the completed reference questionnaire directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).</p> <p>(d) Do NOT open the sealed references upon receipt.</p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under <u>no</u> obligation to clarify any reference information.
	B.18.	<p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <p>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;</p> <p>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;</p> <p>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and</p> <p>has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.</p>
		<p>SCORE (for <u>all</u> Section B—Qualifications & Experience Items above): (maximum possible score = 30)</p>
<p><i>State Use – Evaluator Identification:</i></p>		

RFP ATTACHMENT 6.2. — SECTION C

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's Raw Weighted Score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1.	Provide a narrative that illustrates how the Respondent will manage the project, ensure completion of the scope of services, and accomplish required objectives within the State's project schedule.		10	
	C.2.	Provide an implementation plan that summarizes the Respondent's proposed activities between the Contract Start Date of July 1, 2015 and the contract implementation date of January 1, 2016. Include proposed timelines for having eligibility system in place and interactive with both medical and dental plan administrators in order to meet the State's eligibility contract requirements.		10	
	C.3.	Provide a narrative outlining how the proposed Customer Service Call Center will meet or exceed all of the minimum telecommunications requirements outlined in Sections A.13 - A.29 of the <i>pro forma</i> Contract.		10	
	C.4.	Describe any alterations or expansions to the Respondent's current system(s) that would be required to accommodate the CoverKids eligibility manual/ business rules.		5	
	C.5.	Describe how the Respondent would establish and staff a call center, including: Explain how you will adjust or modify both (1) your systems and (2) your staffing to respond to spikes in both call and document volume. Specifically, address how will you handle the following: <ul style="list-style-type: none"> a. Anticipated fluctuations in call or document volumes, such as Monday mornings or on days immediately following holidays; b. Sustained increase in call or document volume over three or more days; and c. Unanticipated spikes in call volume triggered by internally or externally triggered events that may or may not be within the Contractor's control. 		10	
	C.6.	Provide a descriptive narrative illustrating how the Respondent will manage: <ul style="list-style-type: none"> a. The application process; b. Files from the state containing FFM approvals; 		15	

RFP ATTACHMENT 6.2. — SECTION C (continued)

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<ul style="list-style-type: none"> c. Eligibility determinations; d. Timely enrollment into the health and dental plan administrators; e. Notification management, and f. Ensure ongoing operations of the scope of work to accomplish the required objectives within the State's project schedule. 			
	C.7.	Describe how the respondent will accomplish all requirements for standardized summary reports as well as ad hoc reports, as requested by the State.		5	
	C.8.	Provide a description of respondent's process for handling eligibility appeals, detailing levels of appeals before HCFA review.		5	
	C.9.	<p>Provide a detailed narrative that describes the Respondent's high-level staffing plan for activities under this Contract for both the call center and eligibility document processing functions.</p> <ul style="list-style-type: none"> a. Describe your configuration of the Service Center(s) including an organizational chart that defines staffing numbers, hours, roles, and hierarchies. b. Describe the profile of the service staff you believe to be best qualified for this type of Service Center and include draft job descriptions and other materials as you deem appropriate; c. Describe your approaches to staffing during daily, weekly, monthly, and yearly peak call volume periods in order to meet required service performance levels; and <p>Describe the staff ratio for all functional areas of the Customer Service call center described above. Please explain how you defined this ratio and how you would determine and implement changes to the initial ratios during the course of the Contract.</p>		10	
	C.10.	Describe the Respondent's plan to mitigate the risk of staff turnover (and potential effect on quality of service and continuity of operations) during the period of this Contract. Provide specific examples from past or current experience to describe how you have managed similar challenges		5	
	C.11.	Please provide a detailed explanation of your training staff for this project, your proposed training activities, and your training environment related to the requirements to adequately ensure all staff is provided with sufficient training to complete their tasks.		10	
	C.12.	Provide a high-level narrative that illustrates how the Respondent will provide a Business Continuity and Disaster Recovery Plan (BC/DR) that meets the requirements of this contract.		3	

RFP ATTACHMENT 6.2. — SECTION C (continued)

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.13.	Respondent shall describe how its background and experience will enable it to comply with the applicable federal and state civil rights laws. These laws prohibit discrimination based on a person’s race, color, national origin, sex, age, religious, disability, or other status protected under federal and state laws. For example, achieving compliance with the civil rights laws involves providing language assistance services and providing individuals with disabilities meaningful access to HCFA’s services, programs, or activities. This compliance also includes making programs, services, or activities offered through electronic and information technology accessible to users.		2	
<i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i>					Total Raw Weighted Score: <i>(sum of Raw Weighted Scores above)</i>
Total Raw Weighted Score			X 40 <i>(maximum possible score)</i>	= SCORE:	
Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i>					
<i>State Use – Evaluator Identification:</i>					
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>					

COST PROPOSAL & SCORING GUIDE

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

COST PROPOSAL SCHEDULE— The Cost Proposal, detailed below, shall indicate the proposed price for goods or services defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least one hundred twenty (120) days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

NOTICE: The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the cost items herein, pursuant to the second paragraph of the *Pro Forma* Contract section C.1. (refer to RFP Attachment 6.6.), "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."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the Respondent to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the Respondent.

RESPONDENT SIGNATURE:			
PRINTED NAME & TITLE:			
DATE:			
Cost Item Description	Proposed Cost	State Use Only	
	January 1, 2016 through December 31, 2018	Evaluation Factor	Evaluation Cost (cost x factor)
General Administration and Operations (including all scopes of services and deliverables included in the pro forma, Attachment 6.6)	\$ _____ Per Month	24	
	January 1, 2019 through December 31, 2020		
Extension Rate (Should the Contract Term Extension Option be Utilized) General Administration and Operations (including all scopes of services and deliverables included in the pro forma, Attachment 6.6)	\$ _____ Per Month	24	

RFP ATTACHMENT 6.3. (continued)

Cost Item Description	Proposed Cost	State Use Only	
	January 1, 2016 through December 31, 2018	Evaluation Factor	Evaluation Cost (cost x factor)
EVALUATION COST AMOUNT (sum of evaluation costs above): The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.			
$\frac{\text{lowest evaluation cost amount from all proposals}}{\text{evaluation cost amount being evaluated}} \times 30 = \text{SCORE:}$ (maximum section score)			
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>			

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.

The Respondent will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Response & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Response.

RFP #31865-00395 REFERENCE QUESTIONNAIRE

REFERENCE SUBJECT: RESPONDENT NAME (completed by Respondent before reference is requested)

The “reference subject” specified above, intends to submit a response to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such response, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire;
- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the reference subject.

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

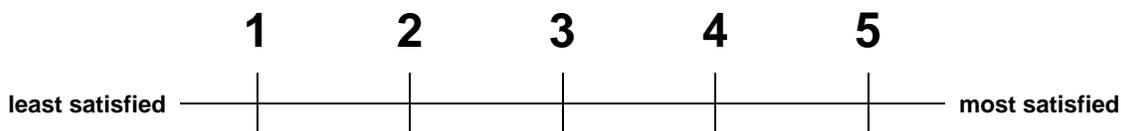
(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

(3) What goods or services does/did the reference subject provide to your company or organization?

(4) What is the level of your overall satisfaction with the reference subject as a vendor of the goods or services described above?

Please respond by circling the appropriate number on the scale below.

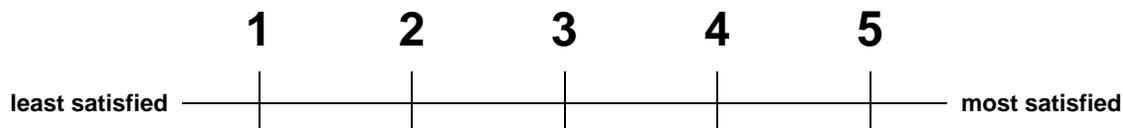


RFP #31865-00395 REFERENCE QUESTIONNAIRE — PAGE 2

If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (6) If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
- (8) In what areas of goods or service delivery does/did the reference subject excel?
- (9) In what areas of goods or service delivery does/did the reference subject fall short?
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

RFP #31865-00395 REFERENCE QUESTIONNAIRE — PAGE 3

- (11) **Considering the staff assigned by the reference subject to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?**

Please respond by circling the appropriate number on the scale below.

	1	2	3	4	5	
least satisfied						most satisfied

What, if any, comments do you have regarding the score selected above?

- (12) **Would you contract again with the reference subject for the same or similar goods or services?**

Please respond by circling the appropriate number on the scale below.

	1	2	3	4	5	
least satisfied						most satisfied

What, if any, comments do you have regarding the score selected above?

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

(must be the same as the signature across the envelope seal)

DATE:

SCORE SUMMARY MATRIX

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: 30)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum 30)	SCORE:		SCORE:		SCORE:	
TOTAL RESPONSE EVALUATION SCORE: (maximum: 100)						

Solicitation Coordinator Signature, Printed Name & Date:

RFP #31865-00395 *PRO FORMA* CONTRACT

The *Pro Forma* Contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
CONTRACTOR NAME

This Contract, by and between the State of Tennessee, **Department of Finance and Administration, Division of Health Care Finance and Administration**, hereinafter referred to as the "State" or "HCFA" and **Contractor Legal Entity Name**, hereinafter referred to as the "Contractor," is for eligibility determination for the CoverKids Program, as further defined in the "SCOPE OF SERVICES."

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Place of Incorporation or Organization: **Location**

Contractor Edison Registration ID # **Number**

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor shall assist the Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), with the eligibility administration and other designated aspects of the CoverKids program (CoverKids), including the HealthyTNBabies program (HealthyTNBabies) as set forth in this Scope of Services. CoverKids is operated under Title XXI of the Social Security Act enacted in 1997 and the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) which requires states to apply "certain managed care quality safeguards" to their Children's Health Insurance Programs (CHIPs). Under Tennessee's CHIP program, this is known as CoverKids, HCFA contracts with licensed medical and dental plan administrators to provide a specified health and dental benefit package to enrollees. Through a part of the CoverKids program known as "HealthyTNBabies", the State also provides "unborn" maternity health benefits, including prenatal, delivery and sixty (60) days of post-partum care, with no monthly premiums, to eligible pregnant women who do not have maternity coverage. Unless otherwise indicated in this Contract, all references to CoverKids shall also include HealthyTNBabies. All capitalized terms and acronyms used herein shall have the meanings set forth on Attachment C, unless otherwise indicated.

CoverKids and HealthyTNBabies Enrollment Information

- A.3 The Contractor shall build and implement a process to accept eligibility records from the State where the child has been determined eligible for CoverKids and/or HealthyTNBabies through the Federally Facilitated Marketplace (FFM). The State shall receive the transaction from the FFM, extract the information pertaining to CoverKids eligible children and HealthyTNBabies pregnant mothers and send these files to the Contractor on a daily basis through a secure file transfer (SFTP) process. The Contractor shall develop a system that shall accept files from the State, configure the information as an approved CoverKids and/or HealthyTNBabies account, and upload the account to the eligibility database for processing, reporting and monitoring as follows:
- a. an intake process designed specifically for FFM referrals;
 - b. an identifier for FFM referral records;
 - c. an internal nightly process to prevent identification of FFM referrals as "partial" records requiring additional information;
 - d. an eligibility process to recognize FFM referrals as complete records, and
 - e. an ongoing internal processes to only cancel eligibility on the FFM records for specific reasons.

