



# GRANT AMENDMENT

<b>Agency Tracking #</b> 31865-00001	<b>Edison ID</b> 29755	<b>Contract #</b> GR1237634	<b>Amendment #</b> 03
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<b>Contractor Legal Entity Name</b> Alexian Brothers Community Services	<b>Edison Vendor ID</b> 22115
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**Amendment Purpose & Effect(s)**  
Extends Term, Increases Maximum Liability

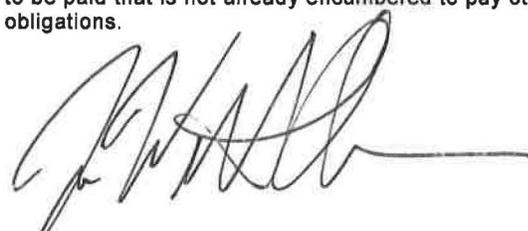
**Amendment Changes Contract End Date:**  YES  NO **End Date:** June 30, 2017

**TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):** **\$7,762,276.00**

<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2012	\$1,936,821.00	\$3,799,018.00			\$5,735,839.00
2013	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2014	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2015	\$4,172,306.00	\$7,760,502.00			\$11,932,808.00
2016	\$4,663,875.00	\$8,674,822.00			\$13,338,697.00
2017	\$5,218,935.00	\$9,685,068.00			\$14,904,003.00
<b>TOTAL:</b>	<b>\$23,739,219.00</b>	<b>\$45,115,482.00</b>			<b>\$68,854,701.00</b>

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

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



*OCR USE*

<b>Speed Chart (optional)</b>	<b>Account Code (optional)</b>
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**AMENDMENT #3  
OF GRANT CONTRACT #29755  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION,  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION,  
BUREAU OF TENNCARE  
AND  
ALEXIAN BROTHERS COMMUNITY SERVICES**

This Grant Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, Bureau of TennCare, hereinafter referred to as the 'State' or "TennCare" and Alexian Brothers Community Services, hereinafter referred to as the "Grantee." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Grant Contract is hereby amended as follows:

1. Grant Contract section B.1. is deleted in its entirety and replaced with the following:
  - B.1. This Grant Contract shall be effective for the period beginning January 1, 2012 and ending on June 30, 2017. The Grantee hereby acknowledges and affirms that the State shall have no obligation for Grantee services or expenditures that were not completed within this specified contract period.
  
2. Grant Contract section C.1. is deleted in its entirety and replaced with the following:
  - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2012, Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2013, Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2014, Twelve Million Three Hundred Ninety-Three Thousand Nine Hundred Forty Dollars (\$12,393,940.00) for Calendar Year 2015, Fourteen Million Two Hundred Eighty-Three Thousand Four Hundred Fifty-Four Dollars (\$14,283,454.00) for Calendar Year 2016, and Seven Million Seven Hundred Sixty-Two Thousand Two Hundred Seventy Six Dollars (\$7,762,276.00) for January through June of Calendar Year 2017, with a total Grant maximum liability of Sixty-Eight Million Eight Hundred Fifty-Four Thousand Seven Hundred One Dollars (\$68,854,701.00). The Grant Budget, attached and incorporated hereto as Attachment A, Attachment A.1, Attachment A.2, Attachment A.3, Attachment A.4, and Attachment A.5 shall constitute the maximum amount due the Grantee for all service and Grantee obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
  
3. Grant Contract Attachment A.5, Grant Budget for January 1, 2017 through June 30, 2017, attached hereto is added as a new attachment.



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

Amendment Effective Date. The revisions set forth herein shall be effective December 31, 2016. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

**ALEXIAN BROTHERS COMMUNITY SERVICES:**

*Viston Taylor*

*11/18/16*

GRANTEE SIGNATURE

DATE

Viston Taylor, Chief Executive Officer

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE:

*Larry B. Martin*

*11/18/16*

Larry B. Martin, Commissioner

DATE



**ATTACHMENT A.5  
GRANT BUDGET  
(Grant Budget Page 1)**

**Alexian Brothers Community Services**

**APPLICABLE PERIOD:** The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning January 1, 2017 and ending June 30, 2017

POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries		\$0.00	
2	Benefits & Taxes		\$0.00	
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$7,762,276.00	\$0.00	\$7,762,276.00
5	Supplies		\$0.00	
6	Telephone		\$0.00	
7	Postage & Shipping		\$0.00	
8	Occupancy		\$0.00	
9	Equipment Rental & Maintenance		\$0.00	
10	Printing & Publications		\$0.00	
11, 12	Travel/ Conferences & Meetings		\$0.00	
13	Interest <sup>2</sup>		\$0.00	
14	Insurance		\$0.00	
16	Specific Assistance to Individuals		\$0.00	
17	Depreciation <sup>2</sup>		\$0.00	
18	Other Non-Personnel <sup>2</sup>		\$0.00	
20	Capital Purchase <sup>2</sup>		\$0.00	
22	Indirect Cost		\$0.00	
24	In-Kind Expense		\$0.00	
25	<b>GRAND TOTAL</b>	<b>\$7,762,276.00</b>	<b>\$0.00</b>	<b>\$7,762,276.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: [www.state.tn.us/finance/rds/ocr/policy03.pdf](http://www.state.tn.us/finance/rds/ocr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.



ATTACHMENT A.5  
GRANT BUDGET LINE-ITEM DETAIL  
Page 2

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
<p>Capitated Rate:</p> <p>\$128.43/day x Dual Population (300) = \$38,529.00 Daily</p> <p>\$174.26/day x Medicaid Only Population (25) = \$ 4,356.50 Daily</p> <hr/> <p>\$42,885.50 Combined Daily Rate x 181 Days</p>	<p>\$7,762,275.50</p>
<p style="text-align: right;"><b>TOTAL (Rounded)</b></p>	<p style="text-align: center;"><b>\$7,762,276.00</b></p>



## GRANT AMENDMENT

<b>Agency Tracking #</b> 31865-00001	<b>Edison ID</b> 29755	<b>Contract #</b> GR1237634	<b>Amendment #</b> 02
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<b>Contractor Legal Entity Name</b> Alexian Brothers Community Services	<b>Edison Vendor ID</b> 22115
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**Amendment Purpose & Effect(s)**  
Extends Term, Increases Maximum Liability

**Amendment Changes Contract End Date:**  YES  NO      **End Date:** December 31, 2016

**TOTAL Contract Amount INCREASE or DECREASE per this Amendment** (zero if N/A): **\$14,283,454.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$1,936,821.00	\$3,799,018.00			\$5,735,839.00
2013	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2014	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2015	\$4,172,306.00	\$7,760,502.00			\$11,932,808.00
2016	\$4,663,875.00	\$8,674,822.00			\$13,338,697.00
2017	\$2,497,105.00	\$4,644,622.00			\$7,141,727.00
<b>TOTAL:</b>	<b>\$21,017,389.00</b>	<b>\$40,075,036.00</b>			<b>\$61,092,425.00</b>

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

<p><b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.</p> <div style="text-align: center; margin-top: 20px;"> </div>	<p>OCR USE</p>
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<b>Speed Chart</b> (optional)	<b>Account Code</b> (optional)	
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**AMENDMENT #2  
OF GRANT CONTRACT #29755  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION,  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION,  
BUREAU OF TENNCARE  
AND  
ALEXIAN BROTHERS COMMUNITY SERVICES**

This Grant Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, Bureau of TennCare, hereinafter referred to as the 'State' or "TennCare" and Alexian Brothers Community Services, hereinafter referred to as the "Grantee." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Grant Contract is hereby amended as follows:

1. Grant Contract section B.1. is deleted in its entirety and replaced with the following:
  - B.1. This Grant Contract shall be effective for the period beginning January 1, 2012 and ending on December 31, 2016. The Grantee hereby acknowledges and affirms that the State shall have no obligation for Grantee services or expenditures that were not completed within this specified contract period.
  
2. Grant Contract section C.1. is deleted in its entirety and replaced with the following:
  - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2012, Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2013, Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2014, Twelve Million Three Hundred Ninety-Three Thousand Nine Hundred Forty Dollars (\$12,393,940.00) for Calendar Year 2015, and Fourteen Million Two Hundred Eighty-Three Thousand Four Hundred Fifty-Four Dollars (\$14,283,454.00) for Calendar Year 2016, with a total Grant maximum liability of Sixty-One Million Ninety-Two Thousand Four Hundred Twenty-Five Hundred Dollars (\$61,092,425.00). The Grant Budget, attached and incorporated hereto as Attachment A, Attachment A.1, Attachment A.2, Attachment A.3, and Attachment A.4, shall constitute the maximum amount due the Grantee for all service and Grantee obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
  
3. Grant Contract Attachment A.4, Grant Budget for Calendar Year 2016, attached hereto is added as a new attachment.



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

Amendment Effective Date. The revisions set forth herein shall be effective December 31, 2015. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

ALEXIAN BROTHERS COMMUNITY SERVICES:

*Viston Taylor*

*12/2/15*

GRANTEE SIGNATURE

DATE

Viston Taylor, Chief Executive Officer

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE:

*Larry B. Martin*

*12/4/2015*

Larry B. Martin, Commissioner

DATE



**ATTACHMENT A.4  
GRANT BUDGET  
(Grant Budget Page 1)**

Alexlan Brothers Community Services				
APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning January 1, 2016 and ending December 31, 2016.				
POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries		\$0.00	
2	Benefits & Taxes		\$0.00	
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$14,283,454.00	\$0.00	\$14,283,454.00
5	Supplies		\$0.00	
6	Telephone		\$0.00	
7	Postage & Shipping		\$0.00	
8	Occupancy		\$0.00	
9	Equipment Rental & Maintenance		\$0.00	
10	Printing & Publications		\$0.00	
11, 12	Travel/ Conferences & Meetings		\$0.00	
13	Interest <sup>2</sup>		\$0.00	
14	Insurance		\$0.00	
16	Specific Assistance to Individuals		\$0.00	
17	Depreciation <sup>2</sup>		\$0.00	
18	Other Non-Personnel <sup>2</sup>		\$0.00	
20	Capital Purchase <sup>2</sup>		\$0.00	
22	Indirect Cost		\$0.00	
24	In-Kind Expense		\$0.00	
25	<b>GRAND TOTAL</b>	<b>\$14,283,454.00</b>	<b>\$0.00</b>	<b>\$14,283,454.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: [www.state.tn.us/finance/rds/occr/policy03.pdf](http://www.state.tn.us/finance/rds/occr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.