- A.4. The Contractor shall implement a mutually agreed format to receive the state's FFM consistency files to upload to the database for processing, reporting and monitoring as referenced above:
- a. Establish a process to pull the FFM consistency file from the SFTP site;
 - b. Establish a process to drop the FFM consistency file into the intake staging folder;
- A.5. The Contractor shall implement query to monitor the FFM accounts in the CoverKids system so they are not adversely affected by existing processes, implement a notification within the account so that users are able to distinguish the FFM accounts from other existing accounts, and analyze existing daily/weekly/monthly reports for changes required for reporting purposes.
- A.6. The Contractor shall provide ongoing maintenance projected to require a monthly estimate of development and operational staff to maintain and manage the daily referral process for the FFM records, provide reporting and support the accounts once enrolled, as identified below:
- a. Establish a process to pull the FFM transfer records from the SFTP site;
 - b. Establish a process to drop the referral files into the intake staging folder;
 - c. Establish a the daily batch intake process to import the new FFM referral files;
 - d. Provide analytical support to track and report on the FFM records, and
 - e. Provide data maintenance support to ensure the FFM records are stored and administered as intended.
- A.7. The Contractor shall process the files within one (1) business day, load the records into the CoverKids system and produce an 834 transaction to the medical and dental plan administrator(s) for CoverKids. The Contractor is responsible for monitoring the file transfer and loading to insure that all records sent from the State are loaded into the system and eligibility is communicated to the medical and dental plan administrator(s) in a timely manner. Any issues in file receipt and processing should be reported to the State within four (4) hours.

CoverKids Program Activities

- A.8. The Contractor will assist HCFA in the eligibility administration of the CoverKids program.
- A.9. The Contractor will perform required administrative functions under the direction of HCFA, including, but not limited to, the following as described in the CoverKids Eligibility Manual in effect as of the Contract start date, and as amended from time to time by HCFA.
- a. Processing of eligibility files from the State
 - b. Case maintenance activities per HCFA's policies and procedures
 - c. Develop and maintain eligibility and enrollment databases
- A.10. The Contractor shall have the capability to process all CoverKids applications received from the FFM. As a part of the eligibility determination process for CoverKids, Medicaid eligible families or children shall be referred to the FFM to apply for Medicaid coverage. The Contractor's data system must be able to detect overlaps in eligibility and process the appropriate disenrollments based upon a mutually agreed upon hierarchy and data received from the TennCare Bureau Interface.
- A.11. The Contractor shall develop and maintain a complete and accurate database of demographic eligibility data related to CoverKids enrollees. The required data elements that the database must include are specified in the following link and may be updated as applicable throughout the term of the contract:
- http://www.tn.gov/tenncare/RFP/CHAS_Core_Data_Elements.xlsx
- The Contractor shall comply with all medical and dental plan administrators(s) enrollment

regulations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HCFA shall have on-line access to the Contractor's CoverKids database, and any software used for calculating budgets, for audit and for quality assurance activities.

CoverKids Eligibility

- A.12. The Contractor's data systems shall be compatible or have the capability to utilize the enrollment information provided by the State in the format of HIPAA 834 or 837 or other mutually agreed upon format by the state, to transmit and accept data as required. The Contractor shall ensure that CoverKids enrollees are not receiving Medicaid benefits and maintain the integrity of the application and enrollment process. The Contractor shall develop and maintain the capability for HCFA to have on-line access to the Contractor's CoverKids database, including all software used in the Contractor's eligibility determination. The access must allow HCFA to perform audit and quality assurance functions, to carry out ad hoc queries on the data, and to generate reports. The Contractor shall provide instructions and training to HCFA on the operation of the database and any associated reporting software.
- A.13. The Contractor is required to have performed an annual Statement on Standards for Attestation Engagements No. 16 (SSAE) review of the CoverKids Contract for submission to HCFA.
- A.14. The Contractor shall provide the following eligibility activities and procedures:
- a. The Contractor will be responsible for all eligibility for the CoverKids program related to applicants approved through the Federally Facilitated Marketplace. All enrollees of the CoverKids program must meet all eligibility factors established for the CoverKids program as determined by HCFA.
 - b. The Contractor shall enter files from the state into the eligibility system within one (1) business day of receipt of the file.
 - c. The Contractor shall transmit daily electronic enrollment files to inform the medical and dental plan administrator(s) of the plan enrollee's address change, enrollee is deceased, aged out, or no longer meet the eligibility or residency requirement and the effective date of coverage. The electronic interface shall be compatible or have the capability to utilize the enrollment information provided by the state in the format of HIPAA, 834 or 837 or other mutually agreed upon format by the state, to transmit and accept data as required.
 - d. The Contractor shall base all eligibility determination solely upon policy and procedures approved by HCFA. HCFA shall have access to all case files to perform monthly random enrollee post-eligibility audits. HCFA shall conduct random samples of the Contractor's eligibility determinations to ensure that the Contractor is adhering to policy adopted by HCFA and the State Plan submitted to the Centers for Medicare and Medicaid Services.
 - e. Once eligibility is determined, CoverKids coverage will continue for 12 months from the effective date of coverage unless the enrollee dies, ages out of the program, or no longer meets the state residency requirement. Changes in family circumstances will not terminate coverage within a 12 month eligibility period unless such change would result in the child being Medicaid eligible. The contractor will refer the enrollee to the Marketplace to apply for Medicaid coverage.
 - f. The Contractor shall resolve incomplete accounts from the file from the State within twenty (20) business days of receipt of the file.

- g. The Contractor shall receive CoverKids Birth Reporting Form (Permission to Release Protected Health Information) from the medical facility treating the mother and newborn to make a determination from the pregnant woman's CoverKids account to determine whether the newborn shall be enrolled in the CoverKids or TennCare Medicaid program.
- h. The Contractor shall add the newborn's eligibility data to the TennCare Newborn Presumptive Eligibility database if the newborn is deemed eligible for TennCare Medicaid coverage. The State shall upload the newborn in the TennCare Medicaid system for coverage and assign the newborn to a TennCare Medicaid Managed Care Organization (MCO).
- i. The contractor shall activate the newborn's eligibility in the CoverKids eligibility database if the newborn is deemed eligible for CoverKids coverage.

Customer Service Call Center

- A.15. The Contractor shall maintain an appropriately staffed customer service call center to provide information and answer questions regarding the CoverKids program in a consistent, timely, and culturally-competent manner. This customer service call center will adhere to standards established by HCFA regarding knowledge of policies and practices as they relate to enrollees, promptness of response, accuracy of information, and ability to provide information to HCFA in a mutually agreed upon manner. This function also includes mailing informational pamphlets/literature/forms/notices to families at their request or as directed by HCFA.
- A.16. The Contractor shall manage a toll-free Customer Service Call Center capable of handling over 5,000 calls per month. The call center's phone counselors shall be trained to identify the caller's issue and provide accurate responses to inquiries regarding CoverKids or refer the call appropriately. The calls will cover various subject matters, such as, but not limited to, the following:
 - a. Requests for informational pamphlets and/or forms that require the Contractor's call center to mail the requested information;
 - b. Complaints that must be transferred to HCFA or the medical or dental plan administrator(s) via a method to be mutually agreed upon;
 - c. General information requests regarding CoverKids including the application process through the Federally-Facilitated Marketplace, eligibility and enrollment, appeals, contact information for the health or dental plan, and contact information for programs or services outside of CoverKids such as contact phone numbers for TennCare, and
 - d. Requests requiring the Contractor to provide information regarding additional resources available to assist enrollees.
- A.17. The Contractor's Predictive Dialer (the "Predictive Dialer") shall make three (3) attempts to contact each family that includes a CoverKids enrollee by telephone for any missing information or returned mail as follows:
 - a. If the Predictive Dialer contacts an automated message system, then the Predictive Dialer shall leave a pre-recorded message on such system;
 - b. If the Predictive Dialer contacts a family member, then a Customer Service Representative ("CSR") of the Contractor shall verify all information necessary to

complete the eligibility determination, to be followed up with audit documentation provided to the state on a monthly basis, and

- c. If the family member is unable during the call to verify all such information, then a call back from the family member to the Call Center will be required.
- A.18. The Contractor will maintain the existing toll-free number for the CoverKids Program. The Contractor is responsible for maintaining the local line. The Contractor's telephone center(s) shall be capable of handling the expected volume of calls. The phone center shall be available to accept calls Monday through Friday from 7:00 a.m. to 6:00 p.m. (Central Standard Time). The Contractor will not be expected to provide services on state holidays including New Year's Eve, New Year's Day, Martin Luther King Day, President's Day, Memorial Day, July 4th, Labor Day, Veterans Day, Thanksgiving Day, and Christmas, or on other days when the State is officially closed pursuant to written notification from the State.
 - A.19. The Contractor shall provide a customer service operation that includes a toll-free line abandon rate not to exceed five percent (5%) of incoming calls throughout the contract.
 - A.20. The Contractor shall retain an adequate staff of specially trained phone counselors to perform the education, enrollment and data collection functions for the targeted populations as delineated in the State approved counselors' position description. The Contractor shall ensure the availability of phone counselors trained to address questions or issues regarding the CoverKids program. Phone counselors must be sensitive to the cultural differences and special medical needs of these populations.
 - A.21. The Contractor shall develop written policies and procedures for the provision of language assistance services, including providing language interpreter and translation services and auxiliary aids and services to any enrollee who needs such services, including but not limited to, enrollees with Limited English Proficiency and enrollees who are hearing and speech impaired.
 - A.22. The Contractor shall provide language assistance services, including interpreter and translation services and auxiliary aids and services available at no expense to the enrollee. The Contractor shall have a contract with a translation service.
 - A.23. Language assistance services shall ensure effective communication with enrollees. This effective communication assistance should be available in the form of auxiliary aids or services.
 - A.24. The Contractor shall make free of charge TRS/TDD/TDY services available to enrollees.
 - A.25. The Contractor shall ensure that telephone operators treat all callers with dignity. The callers' need for privacy shall be respected and HIPAA guidelines followed. All operators shall be able to process enrollments and disenrollments over the telephone, be able to answer/handle general inquiries/complaints, and mail, at the enrollee's request, information brochures/pamphlets. A voice mailbox shall be available for after hours with a callback the next working day. Contractor telephone lines shall be equipped with a telecommunications device for the hearing impaired and translation services shall be available.
 - A.26. The Contractor shall ensure that the call center telephone staffing level is adequate to fulfill the standards of promptness and quality listed below:
 - a. 100% of telephone calls must be answered within four rings (a call pick-up system which places the call in a queue may be used);
 - b. Telephone calls should be of sufficient length to assure adequate information is imparted to the enrollee;