**ATTACHMENT A.4**  
**GRANT BUDGET LINE-ITEM DETAIL**  
**Page 2**

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Capitated Rate: \$116.86/day x Dual Population (300) = \$35,058.00 Daily \$162.99/day x Medicaid Only Population (25) = \$ 4,074.75 Daily  <div style="text-align: right; margin-right: 50px;"><hr style="width: 10%; margin: 0 auto;"/><b>\$39,132.75 Combined Daily Rate x 365 Days</b></div>	<b>\$14,283,454.00</b>
<b>TOTAL (Rounded)</b>	<b>\$14,283,454.00</b>



# GRANT AMENDMENT

<b>Agency Tracking #</b> 31865-00001	<b>Edison ID</b> 29755	<b>Contract #</b> GR1237634	<b>Amendment #</b> 01
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<b>Contractor Legal Entity Name</b> Alexian Brothers Community Services	<b>Edison Vendor ID</b> 22115
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**Amendment Purpose & Effect(s)**  
Updates Scope, Extends Term, Increases Maximum Liability

**Amendment Changes Contract End Date:**  YES  NO **End Date:** December 31, 2015

**Amount of the TOTAL Contract Amount INCREASE or DECREASE per this Amendment:** **\$12,856,335.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$1,936,821.00	\$3,799,018.00			\$5,735,839.00
2013	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2014	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2015	\$4,335,754.00	\$8,075,164.00			\$12,410,918.00
2016	\$2,159,421.00	\$4,021,834.00			\$6,181,255.00
<b>TOTAL:</b>	<b>\$16,179,278.00</b>	<b>\$31,092,088.00</b>			<b>\$47,271,366.00</b>

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

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

OCR USE

<b>Speed Chart (optional)</b>	<b>Account Code (optional)</b>
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**AMENDMENT #1  
OF GRANT CONTRACT #29755  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION,  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION,  
BUREAU OF TENNCARE  
AND  
ALEXIAN BROTHERS COMMUNITY SERVICES**

This Grant Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, Bureau of TennCare, hereinafter referred to as the "State" or "TennCare" and Alexian Brothers Community Services, hereinafter referred to as the "Grantee." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Grant Contract is hereby amended as follows:

1. Grant Contract section A.3., items q, v, aa, hh, ii, and mm are deleted in their entirety and replaced with the following:
  - q. Enrollment - the process by which an individual becomes an enrollee of the PACE Program. A participant's enrollment in the program is effective on the first day of the calendar month following the date the PACE organization receives the signed enrollment agreement.
  - v. ICF/IID - Intermediate Care Facility for Individuals with Intellectual Disabilities
  - aa. Medicaid Eligible - an individual who has been determined by TennCare to be financially eligible to have TennCare make reimbursement for covered services.
  - hh. PACE Program - the program that is operated and administered by the Grantee under the terms and conditions of this Grant, as approved by TennCare.
  - ii. Patient Liability - the monthly amount of income, as determined by TennCare Member Services, that an enrollee must contribute toward the cost of their long term care.
  - mm. Provider - any institution, facility, agency, person, corporation, partnership, or association approved by the Grantee which provides covered services to enrollees pursuant to this Grant and which accepts as payment in full the amounts paid for providing covered benefits to an enrollee pursuant to a provider agreement with the Grantee. All providers under this Contract must complete provider registration with TennCare and receive a Medicaid ID Number to be eligible to provide services.
2. Grant Contract section A.7.e. is deleted in its entirety and replaced with the following:
  - e. Services furnished outside of the United States, except as:
    - (1) In accordance with 42 C.F.R. §§ 424.122 and 424.124,
    - (2) As permitted under the State's approved Medicaid plan.
3. Grant Contract section A.10. is deleted in its entirety and replaced with the following:

A.10. The Grantee shall ensure that each enrollee has an identified primary care provider and that such providers shall be periodically provided with a current listing of network providers. Service providers shall be reimbursed by the Grantee based upon the Grantee's system of reimbursement which may include negotiated rates. The Grantee



shall ensure that the service provider accepts payment from the Grantee as payment in full and shall ensure that the enrollee is held harmless by the provider for the costs of the service (except for any applicable patient liability associated with permanent placement in a nursing facility, ACLF, or ICF/IID).

4. Grant Contract section A.11.h. is deleted in its entirety and replaced with the following:

h. Care Provided in Residential Facilities (nursing facilities, ACLFs, ICFs/IID). The Grantee shall have a sufficient number of nursing facilities in its network to adequately meet the health care needs of enrollees. When a PACE enrollee is permanently placed in a nursing facility or ICF/IID, the Grantee shall notify TennCare Member Services so that patient liability can be recalculated based on an institutional personal needs allowance. Such notification and recalculation of patient liability shall occur prior to ninety (90) days of continuous care in the nursing facility if the PACE Team determines that the placement is permanent and there is little or no possibility of return to the community residence.

5. Grant Contract section A.12.c. is deleted in its entirety and replaced with the following:

c. Services from Non-contract Providers - The Grantee shall develop written policies and procedures governing utilization of/and payment by the Grantee for covered medically necessary non-urgent, non-emergency Services. When an enrollee has utilized covered medically necessary non-urgent, non-emergency services from a non-contract provider and the Grantee has authorized such use in advance, the Grantee shall make reimbursement for such services at a rate sufficient to assure that the enrollee is held harmless by the non-contract provider for the costs of the service (except for any applicable patient liability associated with permanent placement in a nursing facility, ACLF, or ICF/IID).

(1) When an enrollee has utilized covered medically necessary non-emergency services (other than urgent services as specified in Section A.12.b) from a non-contract provider and the Grantee has not authorized such use in advance, the Grantee may, at its option, choose to pay or not pay for such services. If the Grantee chooses to pay, the Grantee shall require the non-contract provider to accept the Grantee payment as payment in full.

(2) The Grantee shall not regularly make reimbursement to non-contract providers for non-emergency services without subjecting those providers to the same credentialing and approval process required by TennCare for contract providers. Non-contract providers who regularly receive payments from a Grantee need not sign a contract with the Grantee; However, if such non-contract providers refuse to comply with credentialing requirements or are not approved by PACE, the Grantee shall make no further payments to them.

6. Grant Contract section A.13. is deleted in its entirety and replaced with the following:

A.13. The Grantee and its providers and subcontractors shall not require any deductibles, co-payments, or special fees for covered services, except for any applicable patient liability due from the enrollee. Such patient liability shall be determined by TennCare Member Services.

7. Grant Contract section A.16. is deleted in its entirety and replaced with the following:

A.16. Each enrollee shall have an individualized written plan of care that shall be developed within thirty (30) calendar days of enrollment in the PACE Program. This plan of care



shall be person-centered and directed by the individual receiving services, or the individual's authorized representative, if applicable. The plan shall also be understandable to the individual or his/her representative, including the use of plain language, and shall account for cultural considerations. PACE Program services shall be provided in accordance with the plan of care. Prior to the development of the plan of care, services shall be provided in accordance with the approved Pre-Admission Evaluation (PAE) and the physician's initial plan of care.

- a. The plan of care shall include, but not be limited to, the following:
  - (1) Diagnoses;
  - (2) Medications, including the dosage, frequency, and route of administration for each;
  - (3) Allergies;
  - (4) Diets, including medically necessary special diets;
  - (5) A description of the enrollee's current health status and functional and cognitive capabilities;
  - (6) A description of health care services, identified through an assessment of functional need, and the amount, frequency (number of days per week), and duration (hours per day) of services and the type of provider to furnish each service, and the sites where such services are provided, which have been planned with regard to the individual or authorized representative's preferences;
  - (7) A description of any environmental accessibility adaptations, specialized equipment and supplies, and/or assistive technology needed by the enrollee;
  - (8) A description of the individual's social environment, including caregiver support;
  - (9) Names of primary care providers;
  - (10) Information about the use of Personal Emergency Response Systems;
  - (11) Strategies for solving conflict/disagreements;
  - (12) A method to request updates; and
  - (13) Risk factors and measures in place to minimize them, including individualized back-up plans and strategies when needed
- b. Members of the interdisciplinary team shall review the plan of care when needed, but no less frequently than every one hundred eighty (180) calendar days, in order to update the plan of care. Members of the team shall indicate that the plan of care has been reviewed and updated by dated signatures. The review by members of the team shall include, but not be limited to, reviewing outcomes and determining if progress is being made in accordance with the plan of care; reviewing the appropriateness of supports and services provided and their sources and discussing whether alternatives should be sought; and reviewing



information related to observation, discussion, and assessment to determine further needs of the enrollee.

8. Grant Contract section A.17 is deleted in its entirety and replaced with the following:

A.17. The Grantee shall follow the Annual Recertification Requirement as described in 42 C.F.R. § 460.160.

- a. A PACE enrollee must continue to meet the medical eligibility criteria for nursing facility level of care in place at the time of enrollment or be determined that he or she will meet the same level of care criteria within six (6) months in the absence of continued coverage of PACE services. At least annually, the Grantee must submit a completed PAE with all required supporting medical documentation as described by TennCare thirty (30) days prior to the recertification due date for each enrollee. Failure to submit a completed PAE recertification form, as required, may result in liquidated damages pursuant to Section E.11.
- b. Determination that a PACE enrollee will meet level of care criteria within six (6) months will be based on the following:
  - (1) The individual's ability to remain compliant with medication(s) required for treating the individual's medical condition(s).
  - (2) The individual's ability to remain compliant with a specialized diet necessary for prevention of complications related to the individual's medical condition(s).
  - (3) The individual's ability to maintain mobility (including transfer) without physical assistance from others.
  - (4) The individual's ability to maintain independence with activities of daily living as captured on the PAE application.
- c. TennCare will waive the annual recertification requirement if it is determined that there is no reasonable expectation of improvement or significant change in the enrollee's condition, due to the severity of a chronic condition or the degree of impairment of functional capacity. The recertification requirement may be waived during any annual recertification period after one (1) year of enrollment. The medical conditions for which the annual recertification requirement may be waived include, but are not limited, to the following:
  - (1) Diagnosis of Alzheimer's disease or related dementia.
  - (2) Ongoing chronic conditions requiring routine monitoring such as COPD, End Stage Renal disease, Congestive Heart Failure.
  - (3) Disease processes that have a decreased likelihood for improvement or high risk of progress toward deterioration.
- d. TennCare will provide notification via TPAES to the Grantee indicating that the recertification requirement has been waived indefinitely and the reason(s) for the waiver. The Grantee shall retain the waiver notification in the enrollee's medical record.
- e. At least annually, the Grantee must submit a completed LOC reassessment form for each PACE enrollee in the carryover group (continuously enrolled in PACE effective on or before 6/30/2012) even if annual recertification for the purpose of determining continuing medical eligibility is waived.



9. Grant Contract sections A.19.b. and A.19.e. are deleted in their entirety and replaced with the following:
- b. Freedom of Choice - Prior to enrollment of a Medicaid eligible individual who has an approved PAE, the Grantee shall require the individual or the individual's responsible party to sign a TennCare-approved Freedom of Choice Form.
  - e. Patient Liability - PACE enrollees shall be required to pay patient liability each month, as required pursuant to federal post-eligibility provisions, the Medicaid State Plan, and TennCare Rules. Patient liability shall be determined by TennCare Member Services for PACE Program enrollees. It is the responsibility of the PACE Program to collect the enrollee's monthly patient liability unless permanent placement is made in a nursing facility, ACLF, or ICF/IID, in which case the facility shall be responsible for collecting the recalculated monthly patient liability amount.
10. Grant Contract section A.20. is deleted in its entirety and replaced with the following:
- A.20. Disenrollment
- a. Voluntary Disenrollment - The Grantee shall follow requirements as described in 42 C.F.R. § 460.162, and shall also provide TennCare with notification of a member's voluntary disenrollment within five (5) business days of the member's voluntary disenrollment using a form and process prescribed by TennCare. Additionally, the Grantee shall work with TennCare concerning member reinstatement in other programs pursuant to 42 C.F.R. § 460.168.
  - b. Involuntary Disenrollment - The Grantee shall follow requirements as described in 42 C.F.R. § 460.164:
    - (1) Prior to pursuing involuntary disenrollment, the Grantee shall notify TennCare for review of the disenrollment. Written documentation necessary to assist TennCare in the decision process shall be provided upon request. TennCare's support or rejection of the disenrollment will be provided to the Grantee verbally within two (2) days and confirmed in writing within five (5) days.
    - (2) Notification of Enrollee - If the enrollee is involuntarily disenrolled, the Grantee will notify the enrollee of the reason for disenrollment and the right to appeal the disenrollment to TennCare and the right to a hearing before an administrative law judge or hearing officer, and shall further comply with all appeal procedures stated in 42 C.F.R. §§ 460.122 and 124.
    - (3) An enrollee shall not be involuntarily disenrolled upon permanent placement in a nursing facility. The Grantee shall continue to be responsible for payment of nursing facility services. An enrollee may voluntarily request disenrollment upon permanent placement in a nursing facility if s/he wishes to receive services from a facility not in the Grantee's network.
  - c. Effect of Disenrollment on Capitation Payments - Payment of capitation payments shall cease effective on the date of disenrollment, and the Grantee shall have no further responsibility for covered benefits for the enrollee beyond the disenrollment date.

11. Grant Contract section A.23. is deleted in its entirety and replaced with the following:



A.23. Data Collection and Reporting Requirements - The Grantee shall comply with all TennCare data collection, and reporting requirements pursuant to 42 C.F.R. § 460.200. The Grantee shall submit all the required reports listed below to TennCare by the deadlines specified and in the formats prescribed by TennCare. The Grantee shall electronically transmit data elements as required by TennCare in the format and frequency requested by TennCare.

a. Reporting Enrollee Information:

- (1) The Grantee shall send written notice to TennCare Member Services whenever the Grantee determines that an enrollee has moved to a new address whether inside or outside of the geographic service area.
- (2) The Grantee shall notify TennCare upon learning of any information that may affect an enrollee's eligibility for enrollment in TennCare.

b. Provider Enrollment Reporting:

- (1) At the inception of this grant, and in a format approved by TennCare, the PACE Provider shall furnish to TennCare an unduplicated listing of all providers who are enrolled in the PACE Program's provider network. At other times upon request by TennCare and in a format approved by TennCare, the Grantee shall furnish an unduplicated listing of all providers who are enrolled in the PACE Program's provider network.
- (2) If termination of the Grantee's provider agreement with any primary care provider or physician group or clinic, whether or not the termination is initiated by the provider or by the Grantee, places the Grantee out of compliance with Section A.11, such termination shall be reported by the Grantee in writing to TennCare, within five (5) working days of the date that the agreement has been terminated, as required by the Revised Grier Consent Decree and TennCare rules.
- (3) Termination of the provider agreement between the Grantee and any hospital, whether or not the termination is initiated by the provider or by the Grantee, shall be reported by the Grantee in writing to TennCare no less than thirty (30) calendar days prior to the effective date of the termination, as required by the Revised Grier Consent Decree and TennCare rules.
- (4) Failure to report required provider information, as required, may result in liquidated damages pursuant to Section E.11.

c. Accretion and Deletion Reporting

The Grantee shall submit a monthly Accretion and Deletion Report to TennCare which lists the individuals who have entered or left the PACE program during the reporting period. The report shall be submitted by the 20<sup>th</sup> of each month for the calendar month preceding the submission of the report. At minimum, the report shall include the following information on each individual:

- (1) First and last name;
- (2) Social Security Number;
- (3) Medicaid ID number;



- (4) Medicare ID number;
- (5) PAE number (for accretions only);
- (6) Date enrolled (for both accretions and deletions); and
- (7) Date expired/disenrolled, including the reason (for deletions only).

d. Disenrollment Reporting

The Grantee shall submit a Disenrollment Report to TennCare on a quarterly basis. The report shall be submitted by the 30<sup>th</sup> of the month following the end of each quarter and shall contain information on all individuals who have disenrolled from the PACE program during that quarter. At a minimum the disenrollment report shall include the following:

- (1) First and last name;
- (2) Social Security Number;
- (3) Medicaid ID number;
- (4) Medicare ID number; and
- (5) Date of disenrollment, including reason for disenrollment.

e. Quality Assessment and Performance Improvement Plan

The Grantee shall submit its Quality Assessment and Performance improvement plan detailed in Section A.29.c of this Grant Contract to TennCare annually, including any revisions as required under 42 C.F.R. § 460.132.

f. Encounter Data:

- (1) The Grantee shall collect encounter data as required by TennCare and CMS and participate in any other required surveys and studies.
- (2) The Grantee's systems are required to conform to HIPAA-standard transaction code sets as specified in the HIPAA Implementation and TennCare Companion guides.
- (3) Quality of Encounter Data – The Grantee shall submit encounter data that meets established TennCare data quality standards. These standards are defined by TennCare to ensure receipt of complete and accurate data for program administration and will be closely monitored and strictly enforced. TennCare will revise and amend these standards as necessary to ensure continuous quality improvement. The Grantee shall make changes or corrections to any systems, processes or data transmission formats as needed to comply with TennCare data quality standards as originally defined or subsequently amended. The Grantee shall comply with industry-accepted clean claim standards for all encounter data, including submission of complete and accurate data for all fields required on standard billing forms or electronic claim formats to support proper adjudication of a claim. In the event that the Grantee denies provider claims for reimbursement due to lack of sufficient or accurate data required



for proper adjudication, the Grantee shall submit all available claim data to TennCare without alteration or omission.

- (4) TennCare will reject or report individual claims or encounters failing certain edits, as deemed appropriate and necessary by TennCare to ensure accurate processing or encounter data quality, and will return these transactions to the Grantee for research and resolution. TennCare will require expeditious action on the part of the Grantee to resolve errors or problems associated with said claims or the adjudication thereof, including any necessary changes or corrections to any systems, processes or data transmission formats. Generally the Grantee shall, unless otherwise directed by TennCare, address ninety percent (90%) of reported errors within thirty (30) calendar days and address ninety-nine percent (99%) of reported errors within sixty (60) calendar days. Such errors will be considered acceptably addressed when the Grantee has either confirmed and corrected the reported issue or disputed the reported issue with supporting information or documentation that substantiates the dispute. TennCare may require resubmission of the transaction with reference to the original in order to document resolution. Failure to promptly research and address reported errors, including submission of and compliance with an acceptable corrective action plan as required may result in damages and sanctions as described in Section E.11.
- (5) Submission of Encounter Data – The Grantee shall generate encounter data files within two (2) business days of the end of each calendar month. Any encounter data from a subcontractor shall be included in the file from the Grantee. The Grantee shall not submit separate encounter files from subcontractors.
- (6) Validity and Completeness of Data – The Grantee shall institute processes to ensure the validity and completeness of the data it submits to TennCare. At its discretion, TennCare will conduct general data validity and completeness audits using industry-accepted statistical sampling methods. Data elements that will be audited include but are not limited to: member ID, date of service, provider ID (including NPI number and Medicaid I.D. Number), category and sub category (if applicable) of service, diagnosis codes, procedure codes and modifiers, revenue codes, adherence to hard benefit limits, date of claim processing, and date of claim payment. Control totals shall also be reviewed and verified.

g. The Grantee shall agree to collect and report Medicare HEDIS measures at such time as CMS may require it of Grantees.

12. Grant Contract sections A.29.c and A.29.d(1), are deleted in their entirety and replaced with the following:

- c. The Grantee shall have a Quality Assessment and Performance Improvement Plan as required in 42 C.F.R. § 460.132. At a minimum, the plan must specify how the Grantee proposes to meet the following requirements:
  - (1) Identify areas to improve or maintain the delivery of services and patient care;
  - (2) Develop and implement plans of action to improve or maintain quality of care; and



- (3) Document and disseminate to PACE staff and contractors the results from the quality assessment and performance improvement activities.
- d. Fiscal Management - The Grantee shall be responsible for sound fiscal management of this Grant and shall comply with the requirements outlined below.
- (1) Acceptance of Capitation Payments - For fulfilling all the requirements of this Grant including the provision of required services as described in Section A.6 of this Grant, the Grantee shall accept the monthly capitation payments that TennCare shall remit to the Grantee, which shall be calculated each month by multiplying the enrollee census for that month by the pro-rated capitation rate, as described in Section C.3 and Attachment A of this Grant. These capitation payments shall be payment in full for all covered services provided to enrollees pursuant to this Grant (except for applicable patient liability amounts) and for all administrative costs incurred by the Grantee for providing or arranging for such services.

When eligibility has been established by TennCare and the enrollee has incurred medical expenses for covered benefits within the period of eligibility, the Grantee shall make reimbursement for the medical services at the regular negotiated rate if the service was provided by a contract provider. If the service was provided by a non-contract provider and the Grantee has authorized such use in advance, the Grantee shall make reimbursement for such services at a rate sufficient to assure that the enrollee is held harmless by the non-contract provider for the costs of the service (except for any applicable patient liability associated with permanent placement in a nursing facility, ACLF, or ICF/IID).

13. Grant Contract section A.30. is deleted in its entirety and replaced with the following:

A.30. Pursuant to Sections 1128 and 1156 of the Social Security Act specified in Grant Section E.13.j, the Grantee shall search the HHS-OIG website monthly to capture exclusions and reinstatements concerning individuals and entities that have occurred since the last search and immediately report to TennCare any exclusion information discovered.

14. Grant Contract section A.31. is deleted in its entirety and replaced with the following:

A.31. Marketing Plan. The Grantee shall be responsible for developing and implementing a marketing plan designed to solicit enrollment from eligible persons who reside in Hamilton County, Tennessee, which is compliant with the marketing regulations provided in 42 C.F.R. § 460.82. The Grantee shall submit to TennCare the marketing plan and all draft marketing materials including, but not limited to, brochures, posters, billboard ads, magazine or newspaper ads, and other forms of commercial advertising. The Grantee shall not implement or utilize any marketing plan, procedure, or materials developed under this Grant until the Grantee has received written approval from TennCare. TennCare will approve, deny or return the plan and /or materials (with written comments) within 45 calendar days from the date of submission. The marketing plan shall contain, at a minimum, a plan for the dissemination of materials to potential enrollees, and projections for future enrollment. Since marketing problems may not be evident from the materials submitted and may become apparent after the marketing plan is put into effect, TennCare reserves the right to notify the Grantee to discontinue or modify a particular part of the marketing plan or materials.