- c. The wait time in the queue should not exceed three (3) minutes, and
 - d. The abandoned (dropped) call rate should not exceed 5% of the call volume funded by HCFA. Calls terminated in fewer than 30 (thirty) seconds will not be included in the abandoned call rate.
- A.27. The Contractor shall develop position descriptions which shall be submitted to the State for approval for the phone counselors, which shall include the following criteria:
- a. Education/experience in working with consumers, including working with special needs populations and/or working with families of special needs children;
 - b. Background/training in a health care related field;
 - c. Demonstrated knowledge of health care insurance, Medicaid and CoverKids, and
 - d. Education/experience working with computers.
- A.28. All calls involving CoverKids eligibility will be logged in the Contractor's processing system. Calls involving application requests will be reported in the Call Center report including repeat requests due to non-receipt of application.
- a. System(s) used for call tracking, managing, monitoring, recording, and reporting of both inbound and outbound calls shall have web-based accessibility.
 - b. All Recorded calls should be maintained for Quality of Care purposes.
 - c. The Contractor shall retrieve recorded calls for the State; within two (2) hours during normal operating hours of receiving the request from the State; and any call within the previous ninety (90) days and retrieve for the State, within one (1) business day of receiving the a request from the State.
- A.29. The Contractor shall have a desk reference available for counselors to access necessary information to respond to callers regarding general inquiries and complaints, as well as HCFA's program policies and procedures regarding CoverKids. HCFA has authority to review and comment on the desk reference.
- A.30. HCFA and/or enrollees may request various applications, information pamphlets, literature and forms, some of which shall be prepared and maintained by the Contractor and some to be ordered from HCFA, and a supply maintained by the Contractor for mailing purposes.
- A.31. The Contractor shall ensure all calls to the CoverKids toll-free number are answered in a timely manner and consistent and accurate information provided to all callers. Contractor staff shall have general knowledge of Medicaid and how to apply as well as CoverKids policy and procedures and the CoverKids plan administrator(s).
- A.32. The Contractor shall provide an Interactive Voice Response System – IVRS (Enrollee) to respond to inquiries regarding CoverKids eligibility and medical and dental plan administrators enrollment status. Enrollees shall be able to access the Contractor's system to obtain the information using identifying information, e.g. birth date and/or social security number. The IVRS must inform the enrollee if the enrollee has active CoverKids coverage for the current month and/or provide the plan administrator(s)' toll free number, if applicable. This system shall be available 24 (twenty-four) hours per day, seven (7) days per week, except for scheduled preventive maintenance or downtime necessary to correct/restore functionality. The Contractor shall notify HCFA when this occurs.

Quality Assurance Activities

- A.33. The Contractor shall develop internal policies and procedures that ensure the quality of the services that it provides to HCFA and CoverKids applicants and enrollees. HCFA has authority to review and approve all Contractor policies and procedures prior to implementation. Internal procedures shall include audits to ensure all quality standards set forth in this contract are met, including but not limited to the following:
- a. Standards of promptness, timelines for enrollment and notification of enrollment from the FFM
 - b. Eligibility determination accuracy
 - c. Record retention
 - d. Phone service standards
 - e. Data system maintenance requirements
- A.34. The Contractor shall be familiar with the grievance and complaint processes available to enrollees as adopted by HCFA. The Contractor shall provide assistance to a CoverKids enrollee in completing a complaint or grievance filing necessary to appeal a medical and dental plan administrator(s) decision under the applicable law. The Contractor shall not act as the enrollee's legal counsel, but shall assist the enrollee's family in understanding the steps to grieve a decision and to complete the applicable grievance process.
- A.35. The Contractor shall record and conduct a review of all eligibility grievance and complaint requests by the enrollee, such as denial of eligibility or termination of enrollment. The enrollee may request a review by submitting correspondence in writing to the Contractor. The enrollee can report additional information or clarify information pertaining to their review by contacting the Contractor. The Contractor will document the call and any additional information/clarification provided by the enrollee. The Contractor staff will review the grievance or complaint request. If the Contractor's review does not result in the child and/or unborn child being eligible, the enrollee parent will be notified of the reason the denial was upheld. The notification letter will inform the enrollee that they may submit a formal request in writing to the Division of Health Care Finance and Administration, to be reviewed by HCFA. The State shall provide the Contractor with the approved notice templates to send to the enrollee.

HCFA will perform the following oversight and monitoring activities to ensure that the Contractor maintains compliance with the quality standards set forth in this Contract:

- a. Review reports and logs submitted by Contractor
- b. Monitor compliance with contract requirements
- c. Conduct unscheduled site visits for performance auditing purposes
- d. Conduct an independent evaluation of the eligibility counselor process at least annually
- e. Evaluate effectiveness of educational materials and activities
- f. Meet with the Contractor on a periodic basis to review and discuss project activities and functions. For purposes of this contract, telephone conference calls may meet this requirement with the State's approval.
- g. Monitor the Contractor to ensure provision of adequate levels of service
- h. Facilitate open communication and prompt resolution of issues between the Contractor, HCFA, the TennCare Bureau and the medical and dental plan administrator(s)
- i. Collaborate with the Contractor to improve services, and
- j. Identify errors, discrepancies in enrollee information, and enrollment requests that are not able to be processed in data transmitted by Contractor

Project Management

- A.36. The Contractor will carry out this project under the direction and guidance of HCFA. Although there will be continuous liaison during the Contract term, HCFA's project director will confer biweekly at a minimum, with the Contractor's project manager.
- A.37. The Contractor will submit brief written monthly summaries of progress, which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; issues, real or anticipated, which should be brought to the attention of HCFA's project director; and notification of any significant deviation from previously agreed-upon work statements.
- A.38. Within ten (10) days of the Contract start date, the Contractor shall submit to HCFA's project director for final approval a work implementation statement. This final implementation plan shall be in agreement with the implementation plan as proposed in the Contractor's technical proposal submitted in response to contract competitive procurement and accepted by HCFA for Contract, and shall include the following:
- a. The Contractor's project organizational structure;
 - b. The Contractor's staffing table with names and title of personnel assigned to this project according to staffing proposal submitted in response to competitive procurement. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval by HCFA;
 - c. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each, and
 - d. The time-phased plan in the form of a graphic display, showing each event, task and decision point in the work statement.
- A.39. 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 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.

- (4) Notice of Calculation of Potential Damages (Actual or Liquidated) (NCPD) – notification to the Contractor that provides a calculation of the amount of potential damages, actual and/or liquidated, that the State is contemplating assessing against the Contractor. NPDs and NCPDs 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 NCPD upon which it is based. The NIAD shall specify the total amount and type of damages, whether actual or liquidated, the State intends to assess. 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 NCPD.
- 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 B (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 NCPD 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 NCPD within ten (10) business days of receipt of a CM which includes a NPD or a NCPD. 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.

Administrative Requirements

- A.40. The Contractor shall be incorporated in the State of Tennessee or authorized to conduct business in Tennessee. The Contractor and its subcontractors shall not have any affiliation with a health care organization or provider of health, dental, mental health or substance abuse care services under CoverKids, Medicaid, or any other health care program administered by the state.
- A.41. The Contractor shall maintain an appropriately staffed office. Senior management personnel of the Contractor responsible for day-to-day operations based outside Tennessee also shall be available to CoverKids management by the beginning of the next business day following HCFA's request and in person in Tennessee within forty-eight (48) hours' notice. In addition to the Customer Service Call Center staff required in Section A.15, the Contractor shall have the following full-time positions and Key Personnel designated for this Contract:
 - a. Client Service Representative
 - b. Senior Client Service Representative/Director of Call Center Operations
 - c. Supervisor
 - d. Admin 1 – Document Processing

- e. Director of Document Management
- f. Project Manager Training Specialist
- g. Program Manager
- h. Information Technology (IT) Manager/Director
- i. Privacy Officer

- A.42 If, during the term of this Contract, any Call Center and/or Key Personnel should leave the Contractor's employment or the State requests that a specific Call Center and/or Key Personnel no longer work on this contract, the Contractor shall fill the vacant Call Center and/or Key Personnel position, within thirty (30) days from the date of the Call Center and/or Key Personnel leaving his/her position with the Contractor or being barred from working onsite, with a replacement that is satisfactory to the State. Until a qualified and acceptable replacement is available, Contractor shall temporarily fill such Call Center and/or Key Personnel position, within three (3) business days of a vacancy occurring, with a qualified Contractor corporate staff resource who shall perform the Call Center and/or Key Personnel duties. Failure to timely replace Call Center and/or Key Personnel may result in Liquidated Damages as set forth in Attachment B.
- A.43. The Contractor shall maintain an office in Tennessee to process all incoming CoverKids mail received from the enrollee or legal representative.
- A.44. The Contractor shall comply with the following administrative requirements:
- a. Furnish and supply offices at Contractor expense including telephones, paper supplies, postage machines, furniture, and other necessary items for the work force;
 - b. Develop written policies and procedures, employee manuals, external and internal communications and training materials necessary to fulfill the requirements of the contract;
 - c. Develop detailed procedures for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel. The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) with respect to privacy and security regulations;
 - d. Maintain strict adherence to HCFA's HIPAA security procedures, and
 - e. Notify HCFA of all employee terminations and the user IDs and passwords of the terminated employee so that these may be removed from HCFA's information system.
- A.45. The Contractor shall also maintain sufficient storage capability for a 12-month supply of all materials sent by the Contractor to the enrollees, including materials prepared by HCFA.

Technical Environment

- A.46. The Contractor's management information system shall meet the following requirements:
- a. The Contractor's data system shall be compatible or have the capability to utilize the enrollment information provided by the state in the format of HIPAA, 834 or 837 or other mutually agreed upon format by the state, to transmit and accept data as required as well as any subsequent eligibility system utilized by HCFA. When the State implements a new Medicaid/CHIP eligibility system it will be in scope, for the purpose of this contract, for the contractor to make the appropriate move to the three (3) month run-out period.

- b. All files prepared by the Contractor shall be in the record formats provided by HCFA.
- c. The Contractor shall utilize all files provided by HCFA in the formats prescribed.
- d. The Contractor system shall be flexible and able to utilize and integrate data sent by the State into their databases.
- e. The Contractor shall manage the data sent by HCFA appropriately. The Contractor will be charged for data refreshes that are requested for data mismanagement. Data refreshes necessary due to HCFA error will be provided free.
- f. The Contractor shall maintain a complete testing environment with a test database. HCFA staff shall have inquiry access to the test environment.
- g. The Contractor shall have written procedures to provide a secure computer room.
- h. The Contractor shall have a fire, flood, and theft-protected facility or computer room located away from the storage location of the original system and to store back-up files of the eligibility system, 834 electronic files, electronic images of all notices produced and mailed to the CoverKids enrollees.
- i. The Contractor shall have software control procedures that meet standard IT best practice security requirements. The Contractor shall create a detailed Security Plan describing how the CoverKids application security features shall be integrated with existing network user log-in IDs to provide the security requirements. Recommended levels of security, limitations of capabilities, and required rules shall be provided. The format and content of security tables shall be included, as well as the recommended starting phase for establishing security profiles.
- j. The Contractor shall develop and maintain disaster recovery policies and procedures that shall be approved by HCFA. The Contractor shall inform HCFA thirty (30) days prior to any change in these policies and procedures.
- k. The Contractor shall have back up procedures and the capability to fully restore their system without HCFA's intervention.
- l. The Contractor shall notify HCFA of any system or software failure within four (4) hours.
- m. The Contractor shall retain all data collected for a minimum of seven (7) years. The Contractor shall maintain data on line for a minimum of two (2) years. The Contractor may archive data after two (2) years of inactivity.
- n. The transaction submission error rate cannot exceed 5%.
- o. The Contractor shall maintain an electronic log records that will track data accessed in case of Security or Confidentiality breaches.
- p. The Contractor system shall have capacity for 1.8 million records initially with an average growth rate of 1 million records per year.
- q. The Contractor shall follow the HIPAA security and confidentiality rules consistent with the State's policies and procedures. The Contractor shall provide documentation of staff training in HIPAA security and confidentiality. After the Contract start date and within thirty (30) days of implementation date of January 1, 2016, documentation of staff training and signed security and confidentiality agreements shall be available for review

by HCFA upon request.