- a. The Grantee shall not engage in marketing practices that mislead, confuse, or defraud or that are unfair or deceptive practices or that otherwise violate federal or state consumer protection laws or regulations.
  - (1) The Grantee shall not engage in overly aggressive solicitation, such as repeated telephoning or continued recruitment after an offer for enrollment is declined by an enrollee, or in similar techniques.
  - (2) The Grantee shall not offer gifts of material or financial gain as incentives to enroll.
  - (3) The Grantee shall not engage in the use of independent marketing agents or representatives for the purpose of in person or direct solicitation of persons for enrollment with the Grantee. Direct or in person solicitation activities shall be conducted only by full-time or part-time salaried employees of the Grantee. The Grantee may contract with independent marketing firms, agents, representatives, etc., for the purpose of indirect marketing (e.g., the production of marketing materials, public relations).
  
- b. Failure to comply with the marketing limitations contained in this Grant may result in the imposition by TennCare of one or more of the following sanctions which shall remain in effect until such time as the deficiency is corrected:
  - (1) Revocation of previously authorized marketing methods;
  - (2) Refusal of TennCare to accept new enrollments for a period specified by TennCare;
  - (3) Forfeiture by the Grantee of all or part of the capitation payments for persons enrolled as a result of noncompliant marketing practices;
  - (4) The Grantee personally contact each enrollee who is enrolled during the period while the Grantee was out of compliance, in order to explain the nature of the noncompliance and inform the enrollee of his or her right to disenroll; and/or
  - (5) Application of liquidated damages or other sanctions as provided in Section E.11 and E.12 of this Grant.
  
- c. Written Material Guidelines
  - (1) All materials shall be worded at a 6<sup>th</sup> grade reading level, unless TennCare approves otherwise.
  - (2) All written materials shall be clearly legible with a minimum font size of 12pt. with the exception of member I.D. cards, stickers and such, and unless otherwise approved by TennCare.
  - (3) All written materials shall be printed with an assurance of non-discrimination.
  - (4) The Grantee shall not use the Seal of the State of Tennessee on marketing or communication material without the written approval of TennCare.



- (5) All written materials shall be made available in alternative formats for persons with special needs or appropriate interpretation services shall be provided by the Grantee.
  - (6) The Grantee shall provide written notice of any changes in policies or procedures described in written materials previously sent to enrollees. The Grantee shall provide written notice at least thirty (30) days before the effective date of the change.
15. Grant Contract section B.1. is deleted in its entirety and replaced with the following:
  - B.1. This Grant Contract shall be effective for the period beginning January 1, 2012 and ending on December 31, 2015. The Grantee hereby acknowledges and affirms that the State shall have no obligation for Grantee services or expenditures that were not completed within this specified contract period.
16. Grant Contract section C.1. is deleted in its entirety and replaced with the following:
  - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2012, Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2013, Eleven Million Nine Hundred Thirty-Four Thousand Seventy-Two Dollars (\$11,934,072.00) for Calendar Year 2014, and Twelve Million Three Hundred Ninety-Three Thousand Nine Hundred Forty Dollars (\$12,393,940.00) for Calendar Year 2015, with a total Grant maximum liability of Forty-Seven Million Two Hundred Seventy-One Thousand Three Hundred Sixty-Six Dollars (\$47,271,366.00). The Grant Budgets, attached and incorporated hereto as Attachment A, Attachment A.1, Revised Attachment A.2, and Attachment A.3, shall constitute the maximum amount due the Grantee for all service and Grantee obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
17. Grant Contract section E.5. is deleted in its entirety and replaced with the following:
  - E.5. HIPAA Compliance. The State and the Grantee 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").
    - a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable HIPAA requirements in the course of this Grant Contract.
    - b. The Grantee 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 Grant Contract so that both parties will be in compliance with the Privacy Rules.
    - c. The State and the Grantee 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 the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Grant 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 Grantee will indemnify the State and hold it harmless for any violation by the Grantee 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.

18. The following is added as Grant Contract section E.11.c(5).

- (5) Failure to complete a PAE re-certification at least once every 365 days and submit such a completed PAE re-certification form thirty (30) days prior to the re-certification due date for each enrollee – Liquidated damages of one hundred (\$100) per calendar day for each day after thirty (30) days prior to the re-certification due date that the Grantee has no submitted a complete PAE re-certification.

19. Grant Contract section E.19.w. is deleted in its entirety and replaced with the following:

- w. Specify that the provider shall accept payment or appropriate denial made by the Grantee or, if applicable, payment by the Grantee that is supplementary to the enrollee's third party payer as payment in full for covered services provided and shall not solicit or accept any surety or guarantee of payment from the enrollee (or the enrollee's children, spouse, or other legally responsible person), provided that a nursing facility, ACLF, RHA, or ICF/IID provider shall also be able to collect any applicable patient liability associated with permanent placement.

20. Grant Contract Attachment A.2, Grant Budget for Calendar Year 2014, is deleted in its entirety and replaced with Revised Attachment A.2.

21. Grant Contract Attachment A.3, Grant Budget for Calendar Year 2015, attached hereto is added as a new attachment.

22. The following is added as Contract Section E.22.

- E.22 Tennessee Department of Revenue Registration. The Grantee shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract

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

Amendment Effective Date. The revisions set forth herein shall be effective December 31, 2014. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**ALEXIAN BROTHERS COMMUNITY SERVICES:**



*Viston Taylor*

12/19/14

GRANTEE SIGNATURE

DATE

Viston Taylor, Chief Executive Officer

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION  
BUREAU OF TENNCARE:

*Larry B. Martin / cd*

12/19/14

Larry B. Martin, Commissioner

DATE



**REVISED ATTACHMENT A.2**  
**GRANT BUDGET**  
 (Grant Budget Page 1)

Alexian Brothers Community Services				
APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning January 1, 2014 and ending December 31, 2014.				
POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries		\$0.00	
2	Benefits & Taxes		\$0.00	
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$11,934,072.00	\$0.00	\$11,934,072.00
5	Supplies		\$0.00	
6	Telephone		\$0.00	
7	Postage & Shipping		\$0.00	
8	Occupancy		\$0.00	
9	Equipment Rental & Maintenance		\$0.00	
10	Printing & Publications		\$0.00	
11, 12	Travel/ Conferences & Meetings		\$0.00	
13	Interest <sup>2</sup>		\$0.00	
14	Insurance		\$0.00	
16	Specific Assistance to Individuals		\$0.00	
17	Depreciation <sup>2</sup>		\$0.00	
18	Other Non-Personnel <sup>2</sup>		\$0.00	
20	Capital Purchase <sup>2</sup>		\$0.00	
22	Indirect Cost		\$0.00	
24	In-Kind Expense		\$0.00	
25	<b>GRAND TOTAL</b>	<b>\$11,934,072.00</b>	<b>\$0.00</b>	<b>\$11,934,072.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: [www.state.tn.us/finance/rds/ocr/policy03.pdf](http://www.state.tn.us/finance/rds/ocr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.



REVISED ATTACHMENT A.2  
GRANT BUDGET LINE-ITEM DETAIL  
Page 2

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Capitated Rate: January 1, 2014 – June 30, 2014	
\$95.34/day x Dual Population (300) = \$28,602.00 Daily	
\$113.09/day x Medicaid Only Population (25) = \$ 2,827.25 Daily	
<hr/>	
\$31,429.25 Combined Daily Rate x 182 Days	\$5,720,124.00
Capitated Rate: July 1, 2014 – December 31, 2014	
\$100.22/day x Dual Population (300) = \$30,066.00 Daily	
\$155.60/day x Medicaid Only Population (25) = \$ 3890.00 Daily	
<hr/>	
\$33,956.00 Combined Daily Rate x 183 Days	\$6,213,948.00
<b>TOTAL</b>	<b>\$11,934,072.00</b>



**ATTACHMENT A.3  
GRANT BUDGET  
(Grant Budget Page 1)**

Alexian Brothers Community Services				
APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning January 1, 2015 and ending December 31, 2015.				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries		\$0.00	
2	Benefits & Taxes		\$0.00	
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$12,393,940.00	\$0.00	\$12,393,940.00
5	Supplies		\$0.00	
6	Telephone		\$0.00	
7	Postage & Shipping		\$0.00	
8	Occupancy		\$0.00	
9	Equipment Rental & Maintenance		\$0.00	
10	Printing & Publications		\$0.00	
11, 12	Travel/ Conferences & Meetings		\$0.00	
13	Interest <sup>2</sup>		\$0.00	
14	Insurance		\$0.00	
16	Specific Assistance to Individuals		\$0.00	
17	Depreciation <sup>2</sup>		\$0.00	
18	Other Non-Personnel <sup>2</sup>		\$0.00	
20	Capital Purchase <sup>2</sup>		\$0.00	
22	Indirect Cost		\$0.00	
24	In-Kind Expense		\$0.00	
25	<b>GRAND TOTAL</b>	<b>\$12,393,940.00</b>	<b>\$0.00</b>	<b>\$12,393,940.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: [www.state.tn.us/finance/rds/ocr/policy03.pdf](http://www.state.tn.us/finance/rds/ocr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.