- A.47. All data provided to the Contractor by HCFA and all data collected by the Contractor in the performance of contractual duties is the property of HCFA and will be provided to HCFA or an entity designated by HCFA at the completion of this contract. The Contractor shall allow HCFA access to this data upon request. Further, the information collected by the Contractor in the performance of contractual duties is proprietary and may not be used for any other purpose without HCFA's permission.

Information Interface

- A.48. The development and maintenance of all systems interfaces will be the responsibility of the Contractor.
- A.49. The Contractor shall work with the CoverKids medical and dental plan administrator(s) to arrange transfer of the following data:
- a. Daily transmission of changes in the eligibility status of enrollees:
 - (1) The Contractor's data systems shall be compatible or have the capability to utilize the enrollment information provided by the state in the format of HIPAA, 834 or 837 or other mutually agreed upon format by the state, to transmit and accept data as required.
 - (2) The Contractor shall publish an implementation guide that has been approved by the State. HCFA will provide to the plan administrator(s) the monthly and weekly enrollment files that contain the official enrollment and disenrollment notification. Enrollee choice of medical plan administrator when applicable shall be included on the daily enrollment file.
 - (3) The Contractor shall have a secure file transfer and retrieval process that shall be prior approved by HCFA.
 - (4) The Contractor shall be responsible for acquisition and maintenance of all communications equipment, including but not limited to, lease lines and data transmission lines, necessary to maintain the above communications and be responsible for the development and maintenance of the system's interface. Data System design analysis shall be approved by the State.
 - b. Data Transfers Sent From the State to the Contractor:
 - (1) The Contractor will use daily electronic files in a mutually agreed upon format from the Bureau of TennCare HCFA Interface to check that no family members are already enrolled in Medicaid.
 - (2) The Contractor will be provided with weekly and monthly TennCare enrollment information via an electronic file in order to conduct electronic matches to identify CoverKids enrollees who gained TennCare Medicaid after they became active CoverKids enrollees.
 - (3) The State of Tennessee Acceptable Use Policy for Network Access Rights and Obligations will be required. Signature of contracted users will be mandatory.
 - c. Contractor Data Transfers to the State:

- (1) The data transfers shall be in a mutually agreed upon format. The files will be 834 enrollment files for CoverKids medical and dental plan administrator(s). The Contractor's data systems shall be compatible or have the capability to utilize the enrollment information provided by the state in the format of HIPAA, 834 or 837 or other mutually agreed upon format by the state, to transmit and accept data as required.
 - (2) The Contractor shall provide to the plan administrator(s) the monthly and weekly enrollment files that contain the official enrollment and disenrollment notification. Enrollee choice of medical plan administrator when applicable shall be included on the daily enrollment file.
 - (3) The Contractor shall maintain the capability to provide to the State an extract file of CoverKids enrollee data on a scheduled or on demand basis in a mutually agreed upon format.
- d. Contractor Data Transfers to CoverKids medical and dental plan administrator(s):
- (1) The enrollment files for CoverKids plan administrator(s) shall be transferred via a secure site that has been approved by the HCFA, and
 - (2) The Contractor shall implement a single interface to exchange electronic information with the plan administrator(s).
- e. Contractor CoverKids - The Contractor shall maintain the following data in a standard database format. HCFA shall be provided on-line access to this data from outside the Contractor's location during business hours. Demographic data from the CoverKids applicant or other appropriate source per HCFA policy that includes, but is not limited to, the following information regarding each enrollee:
- (1) Name
 - (2) Address
 - (3) County and state of residence
 - (4) Citizenship
 - (5) Birth date
 - (6) Gender
 - (7) Race
 - (8) Pregnancy Status
 - (9) Parent or guardian names
 - (10) Countable Income
 - (11) Federal Poverty Level (FPL)
 - (12) Household Size
 - (13) Social security number
 - (14) Begin and end dates of medical and dental plan administrator(s)' enrollment provided by the plan administrator(s)
 - (15) Begin and end dates of CoverKids eligibility
 - (16) Status of application/predetermination - approval, pending missing information, denied with reason for denial, referred for Medicaid
 - (17) Type of application - on-line, paper, submitted by agency
 - (18) Preliminary eligibility granted
 - (19) Complaint log regarding complaints about the Contractor's services and the resolution of all such complaints
 - (20) Unique identifiers assigned by the Contractor

- f. Conversion of Data Transfer from Existing Eligibility Contractor to New Eligibility Contractor - The Contractor and the State shall prepare a final conversion plan and perform final conversion activities that include procedure for testing the conversion data. The conversion plan shall include loading nine (9) years of eligibility history from the existing Eligibility Contractor system into the Contractor's Eligibility system. The data transfers shall be in a mutually agreed upon format with the state. The conversion of data transfer shall be completed within four (4) months of the start of the contract.

CoverKids Communication

- A.50. The Contractor shall be responsible for producing, maintaining, updating and distributing the following documents as well as incurring all mailing costs. All materials shall be printed in prevalent languages of Spanish and English and written at a 6th grade reading level. HCFA will notify the Contractor of any changes in prevalent language status. All materials shall include State requirements such as the non-discrimination statement.
- a. Information regarding appeal procedures;
 - b. Approval/denial/missing information letters and forms, and
 - c. Program information to explain CoverKids benefits.

Deliverables

- A.51. Within ten (10) days of the contract start date, the Contractor shall submit to the State for its approval a project plan for to be implemented for all services provided by Contractor under this Contract. The project plan should comply with the Project Management Book of Knowledge (PMBOK).
- A.52. Within one hundred and twenty (120) days of the end date of the contract, the Contractor shall submit to the State for its approval a transition plan to be implemented for all services provided by Contractor under this contract in the event of the award of a contract for such services to a vendor in a subsequent procurement.
- A.53. The Contractor shall provide an automated enrollment/disenrollment system into the CoverKids program. The automated enrollment function shall be capable of managing enrollments for newly eligible enrollees enrolled through the Federally Facilitated Marketplace (FFM).
- A.54. The Contractor shall operate an interactive voice response system to provide enrollees information about eligibility including, but not limited to, current eligibility and enrollment status.
- A.55. The Contractor shall allow HCFA and other state or affiliated agencies access to all information maintained in the Contractor's database(s) that pertains to CoverKids.
- A.56. The Contractor shall maintain an information system capable of producing comprehensive reports for HCFA, including but not limited to, monthly enrollment reports, demographic reports as requested by HCFA, and any other management reports determined necessary by HCFA.
- A.57. The Contractor's management information system shall also have capacity to fully integrate with the current TennCare eligibility systems, as well as any new/replacement eligibility systems acquired by the State of Tennessee relating to Medicaid and/or CoverKids.
- A.58. The Contractor shall work closely with and be familiar with the CoverKids medical and dental plan administrator(s). The Contractor, HCFA, and the medical and/or dental plan administrator(s) will interact on a regular basis to assure open communication and prompt issue

resolution.

- A.59. Social Security Administration (SSA). The State of Tennessee has entered into an electronic information sharing agreement with the Social Security Administration (SSA) as "Electronic Information Exchange partners (EIEP)s". The SSA must approve the following requirements prior to allowing access to SSA data. Contractor will provide an electronic record to Department of Human Services (DHS) on every new application to secure verification of citizenship or alien status.
- a. A Self-Certification Questionnaire (SCQ) and corresponding Security Design Plan (SDP) shall be submitted for approval to the SSA by the EIEP for access to SSA-provided data.
 - b. The EIEP shall document in the SCQ and SDP their compliance with the SSA's Systems Security Requirements (SSRS).
- A.60. The Contractor shall cooperate fully with federal and state audits. The State may conduct audits of any aspect of the program the State deems appropriate. The State may select any qualified persons, or organization to conduct the audits. To the extent allowed by applicable law, the State agrees that persons or organizations conducting audits of the Contractor shall be prohibited from disclosing confidential patient records or proprietary or confidential information reasonably designated as such by the Contractor.

Transition of Tennessee Eligibility Determination System (TEDS)

- A.61. Effective immediately upon notification from HCFA, the CoverKids eligibility application files process will be transitioned to a new Medicaid and CHIP Eligibility Determination System. At this time, the Contractor shall begin a three month run out period, whereby the Contractor shall complete the eligibility application files process for all CoverKids FFM applications that were received as of the date of transition notification by the State, which shall include processing all CoverKids FFM applications, acquiring any missing information, and supporting documents received. The Contractor shall upload and complete all eligibility application files from the State during the three month run out period. On a daily basis, the Contractor shall send an eligibility file to the State on all pending accounts that have a final determination. The Contractor shall not disseminate or cancel any enrollee's eligibility during the three month run out period. All such requests will be directed to the State's Service Center for processing. At the end of the eligibility run out period, the Contractor shall redirect the toll-free telephone number, toll-free facsimile, and CoverKids United States Postal Service mail box to the State. The Contractor shall load all determined eligible children and pregnant women from the FFM.
- A.62. The Contractor shall provide appropriate staff to be available from 8:00 a.m. through 5:00 p.m., CST, Monday through Friday, to provide assistance to the State pertaining to the Tennessee CoverKids. The Contractor shall designate specific personnel with appropriate expertise to provide the duties as follows:
- a. Respond to specific eligibility questions submitted in writing via e-mail to a designated e-mail address.
 - b. Participate in telephone calls following notice via e-mail requesting a conference call with the State.
 - c. Provide remote access to the TN CoverKids system on a read-only basis for review of eligibility screens, applications, notices/letters and supporting documentation housed in the system between 8:00 a.m. and 5:00 p.m., CST, Monday through Friday exclusive of holidays.
 - d. Provide CoverKids audit support.
 - e. Respond to e-mail notice of system inaccessibility.

- A.63. The Contractor shall send the State within a mutually agreed format of test files prior to run-out period and implementation of the new TEDS for the Medicaid and CHIP programs.
- A.64. The Contractor shall continue to provide all existing aspects of the eligibility process as specified in this contract until the State notifies the Contractor that the new Tennessee Eligibility Determination System (TEDS) is ready for implementation. This notification of eligibility application transition to the TEDS shall be provided in writing by the State at which time the Contractor shall begin the process to transition, as directed by TennCare, all processes to TEDS.