**ATTACHMENT A.3**  
**GRANT BUDGET LINE-ITEM DETAIL**  
**Page 2**

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Capitated Rate: \$100.22/day x Dual Population (300) = \$30,066.00 Daily \$155.60/day x Medicaid Only Population (25) = \$ 3890.00 Daily  <div style="text-align: right; margin-right: 100px;"><hr style="width: 10%; margin: 0 auto;"/> \$33,956.00 Combined Daily Rate x 365 Days</div>	\$12,393,940.00
<b>TOTAL (Rounded)</b>	<b>\$12,393,940.00</b>



# GRANT CONTRACT

(cost reimbursement grant contract with an individual, business, non-profit, or governmental entity of another state)

<b>Begin Date</b> January 1, 2012	<b>End Date</b> December 31, 2014	<b>Agency Tracking #</b> 31865-00001	<b>Edison ID</b> 29755
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<b>Contractor Legal Entity Name</b> Alexian Brothers Community Services	<b>Edison Vendor ID</b> 22115
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<b>Subrecipient or Vendor</b> <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	<b>CFDA #</b> 93.778 Dept of Health & Human Services/Title XIX
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**Service Caption (one line only)**  
Program of All-Inclusive Care for the Elderly (PACE)

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$1,936,821.00	\$3,799,018.00			\$5,735,839.00
2013	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2014	\$3,873,641.00	\$7,598,036.00			\$11,471,677.00
2015	\$1,936,820.00	\$3,799,018.00			\$5,735,838.00
<b>TOTAL:</b>	<b>\$11,620,923.00</b>	<b>\$22,794,108.00</b>			<b>\$34,415,031.00</b>

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

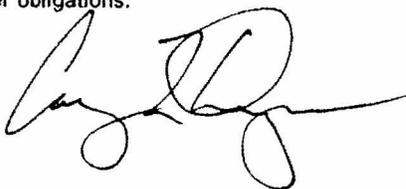
**Ownership/Control**

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

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

**Alternative-Competitive Method** — The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.  
 **Non-Competitive Negotiation** — The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.  
 **Other** — The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

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



OCR USE - GR

GR1237634

<b>Speed Chart (optional)</b>	<b>Account Code (optional)</b>
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**GRANT CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION,  
BUREAU OF TENNCARE  
AND  
ALEXIAN BROTHERS COMMUNITY SERVICES**

This Grant Contract, by and between the State of Tennessee, Department of Finance and Administration, Bureau of TennCare, hereinafter referred to as the 'State' or "TennCare" and Alexian Brothers Community Services, hereinafter referred to as the "Grantee," is for the provision of a Program of All-Inclusive Care for the Elderly (PACE) in Hamilton, County, Tennessee, as further defined in the Scope of Services.

The Grantee is a Non-Profit Corporation.  
Grantee Place of Incorporation or Organization: Illinois  
Grantee Edison Vendor ID # 0000022115

WHEREAS, the purpose of this Grant is to provide a Program of All-Inclusive Care for the Elderly (PACE) in Hamilton, County, Tennessee;

WHEREAS, consistent with state plan amendments granted by the Centers for Medicare and Medicaid Services, United States Department of Health and Human Services, the State of Tennessee has been granted the authority to pay a monthly capitation payment to the Grantee for rendering or arranging medically necessary services, including long-term care services, to Medicaid eligible persons through the Program of All-inclusive Care for the Elderly (PACE);

WHEREAS, the Tennessee Department of Finance and Administration, Bureau of TennCare, is the state agency responsible for administration of the Title XIX Medicaid program in Tennessee and is authorized to contract with Alexian Brothers Community Services for the purpose of providing the services specified herein for the benefit of Medicaid eligible persons who meet the PACE Program financial and medical eligibility criteria;

WHEREAS, the Grantee is a corporation which is capable of providing or arranging for health care services provided to covered persons for a monthly capitation payment and is willing to do so upon and subject to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties have agreed and do hereby enter into this Grant according to the provisions set forth herein:

**A. SCOPE OF SERVICES:**

- A.1. The Grantee shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Grant Contract.
- A.2. This Grant, including any attachments or amendments, represents the entire Grant between the Grantee and TennCare with respect to the subject matter stated herein, and ~~supersedes all other contracts between the parties. Correspondence and memorandums of understanding do not constitute part of this Grant. In the event of a conflict of language between the Grant and any amendments, the provisions of the amendments shall govern.~~ All applicable laws, regulations, and policies described in Section E.13 of this Grant are incorporated by reference and any changes in these laws, regulations, and policies shall be automatically incorporated by reference as soon as they become effective. All terms, conditions, and policies stated herein apply to staff, agents, officers, sub-contractors, providers, volunteers, and anyone else acting for or on behalf of the Grantee.

A.3. Definitions – The following definitions shall apply for interpretation of this Grant, unless the context in which a term is used expressly provides otherwise.

- a. **Adverse Action Affecting TennCare Services or Benefits** - as it relates to actions under the Grier Revised Consent Decree shall mean, but is not limited to, a delay, denial, reduction, suspension or termination of TennCare benefits, as well as any other act or omission of the TennCare Program, including the Grantee, which impairs the quality, timeliness, or availability of such benefits.
- b. **Appeal Procedure** - the process to resolve an enrollee's right to contest verbally or in writing, any adverse action taken by the Grantee to delay, deny, reduce, terminate, or suspend a covered service as well as any other acts or omissions of the TennCare Program, including the Grantee, which impair the quality, timeliness or availability of such benefits. The appeal procedure shall be governed by TennCare Rule 1200-13-13.11 as applicable, and any and all applicable court orders. Complaint shall mean an enrollee's right to contest any other action taken by the Grantee other than those that meet the definition of an adverse action.
- c. **Assisted-Care Living Facility (ACLF)** – a duly licensed building, establishment, complex or distinct part thereof which accepts primarily aged persons for domiciliary care and provides on-site to its residents room, board, non-medical living assistance services appropriate to the residents' respective needs, and medical services as prescribed by each resident's treating physician.
- d. **Benefits (or Covered Benefits)** – see Required Services.
- e. **Capitation Payment** - the monthly fee which is paid by TennCare to the Grantee for providing covered benefits to enrollees and for administrative and all other costs pursuant to this Grant.
- f. **Capitation Rate** - the per-enrollee-per-month amount established by TennCare pursuant to the methodology described in Section C.3 and Attachment A of this Grant.
- g. **Case Management** - the process of supervising or coordinating the provision of initial and primary care to enrollees; of initiating or authorizing enrollee referrals for specialty care or other covered services; and of monitoring the continuity of covered services.
- h. **CFR** - Code of Federal Regulations.
- i. **Clean claim** - a claim received by the Grantee for adjudication, which requires no further information, adjustment, or alteration by the provider of the services in order to be processed and paid by the Grantee.
- j. **Complaint/Grievance** - the process to resolve an enrollee's right to contest any action regarding covered services or covered benefits taken by the Grantee other than an adverse action. The Grantee shall not treat anything as a complaint that falls within the definition of adverse action.
- k. **Covered Services** – see Required Services
- l. **Denial** - the termination, suspension, or reduction in amount, scope, and duration of a covered benefit or the refusal or failure to provide such covered benefit.
- m. **Disenrollment** - the discontinuance of an individual's enrollment in the PACE program.
- n. **Emergency** – the sudden and unexpected onset of a medical condition (e.g., illness, disease, accident, or injury) that manifests itself by symptoms of sufficient severity, including severe pain that a prudent lay person who possesses an average knowledge of

health and medicine, could reasonably expect the absence of immediate medical attention to potentially result in one of the following:

- (1) Placing the enrollee's health in serious jeopardy;
  - (2) Serious impairment to bodily functions; or
  - (3) Serious dysfunction of any bodily organ or part.
- o. Enrollee - a Medicaid Eligible TennCare recipient who is enrolled in the Program of All-Inclusive Care for the Elderly (PACE) in accordance with the provisions of this Grant.
- p. Enrollee Month - a calendar month of covered benefits (and related Grantee administrative and other services) required pursuant to this Grant for an enrollee in the Program of All-Inclusive Care for the Elderly (PACE), as determined in accordance with Section C.3.
- q. Enrollment - the process by which an individual becomes an enrollee of the PACE Program.
- r. Facility - any premises owned, leased, used or operated directly or indirectly by or for the Grantee or its affiliates for purposes related to this Grant; or any premises maintained by a subcontractor or provider to provide services on behalf of the Grantee.
- s. Geographic Service Area - Hamilton County, Tennessee, which is the county in which the Grantee is authorized to enroll and serve TennCare recipients enrolled in the PACE Program in exchange for a monthly capitation fee.
- t. Grantee - the approved agency with which the Tennessee Department of Finance and Administration, Bureau of TennCare, has contracted for the provision of covered benefits pursuant to this Grant.
- u. Interdisciplinary Team - a team of health care professionals from multiple disciplines (e.g., physician, registered nurse, social worker, etc.) which is responsible for participating in the development of the enrollee's plan of care; for coordinating, monitoring, assuring, and evaluating implementation of the plan of care.
- v. ICF/MR - Intermediate Care Facility for the Mentally Retarded.
- w. IRS Drugs (Identical, Related, or Similar Drugs) - drugs which the Food and Drug Administration considers to be identical, related, or similar counterparts of Less Than Effective (LTE) drugs.
- x. LTE - drugs that the Food and Drug Administration (FDA) considers to be Less Than Effective because there is a lack of substantial evidence of effectiveness of all labeled indications for which there is no compelling justification for their medical need.
- y. Marketing - any activity conducted by or on behalf of the Grantee whereby information regarding the services offered by the Grantee is disseminated in order to persuade eligible persons to enroll in the Program of All-Inclusive Care for the Elderly operated pursuant to this Grant.
- z. Market Area - the geographic service area in which the Grantee is authorized by terms of this Grant to market the PACE Program to eligible individuals.
- aa. Medicaid Eligible - an individual who has been determined by the Tennessee Department of Human Services to be financially eligible to have TennCare make reimbursement for covered services.

- bb. Medically Necessary – defined by Tennessee Code Annotated, Section 71-5-144, and shall describe a medical item or service that meets the criteria set forth in that statute. The term “medically necessary,” as defined by Tennessee Code Annotated, Section 71-5-144, applies to TennCare enrollees. Implementation of the term “medically necessary” is provided for in these regulations, consistent with the statutory provisions, which control in case of ambiguity. No enrollee shall be entitled to receive and TennCare shall not be required to pay for any items or services that fail fully to satisfy all criteria of “medically necessary” items or services, as defined either in the statute or in the Medical Necessity regulations at 1200-13-16.
- cc. Medical Necessity - the determination that a covered benefit or service is Medically Necessary.
- dd. Medical Record - a single complete record kept at the site of the enrollee's treatment(s), which documents all of the treatment plans developed, medical services ordered for the enrollee, and medical services received by the enrollee.
- ee. Non-contract Provider – Any provider who does not have a contract with the PACE Program which may include providers in or out of the geographic service area who have furnished services to a PACE participant.
- ff. Nursing Facility - any institution, place, building or agency represented and held out to the general public for the express or implied purpose of providing care for one (1) or more nonrelated persons who are not acutely ill, but who do require skilled nursing care and related medical services.
- gg. Out of Plan Services - services rendered by providers who are not included in the Grantee's network of providers.
- hh. PACE Program - the Program of All-Inclusive Care for the Elderly (PACE) that is operated and administered by the Grantee under the terms and conditions of this Grant, as approved by TennCare.
- ii. Patient Liability - the monthly amount of income, as determined by the Tennessee Department of Human Services, that an enrollee must contribute toward the cost of their long term care.
- jj. Primary Care Physician - a physician responsible for supervising, coordinating and providing initial and primary care to patients; for initiating referrals for specialist care; and for maintaining the continuity of patient care. A primary care physician is a physician who has limited his or her practice of medicine to general practice or who is a Board Certified or Eligible Internist, Pediatrician, Obstetrician/Gynecologist, Geriatrician, or Family Practitioner.
- kk. Primary Care Provider – a health care professional capable of providing a wide variety of basic health services. Primary care providers include practitioners of family, general, or internal medicine, pediatricians and obstetricians, nurse practitioners, midwives, geriatrician, and physician's assistant in general or family practice.
- ll. Prior Authorization - the act of authorizing specific services or activities before they are rendered or activities before they occur.
- mm. Provider - any institution, facility, agency, person, corporation, partnership, or association approved by the Grantee which provides covered services to enrollees pursuant to this Grant and which accepts as payment in full the amounts paid for providing covered benefits to an enrollee pursuant to a provider agreement with the Grantee.