Reports

- A.65. The Contractor shall develop methodologies for reporting to the HCFA. HCFA shall have authority to review, comment upon and approve the proposed methodologies. Reports shall be submitted to HCFA's project manager as directed by the contract. Reports shall be submitted electronically and by hard copy unless otherwise specified by HCFA.
- a. Monthly Data Reports shall include a narrative to explain trends in eligibility, issues experienced in the month, recommendations to HCFA for policy and/or procedural changes, and any additional comments the Contractor may have.
 - b. CoverKids standardized summary reports shall provide the quantity for each of the following elements:
 - (1) Children applying;
 - (2) Persons disenrolled (including those disenrolled because enrollee has active Medicaid);
 - (3) Disenrollments for failure to cooperate with audits;
 - (4) Referrals to TennCare due to audit results;
 - (5) Telephone calls received, and
 - (6) Average abandon call rate.
 - c. CoverKids Standardized summary reports that include the following:
 - (1) The number of all children processed each month by CoverKids, including the number of children enrolled in CoverKids from the Federally Facilitated Marketplace, referred from Medicaid, referred to Medicaid, and denied;
 - (2) Program enrollment numbers based on eligibility information provided to the plan administrator(s);
 - (3) Total number of existing CoverKids enrollees enrolled with plan administrator(s) by county;
 - (4) Total number of CoverKids enrollees enrolled who applied from the FFM, by county;
 - (5) A breakdown of the CoverKids terminations, listing the reasons for termination and the percentage and number for each termination reason ;
 - (6) Breakdown of percentages enrolled by gender, age, race/ethnicity, and FPL;
 - (7) A breakdown of the sources of information about CoverKids, and
 - (8) Monthly CoverKids call volume and abandon rates.
 - d. The Contractor shall not release any reports or data about this contract without permission from the state.
- A.66. The Contractor shall provide the time frame for CoverKids eligibility determinations by the Contractor including the standard of promptness reports:

- a. Ad Hoc Reports as requested by HCFA;
- b. Telephone Log Report;
 - (1) Logs shall be maintained for the CoverKids calls, showing the number of calls answered per day/week/month.
 - (2) Extensive reporting by the telephone company of telephone activity will be required to assure that the Contractor is fulfilling the promptness and quality standard requirements of the contract. The Contractor shall submit monthly reports obtained from its phone company to HCFA , which shall include but are not limited to the following:
 - i. Total number of telephone calls received per month
 - ii. Average Wait time for all calls in queue
 - iii. Average length of call
- c. Mail Log Report;
 - (1) Type of each mailing;
 - (2) Reason for each mailing;
 - (3) Date of mailing.
- d. Other contacts:
 - (1) Method of contact (phone, mail, etc.)
 - (2) Source;
 - (3) Reason for contact.

Business Continuity/Disaster Recovery Plan

- A.67 The Contractor shall submit a formal Business Continuity-Disaster Recovery Plan (BC-DR) by March 31, 2016. The Contractor will apply recognized industry standards governing disaster preparedness and recovery including the ability to continue operations during hours specified in A.15 in the event that the central site is rendered inoperable.
- a. The Contractor will maintain the ability to implement the BC-DR plan within a two (2) hour window from the time of the State's direction to implement such plan. Such plan must provide for seamless operation of all contracted activities and Service Center functionality as specified herein. Any/all back-up contract centers must have an IVR and Automated Call Distribution Capability (ACD) system and remote access via telephone and simple internet connection. Contractor employees must be familiar with emergency procedures.
 - b. Upon the State's request, the Contractor shall test the BC-DR with the results added to the BC-DR plan document. The BC-DR must be able to meet the requirements of any applicable state and federal regulations and policies of the State. The BC-DR must include sufficient information to show that following requirements are met.
 - c. Documentation of emergency procedures that include steps to take in the event of a natural disaster by fire, water damage, sabotage, mob action, bomb threats, etc. This documentation shall be in the form of a BC-DR plan. The Contractor shall apply recognized industry standards governing Disaster Preparedness and Recovery including the ability to continue processing in the event that the central site is rendered inoperable;
 - (1) Employees at the site shall be familiar with the emergency procedures;

- (2) Smoking shall be prohibited at the site;
- (3) Heat and smoke detectors shall be installed at the site both in the ceiling and under raised floors (if applicable). These devices shall alert the local fire department as well as internal personnel;
- (4) Portable fire extinguishers shall be located in strategic and accessible areas of the site. They must be vividly marked and periodically tested;

Fraud and Abuse

- A.68. The Contractor shall assist the State in identifying fraud and perform fraud investigations of enrollees, in consultation with the State, for the purpose of recovery of overpayments due to fraud. The Contractor shall provide all documentation, records, and data to the Tennessee Office of Inspector General for the purpose of investigating suspected fraud and abuse cases. Reviews must include all possible actions necessary to locate and investigate cases of potential, suspected, or known fraud and abuse. In the event the Contractor discovers evidence that an unusual transaction has occurred that merits further investigation, the Contractor shall inform the Department of Finance and Administration, Division of Health Care Finance and Administration, the Bureau of TennCare, the Division of State Audit within the Office of the Comptroller of the Treasury, and the State of Tennessee Office of Inspector General.

Readiness Review

- A.69. The Contractor shall demonstrate to HCFA's satisfaction that it is able to meet the requirements of this Contract by cooperating in a readiness review conducted by HCFA to review the Contractor's readiness to begin operations. This review shall begin following the Contract start date of July 1, 2015 and be completed prior to the beginning of Contract implementation date of January 1, 2016. This review may include, but is not limited to, desk and on-site review of documents provided by the Contractor, a walk-through of the Contractor's operations, system demonstrations (including systems connectivity testing), and interviews with Contractor's staff. The scope of the review may include any and all requirements of this Contract as determined by HCFA.
- A.70. The Contractor shall work in cooperation with HCFA to ensure that their eligibility system eligibility files and all other systems, files and/or processes satisfy all functional and informational requirements of the CoverKids program. The Contractor will assist HCFA in the analysis and testing of these systems prior to the delivery of services. HCFA uses webex sessions to verify that test files are loaded correctly in the Contractor's system. The Contractor shall provide system access to allow HCFA to test the Contractor's system through the HCFA CoverKids network. Any software or additional communications network required for access shall be provided by the Contractor.
- a. Based on the results of the review activities, HCFA will issue a letter of findings and, if needed, will request a corrective action plan from the Contractor. CoverKids enrollees may not be enrolled with the Contractor Eligibility System until HCFA has determined that the Contractor is able to meet the requirements of this Contract.
 - b. If the Contractor is unable to demonstrate its ability to meet the requirements of this Contract, as determined by HCFA, within the time frames specified by HCFA, HCFA may terminate this Contract in accordance with Section D.6 of this Contract and shall have no liability for payment to the Contractor.

B. CONTRACT PERIOD:

- B.1. This Contract shall be effective on July 1, 2015 (“Effective Date”), and extend for a period of Forty-Two (42) 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-six (66) months.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)** (“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:
 - (1) For service performed from January 1, 2016, through December 31, 2017, the following rates shall apply:

Service Description	Amount (per compensable increment)
General Administration and Operations (including all scopes of services and deliverables included in the pro forma)	\$ _____ per month

- (2) Should term extension option be utilized, for services performed from January 1, 2018, through December 31, 2019, the following rates shall apply:

Service Description	Amount (per compensable increment)

General Administration and Operations (including all scopes of services and deliverables included in the pro forma)	\$ _____ per month
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- 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:

Division of Health Care Finance and Administration
CoverKids Program
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.
- a. The Contractor shall complete, sign, and present to the State 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, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, shall be made by automated clearing house.
 - b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number in the Substitute W-9 Form must be the same as the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID.

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:

Contractor Contact Name & Title
 Contractor Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

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 B 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 A, 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 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.23. 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.24. 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.25. 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.25 shall not be deemed to limit or abridge any requirement set forth in Section E.16.
- D.26. 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.27. 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.28. 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.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. 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. 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"). The State shall notify the Contractor of amounts to be assessed as Liquidated Damages as stipulated in Contract Attachment B. 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. 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 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 31865-00395 (Attachment 6.2, Section B) 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.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 B 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 Loss Worksheet located at http://www.tn.gov/HCFA/forms/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 enrollees:

- (2) Access to information concerning applicants or enrollees 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 enrollees;
- (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 enrollees 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 enrollee, 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. 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. 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 HCFA 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 providers and subcontractors that are considered to be recipients of federal financial assistance ("FFA") 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 providers and subcontractors that are considered to be recipients of FFA 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 enrollees 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 enrollees and participants in HCFA's programs or other complainants discrimination complaint forms located at the links below:
<http://www.tn.gov/tenncare/forms/complaintform.pdf> and
http://www.covertn.gov/web/coverkids_fair_treatment.html

Discrimination complaint forms shall be provided to enrollees and participants in HCFA's programs and other complainants 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.

Should individuals request that the Contractor assist them with filing discrimination complaints with HCFA, the Contractor shall provide assistance to these individuals. The Contractor shall inform its employees and its providers and subcontractors that are considered to be recipients of FFA under this contract about how to assist individuals with obtaining discrimination complaint forms and assistance with submitting the forms to HCFA.

- (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 one of HCFA's programs shall be prior approved in writing by HCFA prior to the materials being mailed or otherwise provided to individuals.

- (9) Written materials provided pursuant to this Contract shall include a toll free number individuals can call 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 provided pursuant to this Contract 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 (i), 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 one of HCFA's programs 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 providers and subcontractors that are considered to be recipients of FFA 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 Providers and Subcontractors that are recipients of FFA under this Contract. Should complaints concerning alleged acts of discrimination committed by the Contractor's providers and

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 providers and subcontractors that are recipients of federal financial assistance under this Contract.

- (3) Corrective Action Plans to Resolve Discrimination Complaints. If a discrimination complaint against the Contractor or its employees or one of its providers or subcontractors who are recipients of FFA 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 these accessibility requirements, the Contractor shall consult either the Section 508 guidelines issued by the U.S. Access Board or W3C's Web Content Accessibility Guidelines ("WCAG") 2.0 (For Section 508 guidelines see: <http://www.access-board.gov/guidelines-and-standards/communications-and-it/about-the-section-508-standards/section-508-standards>; for the W3C's guidelines see: <http://www.w3.org/standards/>).

Contractor agrees to perform regularly scheduled (i.e., automatic) scans and manual testing for Section 508 or WCAG 2.0 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 either the Section 508

guidelines or WCAG 2.0. Commercial Off-the-shelf (“COTS”) products may be used to verify Section 508 or WCAG 2.0 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 Section 508 guidelines or WCAG 2.0, 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.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME:

CONTRACTORSIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTORSIGNATORY (above)

**DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION:**

LARRY B. MARTIN, COMMISSIONER

DATE

ATTACHMENT A**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

ATTACHMENT B**LIQUIDATED 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.

	<u>PROGRAM ISSUES</u>	<u>DAMAGE</u>
1.	Failure to provide a complete and accurate database of demographic eligibility data related to CoverKids enrollees per Section A.10.	\$1,000 per occurrence and \$1,000 per each date until the database is corrected.
2.	Failure to provide compatible data system capable to utilize information provided by the State in the format of HIPAA 834 or 837 per Section A.11.	\$1,000 per occurrence and \$1,000 per each date until the database is compatible.
3.	Failure to enter eligibility files from the State into the Eligibility system within one (1) business day of receipt of the file throughout the contract per Section A.13.b.	\$500.00 per each file that was not processed within one (1) day of receipt.