- nn. Provider agreement - an agreement between the Grantee and a provider which describes the conditions under which the provider agrees to furnish covered benefits to enrollees pursuant to this Grant.
- oo. Quality Improvement (QI) - the ongoing process of responding to data gathered through quality monitoring efforts, in such a way as to improve the quality of health care delivered to enrollees.
- pp. Quality Monitoring (QM) - the ongoing process of assuring that the delivery of health care is appropriate, timely, accessible, available, and medically necessary and in keeping with established guidelines and standards and reflective of the current state of medical knowledge.
- qq. Required Services - health care and related services or items, as listed in Section A.6.
- rr. Risk - a chance of loss assumed by the Grantee when loss arises because the cost of providing services may exceed the monthly capitation fees paid by TennCare to the Grantee during the Grant period.
- ss. Risk Reserve - an allocation of liquid assets or cash made by the Grantee pursuant to the requirements set forth in this grant which is designed to meet the risk assumed by the Grantee under this grant.
- tt. Service Area - see Geographic Service Area.
- uu. Service Sites - the locations designated by the Grantee at which enrollees shall receive primary care and preventive services.
- vv. State - the State of Tennessee.
- ww. Subcontract - an agreement entered into by the Grantee with any other organization or individual who agrees to perform any administrative function or service for the Grantee specifically related to securing or fulfilling the Grantee's obligations to TennCare under the terms of this Grant (e.g., claims processing) when the intent of such an agreement is to delegate the responsibility for any major service or group of services required pursuant to this Grant. (Contracts to provide covered benefits as described in Section A.6 of this Grant shall be considered Provider agreements, as defined above.)
- xx. Subcontractor - any organization or individual who provides any function or service for the Grantee specifically related to securing or fulfilling the Grantees obligations to TennCare under the terms of this grant.
- yy. TCA - Tennessee Code Annotated
- zz. TennCare – the program administered by the Single State agency as designated by the State and CMS pursuant to Title XIX of the Social Security Act and the Section 1115 Research and Demonstration waiver granted to the State of Tennessee.
- aaa. Tennessee Bureau of Investigation, Medicaid Fraud Control Unit (TBI MFCU) - the State agency responsible for the investigation of provider fraud and abuse in the State Medicaid Program.
- bbb. Third Party - any entity or funding source other than the enrollee or his/her responsible party, which is or may be liable to pay for all or part of the cost of the enrollee's medical care.

- ccc. Urgent care - medical services which are required promptly to prevent substantial deterioration of the enrollee's health status and which the failure to provide promptly would reasonably be anticipated to cause substantial harm to the enrollee.

**Responsibilities of the Provider – Required Services**

- A.4. The Grantee shall comply with all applicable federal and state laws and regulations, the Medicaid State Plan, the provisions of this Grant and any appendices and amendments and shall act in good faith in the performance of the provisions of the Grant. The Grantee acknowledges that failure to comply with aforementioned provisions may result in termination of the Grant in whole or in part and/or imposition of sanctions as set forth in Section E.12 of this Grant.
- A.5. Throughout the period of this Grant, the Grantee shall demonstrate sufficient net worth to ensure uninterrupted delivery of covered benefits to enrollees on an ongoing basis. The Grantee shall comply with all of the following:
  - a. The Grantee shall submit to TennCare a financial statement in accordance with, and shall agree to comply with, the financial reporting requirements of Section D.15 of this Grant.
  - b. At the inception of this Grant, the Grantee shall submit documentation to TennCare of a risk reserve equivalent to projected operating expenses for a 30-day period. Thereafter, the Grantee shall maintain a risk reserve which is equivalent to the projected operating expenses for a 30-day period and shall show on audited financial statements as required in Section D.15 of this Grant that such risk reserve is being maintained.
  - c. The Grantee shall submit to TennCare a financial plan with a projection of operating costs and revenues anticipated until the Grantee has had a positive net income for at least two (2) consecutive years.
- A.6. Provision of Services - The Grantee shall make available comprehensive health care services that include, at a minimum the following services as required by 42 CFR §§ 460.92 and 460.94:
  - a. All Medicare-covered items and services.
  - b. All Medicaid-covered items and services, as specified in the State's approved Medicaid plan.
  - c. Other services determined necessary by the interdisciplinary team to improve and maintain the participant's overall health status.
- A.7. Services Not Covered - The Grantee is not required to pay for non-emergency services obtained out of plan, except as otherwise required under the terms of this Grant. Non-covered services include the following services as listed under 42 CFR § 460.96:
  - a. Any service that is not authorized by the multidisciplinary team, even if it is a required service, unless it is an emergency service.
  - b. In an inpatient facility, private room and private duty nursing services (unless medically necessary), and nonmedical items for personal convenience such as telephone charges and radio or television rental (unless specifically authorized by the multidisciplinary team as part of the participant's plan of care).
  - c. Cosmetic surgery, which does not include surgery that is required for improved functioning of a malformed part of the body resulting from an accidental injury or for reconstruction following mastectomy.
  - d. Experimental medical, surgical, or other health procedures.

- e. Services furnished outside of the United States, except as:
  - (1) In accordance with §§ 424.122 and §§ 424.124,
  - (2) As permitted under the State's approved Medicaid plan.

A.8. Prior Authorization and Hospital Length of Stay

- a. The Grantee may impose reasonable prior authorization requirements for required services; however, prior authorization shall not be permitted for emergency services.
- b. The Grantee may place "tentative" length of stay limits on prior authorized inpatient hospitalizations; however, the Grantee shall not utilize arbitrary maximum length of stay limits. Individual enrollee characteristics must be considered in the determination of readiness for discharge. The Grantee shall comply with any applicable state or federal laws or rules related to length of stay.

A.9. The Grantee shall provide or arrange for the provision of all required services as described in Section A.6 of this Grant and shall ensure access and availability to hospitals, primary care physicians, physician specialists, pharmacies, and other providers and institutional facilities adequate and reasonable in number, in geographic distribution, in level of care, and in range of services to provide in a timely manner such required services. The Grantee shall assure the accessibility and availability of required medical services outside the geographic service area when medically necessary required services are not readily available in the geographic service area.

A.10. The Grantee shall ensure that each enrollee has an identified primary care provider and that such providers shall be periodically provided with a current listing of network providers. Service providers shall be reimbursed by the Grantee based upon the Grantee's system of reimbursement which may include negotiated rates. The Grantee shall ensure that the service provider accepts payment from the Grantee as payment in full and shall ensure that the enrollee is held harmless by the provider for the costs of the service (except for any applicable patient liability associated with permanent placement in a nursing facility, ACLF, or ICF/MR).

A.11. The Grantee shall comply with all of the following:

- a. **Emergency Services.** The Grantee shall ensure that emergency services are available immediately and without prior authorization at any emergency facility available, regardless of whether the facility is in the Grantee's provider network. Provider disputes with the Grantee regarding whether or not a service qualifies as an emergency service may be appealed directly to TennCare or TennCare's designee by the provider, and the decision of TennCare in the matter shall be binding upon the Grantee.
- b. **Hospital Services.** The Grantee shall have a sufficient number of hospitals providing medical/surgical, psychiatric, substance abuse, rehabilitative, and other services to adequately meet the health care needs of enrollees without excessive time and travel requirements. The Grantee shall provide medically appropriate transportation when such is medically necessary.
- c. **Laboratory and radiological services.** The Grantee shall have a sufficient number of clinical laboratories and providers of radiological services to adequately meet the health care needs of enrollees without excessive time and travel requirements. The Grantee shall provide medically appropriate transportation when such is medically necessary. Waiting times for availability of appointments for routine, non-urgent laboratory and radiological services shall not exceed the usual and customary practice in the fee-for-service system or three (3) weeks from the date of an enrollee's request for such appointment, whichever is less. Urgent care services shall be available within forty-eight (48) hours.

- d. **Pharmacy Services.** The Grantee shall have a sufficient number of pharmacies to adequately meet the health care needs of enrollees without excessive time and travel requirements. The Grantee shall provide medically appropriate transportation when such is medically necessary. Pharmacy services shall be available seven (7) days per week.
  - e. **Primary Care Services.** The Grantee shall have a sufficient number of primary care providers to adequately meet the health care needs of enrollees without excessive time and travel requirements and shall, at a minimum, maintain a staffing ratio of one primary care physician per 200 enrollees. The Grantee shall provide medically appropriate transportation when such is medically necessary. The Grantee shall ensure that after-hours primary care provider consultation is available and accessible by telephone whenever the primary care provider's office is closed. The Grantee shall ensure that there is a reasonable callback response time. Waiting times for availability of appointments for routine, non-urgent care shall not exceed the usual and customary practice in the fee-for-service system or three (3) weeks from the date of an enrollee's request for such appointment, whichever is less. Appointments for urgent care shall be available the same day or within forty-eight (48) hours based on the primary care provider's assessment of urgency of need.
  - f. **Physician Specialty Care Services.** The Grantee shall have a sufficient number of physician specialists to adequately meet the health care needs of enrollees without excessive time and travel requirements. The Grantee shall provide medically appropriate transportation when such is medically necessary. The Grantee shall ensure that appointments for specialty care are available in a timely manner, not to exceed thirty (30) days for routine care or forty-eight (48) hours for urgent care.
  - g. **Other Specialty Care (dentist, optometrist, podiatrist, etc.).** The Grantee shall establish and maintain a comprehensive network of other specialty care providers (dentist, optometrist, podiatrist, etc.) adequate and reasonable in number, in specialty, and in geographic distribution to meet the health services needs of its enrollees without excessive time and travel requirements. The Grantee shall ensure that appointments for specialty care are available in a timely manner, not to exceed thirty (30) days for routine care or forty-eight (48) hours for urgent care. The Grantee shall provide medically appropriate transportation when such is medically necessary.
  - h. **Care Provided in Residential Facilities (nursing facilities, ACLFs, ICFs/MR).** The Grantee shall have a sufficient number of nursing facilities in its network to adequately meet the health care needs of enrollees. When a PACE enrollee is permanently placed in a nursing facility or ICF/MR, the Grantee shall notify the Tennessee Department of Human Services so that patient liability can be recalculated based on an institutional personal needs allowance. Such notification and recalculation of patient liability shall occur prior to ninety (90) days of continuous care in the nursing facility if the PACE Team determines that the placement is permanent and there is little or no possibility of return to the community residence.
- A.12. The Grantee shall provide all enrollees with information about restrictions or limitations on services from non-contract providers or services outside the geographic service area and the process for obtaining emergency or urgent care when the enrollee is outside the geographic service area. The Grantee shall comply with all of the following:
- a. **Emergency Services –** The Grantee shall develop written policies and procedures for TennCare's approval and implement the approved policies and procedures governing utilization of and payment by the Grantee for emergency medical services when an enrollee is temporarily outside the geographic service area. Coverage of emergency services shall not be subject to prior authorization, however, the Grantee may require that reasonable notice be given to the Grantee of use of such services.

- (1) Reimbursement for emergency medical services rendered outside the geographic service area shall be at a rate sufficient to assure that the enrollee is held harmless by the provider for the costs of the service. Payment by the Grantee for properly documented claims for such emergency medical services shall be made within thirty (30) calendar days of receipt of a clean claim by the Grantee.
- (2) The Grantee shall review and approve or disapprove claims for emergency medical services, using a definition of emergency no more restrictive than that specified in Section A.3 of this Grant. In the event a provider disagrees with the PACE Provider's decision to disapprove a claim for emergency medical services, the provider may request an informal review by TennCare after having exhausted all steps in the Grantee's plan for the resolution of such disputes. As the result of the informal review, if TennCare determines that the claim should be allowed, the Grantee shall make payment for the claim. After informal review, if TennCare upholds the Grantee's denial decision, the provider shall have the right to request a formal hearing pursuant to TCA § 71-5-113 on the matter within fifteen (15) calendar days of the decision. All requests for a formal hearing from providers for emergency medical service claims denied by the Grantee must be submitted in writing to TennCare for review and final determination. TennCare's decision in such matters shall not be rendered arbitrarily but shall be based upon the facts at hand and the applicability of the various requirements of this Grant. The Grantee agrees to pay previously denied emergency medical service claims if the decision by TennCare is to honor the claim.

b. Urgent Services - The Grantee shall develop written policies and procedures for TennCare's approval and implement the approved policies and procedures governing utilization of and payment by the Grantee for medical services that are reasonably considered to be urgent when an enrollee is temporarily outside the geographic service area, provided that the Grantee may impose reasonable prior approval requirements for such and provided that the Grantee may require the transfer of the enrollee back to the geographic service area for initiation or continuation of hospitalization, specialty referrals, nursing facility care, or other significant health care services if it does not jeopardize the health and safety of the enrollee to do so. It is the intent that when an enrollee has an urgent care need when outside the geographic service area and it is not practical for the enrollee to delay seeking medical attention until returning home, the Grantee would assure coverage, at a minimum, for an initial medical evaluation to determine the urgency of the need for additional medical services or diagnostic workup. Based on the initial evaluation, the Grantee may authorize continued services outside the geographic service area or arrange for services to be provided upon return to the geographic service area if the delay is not reasonably anticipated to jeopardize the health and safety of the enrollee.

c. Services from Non-contract Providers - The Grantee shall develop written policies and procedures governing utilization of/and payment by the Grantee for covered medically necessary non-urgent, non-emergency Services. When an enrollee has utilized covered medically necessary non-urgent, non-emergency services from a non-contract provider and the Grantee has authorized such use in advance, the Grantee shall make reimbursement for such services at a rate sufficient to assure that the enrollee is held harmless by the non-contract provider for the costs of the service (except for any applicable patient liability associated with permanent placement in a nursing facility, ACLF, or ICF/MR).

- (1) When an enrollee has utilized covered medically necessary non-emergency services (other than urgent services as specified in Section A.12.b. from a non-contract provider and the Grantee has not authorized such use in advance, the Grantee may, at its option, choose to pay or not pay for such services. If the Grantee chooses to pay, the Grantee shall require the non-contract provider to accept the Grantee payment as payment in full.

- (2) The Grantee shall not regularly make reimbursement to non-contract providers for non-emergency services without subjecting those providers to the same credentialing and approval process required by TennCare for contract providers. Non-contract providers who regularly receive payments from a Grantee need not sign a contract with the Grantee; However, if such non-contract providers refuse to comply with credentialing requirements or are not approved by PACE, the Grantee shall make no further payments to them.
- A.13. The Grantee and its providers and subcontractors shall not require any deductibles, co-payments, or special fees for covered services, except for any applicable patient liability due from the enrollee. Such patient liability shall be determined by the Tennessee Department of Human Services.
- A.14. The Grantee shall comply with federal requirements concerning advance directives as described in 42 CFR § 417.436 and § 489, Subpart I, and as described in TCA §§ 68-11-1801 - 68-11-1815 and as stipulated by the enrollee.
- A.15 The Grantee shall comply with the provisions of the Clinical Laboratory Improvement Act (CLIA) of 1988, and shall require that all laboratory testing sites providing services under this Grant have either a CLIA certificate of waiver or a certificate of registration along with a CLIA identification number. Those laboratories with a certificate of waiver shall provide only the types of tests permitted under the terms of the waiver.
- A.16. Each enrollee shall have an individualized written plan of care that shall be developed within thirty (30) calendar days of enrollment in the PACE Program. PACE Program services shall be provided in accordance with the plan of care. Prior to the development of the plan of care, services shall be provided in accordance with the approved Pre-Admission Evaluation and the physician's initial plan of care.
  - a. The plan of care shall include, but not be limited to, the following:
    - (1) Diagnoses;
    - (2) Medications, including the dosage, frequency, and route of administration for each; and
    - (3) Allergies;
    - (4) Diets, including medically necessary special diets
    - (5) A description of the enrollee's current health status and functional and cognitive capabilities;
    - (6) A description of health care services and the amount, frequency (number of days per week), and duration (hours per day) of services and the type of provider to furnish each service, and the sites where such services are provided;
    - (7) A description of any environmental accessibility adaptations, specialized equipment and supplies, or assistive technology needed by the enrollee;
    - (8) A description of the individual's social environment, including caregiver support;
    - (9) Names of primary care providers; and
    - (10) Information about the use of Personal Emergency Response Systems.
  - b. Members of the interdisciplinary team shall review the plan of care when needed, but no less frequently than every one hundred eighty (180) calendar days, in order to update the

plan of care. Members of the team shall indicate that the plan of care has been reviewed and updated by dated signatures. The review by members of the team shall include, but not be limited to, reviewing outcomes and determining if progress is being made in accordance with the plan of care; reviewing the appropriateness of supports and services provided and their sources and discussing whether alternatives should be sought; and reviewing information related to observation, discussion, and assessment to determine further needs of the enrollee.

A.17. The Grantee shall follow the Annual Recertification Requirement as described in 42 CFR § 460.160.

- a. A PACE enrollee must continue to meet the medical eligibility criteria for nursing facility level of care or be determined that he or she will meet level of care criteria within six (6) months in the absence of continued coverage of PACE services. At least annually, the Grantee must submit a completed Pre-Admission Evaluation (PAE) recertification form thirty (30) days prior to the recertification due date for each enrollee.
- b. Determination that a PACE enrollee will meet level of care criteria within six (6) months will be based on the following:
  - (1) The individual's ability to remain compliant with medication(s) required for treating the individual's medical condition(s).
  - (2) The individual's ability to remain compliant with a specialized diet necessary for prevention of complications related to the individual's medical condition(s).
  - (3) The individual's ability to maintain mobility (including transfer) without physical assistance from others.
  - (4) The individual's ability to maintain independence with activities of daily living.
- c. The Bureau of TennCare will waive the annual recertification requirement if it is determined that there is no reasonable expectation of improvement or significant change in the enrollee's condition, due to the severity of a chronic condition or the degree of impairment of functional capacity. The recertification requirement may be waived during any annual recertification period after one (1) year of enrollment. The medical conditions for which the annual recertification requirement may be waived include, but are not limited, to the following:
  - (1) Diagnosis of Alzheimer's disease or related dementia.
  - (2) Ongoing chronic conditions requiring routine monitoring such as COPD, End Stage Renal disease, Congestive Heart Failure.
  - (3) Disease processes that have a decreased likelihood for improvement or high risk of progress toward deterioration.
- d. The Bureau of TennCare will provide written notification to the Grantee indicating that the recertification requirement has been waived indefinitely and the reason(s) for the waiver. The Grantee shall retain the waiver notification in the enrollee's medical record.

A.18. The Grantee shall have the right to contest TennCare decisions pursuant to the provisions of TCA § 9-8-301, et seq., for the resolution of disputes under this Grant. ~~Written notice describing the substance and basis of the contested action must be submitted to TennCare within thirty (30) calendar days of the action taken by TennCare. The Grantee shall comply with all terms and conditions contained within this Grant pending the final resolution of the contested action.~~

A.19. Enrollment

- a. Eligibility for Enrollment - The Grantee shall follow requirements as described in 42 CFR § 460.150. For any individual who cannot be safely left alone, the individual or the individual's responsible party must demonstrate at the time of application for enrollment

that there is a designated adult caregiver who has agreed to provide, and is capable of providing, personal care and other services during those hours when PACE services are not being provided. The caregiver requirement can be waived in part or in total for an enrollee who cannot be safely left alone if a Personal Emergency Response System is installed and if the Grantee has determined through an individualized functional assessment that the individual would be mentally and physically capable of appropriately utilizing a Personal Emergency Response System and that the health, safety, and welfare of the individual can be assured through the use of such.

- b. Freedom of Choice - Prior to enrollment of a Medicaid eligible individual who has an approved Pre-Admission Evaluation, the Grantee shall require the individual or the individual's responsible party to sign a TennCare-approved Freedom of Choice Form.
- c. Enrollment Process - The Grantee shall follow requirements as described in 42 CFR § 460.152.
- d. Membership Card - Each enrollee shall be provided a PACE membership card which identifies the enrollee as an enrollee in the PACE Program. The membership card shall be issued by the Grantee, but shall not be distributed to any enrollees until TennCare has granted written prior approval of the format and content. All expenses associated with production and mailing and/or delivery of the membership card shall be the responsibility of the Grantee.
- e. Patient Liability - PACE enrollees shall be required to pay patient liability each month, as required pursuant to federal post-eligibility provisions, the Medicaid State Plan, and TennCare Rules. Patient liability shall be determined by the Tennessee Department of Human Services for PACE Program enrollees. It is the responsibility of the PACE Program to collect the enrollee's monthly patient liability unless permanent placement is made in a nursing facility, ACLF, or ICF/MR, in which case the facility shall be responsible for collecting the recalculated monthly patient liability amount.