4.	Failure to ensure level of call center staffing adequate to fulfill the standards of promptness and quality stipulated per Section A.25.	<p>\$500.00 per each incident that phone calls are not answered within four rings;</p> <p>\$500.00 per each incident that exceeds queue wait time of three (3) minutes;</p> <p>\$500.00 for each report of abandoned (dropped) call rates exceeded 5%.</p>
5.	All Key Personnel and Call Center staff defined in Section A.41. Vacancies must be filled within thirty (30) days from the date the key personnel left his/her position.	A maximum of five hundred dollars (\$500.00) for each business day past the thirty (30) days vacant period for all Key Personnel and Call Center.
6.	Failure to issue document(s) at a 6 th grade reading level to the enrollee within the agreed upon time frame per Section A.50	\$500 per day the document(s) are not disseminated at a 6 th grade reading level
7.	Failure to submit to the state the project plan that will comply with PMBOK within 10 days of the contract start date per contract Section A.51.	\$1,000 per each day the project plan is delayed
8.	Failure to provide the Department of Human Services an electronic record on every new application to secure verification of citizenship of alien status per Section A.59.	\$1,000 per incident that citizenship or alien status was not verified.
9.	Failure to provide reports timely as stipulated in Section A.65 and A.66, and any other section throughout this Contract.	\$1,000 per report
10.	Failure by the Contractor to meet the standards for privacy, security, and confidentiality of individual data as evidenced by a breach of the security per Section D. 20. and E.2.	\$1,000 per affected enrollee per occurrence.
11.	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 enrollee per occurrence.
12.	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	\$1,000 per affected enrollee per occurrence.

	with any third party beyond the boundaries and jurisdiction of the United States. (See E.18 and Business Associate Agreement between the parties)		
13.	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 enrollee per occurrence.

ATTACHMENT C**Applicable Terms and Definitions**

Child – under 19 years of age

CoverKids – the program provides comprehensive (medical, pharmacy, vision, behavioral health and dental services) coverage to any eligible child less than 19 years of age enrolled in the CoverKids program.

Dental Plan Administrator – A contractor approved by HCFA to provide dental benefits to CoverKids members.

834 transaction – an electronic eligibility enrollment file sent from the Eligibility Contractor to the Plan and Dental Administrator(s).

Enrollee – A child or pregnant woman enrolled in CoverKids.

Federally Facilitated Marketplace – Operated by the Medicaid and Medicaid Services (CMS) to assist states who are an “assessment” state and do not have state run combined eligibility systems for Medicaid and CHIP. The Marketplace currently makes Medicaid and CHIP eligibility determinations for Tennessee.

HCFA – Division of Health Care Finance and Administration

HealthyTNBabies – the program provides “unborn” coverage to any eligible pregnant woman that receives prenatal, delivery and 60 days of post-partum coverage

Medical Plan Administrator(s) – A contractor(s) approved by the HCFA to provide medical, pharmacy, vision and behavioral health benefits to CoverKids members and prenatal, delivery and 60 days post-partum care to HealthyTNBabies moms.

TennCare Bureau Interface – an electronic submission of eligibility data in an agreed format to the Eligibility Contractor

RFP ATTACHMENT 6.7

**HEALTH CARE FINANCE AND ADMINISTRATION
HIPAA BUSINESS ASSOCIATE AGREEMENT
IN COMPLIANCE WITH PRIVACY AND SECURITY RULES**

THIS HIPAA BUSINESS ASSOCIATE AGREEMENT (“Agreement”) is between **The State of Tennessee, Department of Finance and Administration, Health Care Finance and Administration** (“HCFA” or “Covered Entity”), 310 Great Circle Road, Nashville, TN 37243 and _____ (“Business Associate”), located at _____, including all office locations and other business locations at which Business Associate data may be used or maintained. Covered Entity and Business Associate may be referred to herein individually as “Party” or collectively as “Parties.”

BACKGROUND

The Parties acknowledge that they are subject to the Privacy and Security Rules (45 C.F.R. Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, and as amended by the final rule modifying the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules under the Health Information Technology for Economic and Clinical Health Act (HITECH). If Business Associate provides services to Covered Entity pursuant to one or more contractual relationships, said Agreements are detailed below and hereinafter referred to as “Service Agreements.”

LIST OF AGREEMENTS AFFECTED BY THIS HIPAA BUSINESS ASSOCIATE AGREEMENT:

In the course of performing services under a Service Agreement, Business Associate may come into contact with, use, or disclose Protected Health Information (“PHI”). Said Service Agreements are hereby incorporated by reference and shall be taken and considered as a part of this document the same as if fully set out herein.

In accordance with the federal privacy and security rules and regulations set forth at 45 C.F.R. Part 160 and Part 164, Subparts A, C, D and E, which require Covered Entity to have a written memorandum with each of its Business Associates, the Parties wish to establish satisfactory assurances that Business Associate will appropriately safeguard PHI that Business Associate may receive (if any) from or on behalf of Covered Entity, and, therefore, execute this Agreement.

1. DEFINITIONS

All capitalized terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms defined in 45 C.F.R. Parts 160 through 164 or other applicable law or regulation. A reference in this Agreement to a section in the Privacy or Security Rule means the section as in effect or as amended.

1.1 “Breach of the Security of the [Business Associate’s Information] System” shall mean the unauthorized acquisition, including, but not limited to, access to, use, disclosure, modification or destruction, of unencrypted computerized data that materially compromises the security, confidentiality, or integrity of personal information maintained by or on behalf of the Covered Entity under the terms of Tenn. Code Ann. § 47-18-2107 and this Agreement. Good faith acquisition of personal information by an employee or agent of the Information Holder for the purposes of the Information Holder is not a Breach of the Security of the System; provided, that the personal information is not used or subject to further unauthorized disclosure.

1.2 “Commercial Use” means obtaining PHI with the intent to sell, transfer or use it for commercial, or personal gain, or malicious harm; sale to third party for consumption, resale, or processing for resale; application or conversion of data to make a profit or obtain a benefit contrary to the spirit of this Agreement, including but not limited to presentation of data or examples of data in a conference or meeting setting where the ultimate goal is to obtain or gain new business.

1.3 “Confidential Information” shall mean any non-public, confidential or proprietary information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression, which is supplied by HCFA to the Business Associate under this Agreement. Any information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression, relating to individuals enrolled in the HCFA program (“HCFA enrollees”), or relating to individuals who may be potentially enrolled in the HCFA program, which is provided to or obtained through the Business Associate’s performance under this Agreement, shall also be treated as “Confidential Information” to the extent that confidential status is afforded such information under state and federal laws or regulations. All confidential information shall not be subject to disclosure under the Tennessee Public Records Act.

1.4 “Electronic Signature” means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

1.5 “Information Holder” means any person or business that conducts business in this state, or any agency of the state of Tennessee or any of its political subdivisions, that owns or licenses computerized data that includes personal information

1.6 “Marketing” shall have the meaning under 45 C.F.R. § 164.501 and the act or process of promoting, selling, leasing or licensing any HCFA information or data for profit without the express written permission of HCFA.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE (Privacy Rule)

2.1 Compliance with the Privacy Rule. Business Associate shall fully comply with the requirements under the Privacy Rule applicable to "business associates," as that term is defined in the Privacy Rule and not use or further disclose PHI other than as permitted or required by this Agreement, the Service Agreements, or as required by law. In case of any conflict between this Agreement and the Service Agreements, this Agreement shall govern.

2.2 HITECH Act Compliance. The Health Information Technology for Economic and Clinical Health Act (HITECH) was adopted as part of the American Recovery and Reinvestment Act of

2009. HITECH and its implementing regulations impose new requirements on Business Associates with respect to privacy, security, and Breach notification. Business Associate hereby acknowledges and agrees that to the extent it is functioning as a Business Associate of Covered Entity, Business Associate shall comply with any applicable provisions of HITECH. Business Associate and the Covered Entity further agree that the provisions of HIPAA and HITECH that apply to business associates and that are required to be incorporated by reference in a business associate agreement have been incorporated into this Agreement between Business Associate and Covered Entity. Should any provision not be set forth specifically, it is as if set forth in this Agreement in its entirety and is effective as of the Applicable Effective Date, and as amended.

2.3 Business Management. Business Associate may use and disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate. Business Associate may provide data aggregation services relating to the Health Care Operations of HCFA, or as required by law. Business Associate is expressly prohibited from using or disclosing PHI other than as permitted by this Agreement, any associated Service Agreements, or as otherwise permitted or required by law, and is prohibited from uses or disclosures of PHI that would not be permitted if done by the Covered Entity.

2.4 Privacy Safeguards and Policies. Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by the Service Agreement(s), this Agreement or as required by law. This includes the implementation of Administrative, Physical, and Technical Safeguards to reasonably and appropriately protect the Covered Entity's PHI against any reasonably anticipated threats or hazards, utilizing the technology commercially available to the Business Associate (See also Section 3.2). The Business Associate shall maintain appropriate documentation of its compliance with the Privacy Rule, including, but not limited to, its policies, procedures, records of training and sanctions of members of its Workforce.

2.5 Business Associate Contracts. Business Associate shall require any agent, including a Subcontractor, to whom it provides PHI received from, maintained, created or received by Business Associate on behalf of Covered Entity, or that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of, or access to PHI or other confidential HCFA information, to agree, by written agreement with Business Associate, to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information except for the provision at section 4.6, which shall only apply to the Business Associate notwithstanding the requirements in this section 2.5.

2.6 Mitigation of Harmful Effect of Violations. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.7 Reporting of Violations in Use and Disclosure of PHI. Business Associate shall require its employees, agents, and Subcontractors to promptly report to Business Associate immediately upon becoming aware of any use or disclosure of PHI in violation of this Agreement and to report to Covered Entity any use or disclosure of the PHI not provided for by this Agreement. The Business Associate shall report such violation to Covered Entity immediately upon becoming aware, and in no case later than 48 hours after discovery.

2.8 Breach of Unsecured Protected Health Information. As required by the Breach Notification

Rule, Business Associate shall, and shall require its Subcontractor(s) to, maintain systems to monitor and detect a Breach of Unsecured PHI, whether in paper or electronic form.

2.8.1 Business Associate shall provide to Covered Entity notice of a Breach of Unsecured PHI immediately upon becoming aware of the Breach, and in no case later than 48 hours after discovery.

2.8.2 HCFA shall make the final determination whether the Breach requires notification to affected individuals and whether the notification shall be made by Covered Entity or Business Associate.

2.9 Access of Individual to PHI and other Requests to Business Associate. If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate agrees to provide access to PHI in a Designated Record Set to Covered Entity in order to meet its requirements under 45 C.F.R. § 164.524. If Business Associate receives a request from an Individual for a copy of the Individual's PHI, and the PHI is in the sole possession of the Business Associate, Business Associate will provide the requested copies to the Individual in a timely manner. If Business Associate receives a request for PHI not in its possession and in the possession of the Covered Entity, or receives a request to exercise other Individual rights as set forth in the Privacy Rule, Business Associate shall promptly forward the request to Covered Entity. Business Associate shall then assist Covered Entity as necessary in responding to the request in a timely manner. If a Business Associate provides copies of PHI to the Individual, it may charge a reasonable fee for the copies as the regulations shall permit.

2.10 Requests to Covered Entity for Access to PHI. The Covered Entity shall forward to the Business Associate in a timely manner any Individual's request for access to or a copy (in any form they choose, provided the PHI is readily producible in that format) of their PHI that shall require Business Associate's participation, after which the Business Associate shall provide access to or deliver such information as follows:

- (a) The Parties understand that if either Party receives a request for access to or copies of PHI from an Individual which the Party may complete with only its own onsite information, the time for such response shall be thirty (30) days, with notification to the Covered Entity upon completion.
- (b) If Covered Entity does not have the requested PHI onsite and directs Business Associate to provide access to or a copy of his/her PHI directly to the Individual, or Individual's designee, the Business Associate shall have sixty (60) days from the date of the Individual's request to provide access to PHI or deliver a copy of such information to the Individual. The Business Associate shall notify the Covered Entity when it completes the response.
- (c) If the Covered Entity receives a request and requires information from the Business Associate in addition to the Covered Entity's onsite information to fulfill the request, the Business Associate shall have thirty (30) days from date of Covered Entity's notice to provide access or deliver such information to the Covered Entity so that the Covered Entity may timely respond to the Individual within the sixty (60) day requirement of 45 C.F.R. § 164.524.
- (d) If the Party designated above as responding to the Individual's request is unable to complete the response to the request in the time provided, that Party shall provide the Individual, or Individual's designee, with a written statement of the reasons for the delay and the date by which the Party will complete its action on the request.

The Party may extend the response time once for no more than thirty (30) additional days.

- (e) Business Associates permitted to send an Individual or Individual's designee unencrypted emails including Electronic PHI if the Individual requests it, provided the Business Associate has advised the Individual of the risk and the Individual still prefers to receive the message by unencrypted email.
- (f) Business Associate shall develop forms that are designed to collect the necessary written, signed designation that is required in order to permit Individuals to designate recipients of PHI.

2.11 Individuals' Request to Amend PHI. If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate agrees to make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526, regarding an Individual's request to amend PHI. The Business Associate shall make the amendment promptly in the time and manner designated by Covered Entity, but shall have thirty (30) days' notice from Covered Entity to complete the amendment to the Individual's PHI and to notify the Covered Entity upon completion.

2.12 Recording of Designated Disclosures of PHI. Business Associate shall document any and all disclosures of PHI by Business Associate or its agents, including information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

2.13 Accounting for Disclosures of PHI. The Business Associate agrees to provide to Covered Entity or to an Individual, or Individual's designee, in time and manner designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528. The Covered Entity shall forward the Individual's request requiring the participation of the Business Associate to the Business Associate in a timely manner, after which the Business Associate shall provide such information as follows:

- (a) If Covered Entity directs Business Associate to provide an accounting of disclosures of the Individual's PHI directly to the Individual, the Business Associate shall have sixty (60) days from the date of the Individual's request to provide access to or deliver such information to the Individual or Individual's designee. The Covered Entity shall provide notice to the Business Associate in time to allow the Business Associate a minimum of thirty (30) days to timely complete the Individual's request.
- (b) If the Covered Entity elects to provide the accounting to the Individual, the Business Associate shall have thirty (30) days from date of Covered Entity's notice of request to provide information for the Accounting to the Covered Entity so that the Covered Entity may timely respond to the Individual within the sixty (60) day period.
- (c) If either of the Parties is unable to complete the response to the request in the times provided above, that Party shall notify the Individual with a written statement of the reasons for the delay and the date by which the Party will complete its action on the request. The Parties may extend the response time once for no more than thirty (30) additional days.
- (d) The accounting of disclosures shall include at least the following information:
 - (1) date of the disclosure;
 - (2) name of the third party to whom the PHI was disclosed,
 - (3) if known, the address of the third party;
 - (4) brief description of the disclosed information; and

(5) brief explanation of the purpose and basis for such disclosure.

- (e) The Parties shall provide one (1) accounting in any twelve (12) months to the Individual without charge. The Parties may charge a reasonable, cost-based fee, for each subsequent request for an accounting by the same Individual if he/she is provided notice and the opportunity to modify his/her request. Such charges shall not exceed any applicable State statutes or rules.

2.14 Minimum Necessary. Business Associate shall to use reasonable efforts to limit any use, disclosure, or request for use or disclosure of PHI to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request in accordance with the requirements of the Privacy Rule.

2.14.1 Business Associate represents to Covered Entity that all its uses and disclosures of, or requests for, PHI shall be the minimum necessary in accordance with the Privacy Rule requirements.

2.14.2 Covered Entity may, pursuant to the Privacy Rule, reasonably rely on any requested disclosure as the minimum necessary for the stated purpose when the information is requested by Business Associate.

2.14.3 Business Associate shall adequately and properly maintain all PHI received from, or created or received on behalf of, Covered Entity.

2.15 Privacy Compliance Review upon Request. Business Associate agrees to make its internal practices, books and records, including policies, procedures, and PHI, relating to the use and disclosure of PHI received from, created by or received by Business Associate on behalf of Covered Entity available to the Covered Entity or to the Secretary of the United States Department of Health in Human Services or the Secretary's designee, in a time and manner designated by the requester, for purposes of determining Covered Entity's or Business Associate's compliance with the Privacy Rule.

2.16 Cooperation in Privacy Compliance. Business Associate agrees to fully cooperate in good faith and to assist Covered Entity in complying with the requirements of the Privacy Rule.

3. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE (Security Rule)

3.1 Compliance with Security Rule. Business Associate shall fully comply with the requirements under the Security Rule applicable to "Business Associates," as that term is defined in the Security Rule. In case of any conflict between this Agreement and Service Agreements, this Agreement shall govern.

3.2 Security Safeguards and Policies. Business Associate shall implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity as required by the Security Rule. This includes specifically, but is not limited to, the utilization of technology commercially available at the time to the Business Associate to protect the Covered Entity's PHI against any reasonably anticipated threats or hazards. The Business Associate understands that it has an affirmative duty to perform a regular review or assessment of security risks, conduct active risk management and supply best efforts to assure that only authorized persons and devices access its computing systems and information storage, and that only authorized transactions are

allowed. The Business Associate will maintain appropriate documentation of its compliance with the Security Rule.

3.3 Security Provisions in Business Associate Contracts. Business Associate shall ensure that any agent to whom it provides Electronic PHI received from, maintained, or created for Covered Entity or that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of, or access to PHI supplied by Covered Entity, shall execute a bilateral contract (or the appropriate equivalent if the agent is a government entity) with Business Associate, incorporating the same restrictions and conditions in this Agreement with Business Associate regarding PHI except for the provision in Section 4.6.

3.4 Tennessee Consumer Notice of System Breach. Business Associate understands that the Covered Entity is an "Information Holder" (as may be Business Associate) under the terms of Tenn. Code Ann. § 47-18-2107, and that in the event of a breach of the Business Associate's security system as defined by that statute and Definition 1.1 of this agreement, the Business Associate shall indemnify and hold the Covered Entity harmless for expenses and/or damages related to the breach. Such obligation shall include, but is not limited to, the mailed notification to any Tennessee resident whose personal information is reasonably believed to have been acquired by an unauthorized individual. In the event that the Business Associate discovers circumstances requiring notification of more than one thousand (1,000) persons at one time, the person shall also notify, without unreasonable delay, all consumer reporting agencies and credit bureaus that compile and maintain files on consumers on a nationwide basis, as defined by 15 U.S.C. § 1681a, of the timing, distribution and content of the notices. Substitute notice, as defined by Tenn. Code Ann. § 47-18-2107(e)(2) and (3), shall not be permitted except as approved in writing in advance by the Covered Entity. The parties agree that PHI includes data elements in addition to those included by "personal information" under Tenn. Code Ann. § 47-18-2107, and agree that Business Associate's responsibilities under this paragraph shall include all PHI.

3.5 Reporting of Security Incidents. The Business Associate shall track all Security Incidents as defined by HIPAA and shall periodically report such Security Incidents in summary fashion as may be requested by the Covered Entity, but not less than annually within sixty (60) days of the anniversary of this Agreement. The Covered Entity shall not consider as Security Incidents, for the purpose of reporting, external activities (port enumeration, etc.) typically associated with the "footprinting" of a computing environment as long as such activities have only identified but not compromised the logical network perimeter, including but not limited to externally facing firewalls and web servers. The Business Associate shall reasonably use its own vulnerability assessment of damage potential and monitoring to define levels of Security Incidents and responses for Business Associate's operations. However, the Business Associate shall expediently notify the Covered Entity's Privacy Officer of any Security Incident, including any "breach of the security of the system" under Tenn Code Ann. § 47-18-2107, immediately upon becoming aware of any unauthorized acquisition including but not limited to use, disclosure, modification, or destruction of PHI by an employee or otherwise authorized user of its system of which it becomes aware.

3.5.1 Business Associate identifies the following key contact persons for all matters relating to this Agreement:

Business Associate shall notify Covered Entity of any change in these key contacts during the term of this Agreement in writing within ten (10) business days.

3.6 Contact for Security Incident Notice. Notification for the purposes of Sections 2.9, 3.4 and 3.5 shall be in writing made by email/fax, certified mail or overnight parcel immediately upon becoming aware of the event, with supplemental notification by facsimile and/or telephone as soon as practicable, to:

Privacy Officer
 HCFA
 310 Great Circle Rd.
 Nashville Tennessee 37243
 Phone: (615) 507-6855 Facsimile: (615) 532-7322

3.7 Security Compliance Review upon Request. Business Associate shall make its internal practices, books, and records, including policies and procedures relating to the security of Electronic PHI received from, created by or received by Business Associate on behalf of Covered Entity, available to the Covered Entity or to the Secretary of the United States Department of Health in Human Services or the Secretary's designee, in a time and manner designated by the requester, for purposes of determining Covered Entity's, Business Associate's compliance with the Security Rule.

3.8 Cooperation in Security Compliance. Business Associate shall fully cooperate in good faith to assist Covered Entity in complying with the requirements of the Security Rule.

3.9 Refraining from intimidation or retaliation. A Covered Entity or Business Associate may not threaten, intimidate, coerce, harass, discriminate against, or take any other retaliatory action against any Individual or other person for-- (a) Filing of a complaint under 45 C.F.R. § 160.306; (b) testifying, assisting, or participating in an investigation, compliance review, proceeding, or hearing; or (c) opposing any act or practice made unlawful, provided the Individual or person has a good faith belief that the practice opposed is unlawful, and the manner of opposition is reasonable and does not involve a disclosure of PHI in violation of HIPAA.

4. USES AND DISCLOSURES BY BUSINESS ASSOCIATE

4.1 Use and Disclosure of PHI for Operations on Behalf of Covered Entity. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform Treatment, Payment or Health Care Operations for, or on behalf of, Covered Entity as specified in Service Agreements, provided that such use or disclosure would not violate the Privacy and Security Rule, if done by Covered Entity.

4.2 Other Uses of PHI. Except as otherwise limited in this Agreement, Business Associate may use PHI within its Workforce as required for Business Associate's proper management and administration, not to include Marketing or Commercial Use, or to carry out the legal responsibilities of the Business Associate.

4.3 Third Party Disclosure Confidentiality. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided

that disclosures are required by law, or, if permitted by law, this Agreement, and the Service Agreement, provided that, if Business Associate discloses any PHI to a third party for such a purpose, Business Associate shall enter into a written agreement with such third party requiring the third party to: (a) maintain the confidentiality, integrity, and availability of PHI and not to use or further disclose such information except as required by law or for the purpose for which it was disclosed, and (b) notify Business Associate of any instances in which it becomes aware in which the confidentiality, integrity, and/or availability of the PHI is Breached immediately upon becoming aware.

4.4 Other Uses Strictly Limited. Nothing in this Agreement shall permit the Business Associate to share PHI with Business Associate's affiliates or contractors except for the purposes of the Service Agreement(s) between the Covered Entity and Business Associate(s) identified in the "LIST OF AGREEMENTS AFFECTED BY THIS HIPAA BUSINESS ASSOCIATE AGREEMENT" on page one (1) of this Agreement.

4.5 Covered Entity Authorization for Additional Uses. Any use of PHI or other confidential HCFA information by Business Associate, its Subcontractors, its affiliate or Contractor, other than those purposes of this Agreement, shall require express written authorization by the Covered Entity, and a Business Associate agreement or amendment as necessary. Activities which are prohibited include, but not are not limited to, Marketing or the sharing for Commercial Use or any purpose construed by Covered Entity as Marketing or Commercial use of HCFA enrollee personal or financial information with affiliates, even if such sharing would be permitted by federal or state laws.

4.6 Prohibition of Offshore Disclosure. Nothing in this Agreement shall permit the Business Associate to share, use or disclose PHI in any form via any medium with any third party beyond the boundaries and jurisdiction of the United States without express written authorization from the Covered Entity.

4.7 Prohibition of Other Uses and Disclosures. Business Associate shall not use or disclose PHI that is Genetic Information for underwriting purposes. Moreover, the sale, marketing or the sharing for commercial use or any purpose construed by Covered Entity as the sale, marketing or commercial use of HCFA enrollee personal or financial information with affiliates, even if such sharing would be permitted by federal or state laws, is prohibited.

4.8 Data Use Agreement - Use and Disclosure of Limited Data Set. Business Associate may use and disclose a Limited Data Set that Business Associate creates for Research, public health activity, or Health Care Operations, provided that Business Associate complies with the obligations below. Business Associate may not make such use and disclosure of the Limited Data Set after any cancellation, termination, expiration, or other conclusion of this Agreement.

4.9 Limitation on Permitted Uses and Disclosures. Business Associate will limit the uses and disclosures it makes of the Limited Data Set to the following: Research, public health activity, or Health Care Operations, to the extent such activities are related to covered functions, including business planning and development such as conducting cost-management and planning-related analysis related to managing and operating Business Associates functions, formulary development and administration, development and improvement of methods of payment or coverage policies, customer service, including the provision of data analysis for policy holders, plan sponsors, or other customers, to the extent such activities are related to covered functions, provided that PHI is not disclosed and disclosure is not prohibited pursuant to any other provisions in this Agreement related to Marketing or Commercial use.

4.10 Business Associate shall enter into written agreements that are substantially similar to this Business Associate Agreements with any Subcontractor or agent which Business Associate provides access to Protected Health Information.

4.11 Business Associates shall implement and maintain information security policies that comply with the HIPAA Security Rule.

5. OBLIGATIONS OF COVERED ENTITY

5.1 Notice of Privacy Practices. Covered Entity shall provide Business Associate with the notice of Privacy Practices produced by Covered Entity in accordance with 45 C.F.R. § 164.520, as well as any changes to such notice.

5.2 Notice of Changes in Individual's Access or PHI. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses.

5.3 Notice of Restriction in Individual's Access or PHI. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use of PHI.

5.4 Reciprocity for Requests Received by Business Associate. The Parties agree that this Section (Section 5) is reciprocal to the extent Business Associate is notified or receives an inquiry from any Individual within Covered Entity's covered population.

6. TERM AND TERMINATION

6.1 Term. This Agreement shall be effective as of the date on which it has been signed by both parties and shall terminate when all PHI which has been provided, regardless of form, by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if the Parties agree that it is unfeasible to return or destroy PHI, subsection 6.3.5 below shall apply.

6.2 Termination for Cause. This Agreement authorizes and Business Associate acknowledges and agrees Covered Entity shall have the right to terminate this Agreement and Service Agreement in the event Business Associate fails to comply with, or violates a material provision of this Agreement and any provision of the Privacy and Security Rules.

6.2.1 Upon Covered Entity's knowledge of a Breach by Business Associate, Covered Entity shall either:

- (a) Provide notice of breach and an opportunity for Business Associate to reasonably and promptly cure the breach or end the violation, and terminate this BAA if Business Associate does not cure the breach or end the violation within the reasonable time specified by Covered Entity; or
- (b) Immediately terminate this BAA if Business Associate has breached a material term of this BAA and cure is not possible.

6.3 Effect of Termination. Upon termination of this Agreement for any reason, except as provided in subsections 6.3.2 and 6.3.5 below, Business Associate shall at its own expense

either return and/or destroy all PHI and other confidential information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity. This provision applies to all confidential information regardless of form, including but not limited to electronic or paper format. This provision shall also apply to PHI and other confidential information in the possession of sub-contractors or agents of Business Associate.

6.3.1 The Business Associate shall consult with the Covered Entity as necessary to assure an appropriate means of return and/or destruction and shall notify the Covered Entity in writing when such destruction is complete. If information is to be returned, the Parties shall document when all information has been received by the Covered Entity.

6.3.2 This provision (Section 6.3 and its subsections) shall not prohibit the retention of a single separate, archived file of the PHI and other confidential HCFA information by the Business Associate if the method of such archiving reasonably protects the continued privacy and security of such information and the Business Associate obtains written approval at such time from the Covered Entity. Otherwise, neither the Business Associate nor its Subcontractors and agents shall retain copies of HCFA confidential information, including enrollee PHI, except as provided herein in subsection 6.3.5.

6.3.3 The Parties agree to anticipate the return and/or the destruction of PHI and other HCFA confidential information, and understand that removal of the confidential information from Business Associate's information system(s) and premises will be expected in almost all circumstances. The Business Associate shall notify the Covered Entity whether it intends to return and/or destroy the confidential with such additional detail as requested. In the event Business Associate determines that returning or destroying the PHI and other confidential information received by or created for the Covered Entity at the end or other termination of the Service Agreement is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction unfeasible.

6.3.4 Except for Business Associate Agreements in effect prior to April 21, 2005 when the Security Rule became effective, for the renewal or amendment of those same Agreements, or for other unavoidable circumstances, the Parties contemplate that PHI and other confidential information of the Covered Entity shall not be merged or aggregated with data from sources unrelated to that Agreement, or Business Associate's other business data, including for purposes of data backup and disaster recovery, until the parties identify the means of return or destruction of the HCFA data or other confidential information of the Covered Entity at the conclusion of the Service Agreement, or otherwise make an express alternate agreement consistent with the provisions of Section 6.3 and its subsections.

6.3.5 Upon written mutual agreement of the Parties that return or destruction of PHI is unfeasible and upon express agreement as to the means of continued protection of the data, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction unfeasible, for so long as Business Associate maintains such PHI.

7. MISCELLANEOUS

7.1 Regulatory Reference. A reference in this Agreement to a section in the Privacy and/or Security Rule means the section as in effect or as amended.

7.2 Amendment. The Parties agree to take such action to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act, Public Law 104-191. Business Associate and Covered Entity shall comply with any amendment to the Privacy and Security Rules, the Health Insurance Portability and Accountability Act, Public Law 104-191, and related regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended, including, but not limited to, changes required by the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

7.3 Survival. The respective rights and obligations of Business Associate under Confidentiality and Section 6.3 of this Agreement shall survive the termination or expiration of this Agreement.

7.4 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and the Business Associate to comply with the Privacy and Security Rules.

7.5 Headings. Paragraph Headings used in this Agreement are for the convenience of the Parties and shall have no legal meaning in the interpretation of the Agreement.

7.6 Notices and Communications. All instructions, notices, consents, demands, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by electronic mail, hand, by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below, or to such other party, facsimile number, or address as may be hereafter specified by written notice. (For purposes of this section, effective notice to "Respective Party" is not dependent on whether the person named below remains employed by such Party.) The Parties agree to use their best efforts to immediately notify the other Party of changes in address, telephone number, and fax numbers and to promptly supplement this Agreement as necessary with corrected information.

Notifications relative to Sections 2.7, 3.4 and 3.5 of this Agreement must be reported to the Privacy Officer pursuant to Section 3.6.

COVERED ENTITY:

Darin J. Gordon, Director
 Department of Finance and Adm.
 Health Care Finance & Admin.
 310 Great Circle Rd.
 Nashville, TN 37243
 Phone: (615) 507-6443
 Fax: (615) 253-5607

BUSINESS ASSOCIATE:

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the date of hand delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the facsimile machine at the receiving location and receipt is verbally confirmed by the sender.

7.7 Transmission of PHI or Other Confidential Information. Regardless of the transmittal methods permitted above, Covered Entity and Business Associate agree that all deliverables

set forth in this Agreement that are required to be in the form of data transfers shall be transmitted between Covered Entity and Business Associate via the data transfer method specified in advance by Covered Entity. This may include, but shall not be limited to, transfer through Covered Entity's SFTP system. Failure by the Business Associate to transmit such deliverables in the manner specified by Covered Entity, may, at the option of the Covered Entity, result in liquidated damages as set forth in one (1) or more of the Service Agreements between Covered Entity and Business Associate listed above. All such deliverables shall be considered effectively submitted upon receipt or recipient confirmation as may be required.

7.8 **Strict Compliance.** No failure by any Party to insist upon strict compliance with any term or provision of this Agreement, to exercise any option, to enforce any right, or to seek any remedy upon any default of any other Party shall affect, or constitute a waiver of, any Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default. No custom or practice of the Parties at variance with any provision of this Agreement shall affect, or constitute a waiver of, any Party's right to demand strict compliance with all provisions of this Agreement.

7.9 **Severability.** With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

7.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee except to the extent that Tennessee law has been pre-empted by HIPAA and HITECH and without giving effect to principles of conflicts of law. Jurisdiction shall be Davidson County, Nashville, Tennessee, for purposes of any litigation resulting from disagreements of the parties for purpose of this Agreement and the Service Agreement (s).

7.11 **Compensation.** There shall be no remuneration for performance under this Agreement except as specifically provided by, in, and through, existing administrative requirements of Tennessee State government and Services Agreement(s) referenced herein.

7.12 **Validity of Execution.** Unless otherwise agreed, the parties may conduct the execution of this Business Associate Agreement transaction by electronic means. The parties may agree that an electronic record of the Agreement containing an Electronic Signature is valid as an executed Agreement.

IN WITNESS WHEREOF, the Parties execute this Agreement to be valid and enforceable from the last date set out below:

HEALTH CARE FINANCE & ADMINISTRATION BUSINESS ASSOCIATE

By: _____
Darin Gordon, Director

Date: _____

By: _____

Date: _____

State of Tennessee, Dept. of Finance & Adm. _____

310 Great Circle Road Nashville, TN 37243
Phone: (615) 507-6443 Fax: (615) 253-5607