#### A.20. Disenrollment

- a. Voluntary Disenrollment - The Grantee shall follow requirements as described in 42 CFR § 460.162.
- b. Involuntary Disenrollment - The Grantee shall follow requirements as described in 42 CFR § 460.164:
  - (1) Prior to pursuing involuntary disenrollment, the Grantee shall notify TennCare for review of the disenrollment. Written documentation necessary to assist TennCare in the decision process shall be provided upon request. TennCare's support or rejection of the disenrollment will be provided to the Grantee verbally within two (2) days and confirmed in writing within five (5) days.
  - (2) Notification of Enrollee - If the enrollee is involuntarily disenrolled, the Grantee will notify the enrollee of the reason for disenrollment and the right to appeal the disenrollment to TennCare and the right to a hearing before an administrative law judge or hearing officer.
  - (3) An enrollee shall not be involuntarily disenrolled upon permanent placement in a nursing facility. The Grantee shall continue to be responsible for payment of nursing facility services. An enrollee may voluntarily request disenrollment upon permanent placement in a nursing facility if s/he wishes to receive services from a facility not in the Grantee's network.

- c. Effect of Disenrollment on Capitation Payments - Payment of capitation payments shall cease effective on the date of disenrollment, and the Grantee shall have no further responsibility for covered benefits for the enrollee beyond the disenrollment date.
- A.21. In the case of fraudulent, misrepresented, or deceptive applications submitted by the enrollee, the PACE Provider shall refund to TennCare all capitation payments made on behalf of persons who obtained enrollment through such means, and the Grantee may pursue full restitution for all payments made for medical care while the person was inappropriately enrolled in the Grantee's plan.
  - A.22. In the event of enrollment obtained through prohibited marketing practices as described in Section A.31.b of this Grant Contract and 42 CFR § 460.82 (e) (4) by the Grantee's employees or its agents, TennCare may impose sanctions in accordance with Section A.31.c including recovery of all or part of the capitation payments made to the Grantee for such persons enrolled. The imposition of sanctions by TennCare will not preclude the State from exercising its right to criminal prosecution, civil penalties, trebled damages, and/or other remedial measures.
  - A.23. Reporting Requirements - The Grantee shall comply with all TennCare reporting requirements. TennCare shall provide the Grantee with appropriate reporting formats, instructions, submission timetables, and technical assistance when required.
    - a. Reporting Enrollee Information:
      - (1) The Grantee shall send written notice to the Tennessee Department of Human Services whenever the Grantee determines that an enrollee has moved to a new address whether inside or outside of the geographic service area.
      - (2) The Grantee shall notify DHS upon learning of any information that may affect an enrollee's eligibility for enrollment in TennCare.
    - b. Provider Enrollment Reporting:
      - (1) At the inception of this grant, and in a format approved by TennCare, the PACE Provider shall furnish to TennCare an unduplicated listing of all providers who are enrolled in the PACE Program's provider network. At other times upon request by TennCare and in a format approved by TennCare, the Grantee shall furnish an unduplicated listing of all providers who are enrolled in the PACE Program's provider network.
      - (2) If termination of the Grantee's provider agreement with any primary care provider or physician group or clinic, whether or not the termination is initiated by the provider or by the Grantee, places the Grantee out of compliance with Section A.11, such termination shall be reported by the Grantee in writing to the Bureau of TennCare, within five (5) working days of the date that the agreement has been terminated, as required by the Revised Grier Consent Decree and TennCare rules.
      - (3) Termination of the provider agreement between the Grantee and any hospital, whether or not the termination is initiated by the provider or by the Grantee, shall be reported by the Grantee in writing to TennCare no less than thirty (30) calendar days prior to the effective date of the termination, as required by the Revised Grier Consent Decree and TennCare rules.
    - c. Service Utilization and Individual Encounter Reporting:
      - (1) The Grantee shall collect service utilization data and individual encounter data as required by TennCare and Centers for Medicare and Medicaid Services and participate in any other required surveys and studies.

(2) The Grantee shall agree to collect and report Medicare HEDIS measures at such time as Centers for Medicare and Medicaid Services may require it of Grantees.

d. Failure to report required provider information, as required, may result in liquidated damages pursuant to Section E.11.

A.24. The Grantee shall maintain up-to-date enrollee medical records. Each enrollee's medical record shall be readily retrievable, complete, organized, and legible and shall reflect sound medical record-keeping practices. Medical records shall be maintained in their original form or may be converted to electronic format and shall include, but not be limited to, diagnoses; prescribed or administered medications and therapies; laboratory, radiological, and other tests and the results of such; documentation of hearing, vision, immunization, and preventive services screening status; documentation of specialty service referrals and results of such; and other pertinent information sufficient to document the quality, quantity, appropriateness, and timeliness of services performed or ordered under this Grant.

The Grantee shall ensure that TennCare, the United States Department of Health and Human Services, and the Office of Inspector General Comptroller shall have immediate and complete access to all records pertaining to the medical services provided to enrollees and shall have such provisions in all of its provider agreements, as specified in Section E.19 of this Grant. During the Grant period, these records shall be available at the Grantee's chosen location subject to the approval of TennCare.

A.25. The Grantee shall, as soon as is practical and no later than sixty (60) calendar days after a notice of deficiencies is received, unless justified and agreed upon by TennCare, comply with all recommendations made in writing by TennCare, pursuant to Grant items found not in compliance as a result of any authorized monitoring report or audit. A written plan to correct cited deficiencies and a time frame for completion of said plan shall be submitted to TennCare by the Grantee within fifteen (15) working days after receipt of notice of deficiencies or as soon as practical, whichever is the lesser. TennCare may extend or reduce the time frame for corrective action where, in its opinion, it is reasonable and advisable to do so. The Grantee shall be responsible for assuring corrective action when a provider's quality of care is inadequate. TennCare reserves the right to suspend enrollment in the plan if it is determined that quality of care is inadequate. In the event the Grantee fails to complete the actions required by the corrective action plan within the time frame specified, the Grantee agrees that TennCare shall assess the liquidated damages specified in Section E.11 of this Grant, or if the deficiencies are severe, that TennCare may terminate the Grant as described in Section E.14 of the Grant and in accordance with Section E.15.

A.26. TennCare may select an External Quality Review Organization (EQRO) or other entity to conduct on-site inspections and monitoring activities of the Grantee as described in Section A.34 of this Grant. Results of the review shall be provided to TennCare and shall be available on request to the Department of Health and Human Services, the Office of Inspector General, and the Office of the Comptroller.

A.27. Provider Reimbursement:

~~a. The Grantee shall directly or through subcontract have in place a claims processing system capable of accepting and processing claims in a timely manner and in accordance with this Grant.~~

b. Within sixty (60) calendar days of receipt, the Grantee shall process all claims submitted by contract and non-contract providers. The term "process" shall mean that the Grantee shall pay the claim or advise the provider either that a submitted claim is a denied claim, in which case the Grantee shall specify all reasons for the denial, or that a submitted claim that cannot be denied or allowed due to insufficient information or documentation, in which case the Grantee shall specify in detail all information or documentation that is

needed from the provider in order to allow or deny the claim. Resubmission of a claim with further information or documentation shall constitute a new claim for purposes of establishing the time frame for claims processing.

- c. The Grantee shall adjudicate ninety-five percent (95%) of all clean claims from contract and non-contract providers within thirty (30) calendar days of receipt. The Grantee shall adjudicate the remaining five percent (5%) of clean claims within thirty (30) additional calendar days.
- A.28. The Grantee shall secure and maintain sufficient general liability insurance and worker's compensation insurance and shall require any subcontractors and service providers to secure and maintain sufficient general liability insurance and worker's compensation insurance. The Grantee shall ensure that all providers who transport Enrollees shall secure and maintain sufficient automobile liability insurance and shall ensure that the individuals who transport the Enrollees have appropriate driver's licenses and safe driving records. The Grantee and any subcontractors or service providers shall, if medical services are provided by such, secure and maintain sufficient medical malpractice insurance to adequately protect enrollees and the Grantee during the term of this Grant. The Grantee shall not commence any work directly or through subcontractors or service providers in connection with this Grant until it has obtained all the insurance coverage required in this Grant. The Grantee shall furnish proof of coverage of insurance by a certificate of insurance submitted to TennCare.
- A.29. The Grantee shall be responsible for all the duties and responsibilities pursuant to this Grant, including but not limited to the provision of required services and the administration and management of its PACE Program. The Grantee shall also be responsible for all subcontracts, provider agreements, employees, agents, and anyone acting for or on behalf of the Grantee. All subcontracts, as defined in Section A.3, and revisions thereto, shall be prior approved by TennCare. Provider agreements, as defined in Section A.3, shall not require TennCare prior approval, but must contain all of the items listed in Section E.19 of this Grant. Subcontracts, provider agreements, or other delegation of responsibility shall not terminate or reduce the Grantee's legal responsibility to assure that all activities under this Grant are carried out.
- a. The Grantee shall have local and long-distance toll-free telephone service to enable enrollees, providers, and other interested parties to contact the Grantee 24 hours a day seven days a week.
  - b. The Grantee shall be appropriately licensed as required by the State of Tennessee. Each PACE facility that provides adult day health services shall meet the Tennessee Department of Human Services licensure standards for Adult Day Services providers. The Grantee shall ensure that all employees, agents, subcontractors, providers, and all other individuals or entities acting for or on behalf of the Grantee are properly licensed at all times in accordance with applicable state law and regulations. Failure to adhere to this provision may result in one or more of the following sanctions which shall remain in effect until such time as the deficiency is corrected:
    - (1) TennCare may refuse to approve or may rescind the approval of subcontracts with unlicensed persons.
    - (2) TennCare may refer the matter to the appropriate licensing authority for action.
    - (3) TennCare may terminate this Grant for cause as described in Section E.14 of this Grant and in accordance with Section E.15.
    - (4) TennCare may assess liquidated damages as described in Section E.11 of this Grant.
  - c. The Grantee shall have a Quality Assessment and Performance Improvement Plan as required in 42 CFR Part 460 Subpart H.

d. Fiscal Management - The Grantee shall be responsible for sound fiscal management of this Grant and shall comply with the requirements outlined below.

- (1) Acceptance of Capitation Payments - For fulfilling all the requirements of this Grant including the provision of required services as described in Section A.6 of this Grant, the Grantee shall accept the monthly capitation payments that TennCare shall remit to the Grantee, which shall be calculated each month by multiplying the enrollee census for that month by the pro-rated capitation rate, as described in Section C.3 and Attachment A of this Grant. These capitation payments shall be payment in full for all covered services provided to enrollees pursuant to this Grant (except for applicable patient liability amounts) and for all administrative costs incurred by the Grantee for providing or arranging for such services.

When eligibility has been established by TennCare and DHS and the enrollee has incurred medical expenses for covered benefits within the period of eligibility, the Grantee shall make reimbursement for the medical services at the regular negotiated rate if the service was provided by a contract provider. If the service was provided by a non-contract provider and the Grantee has authorized such use in advance, the Grantee shall make reimbursement for such services at a rate sufficient to assure that the enrollee is held harmless by the non-contract provider for the costs of the service (except for any applicable patient liability associated with permanent placement in a nursing facility, ACLF, or ICF/MR).

- (2) Savings or Loss - The Grantee, having entered into a risk contract with TennCare, shall not be required to share with TennCare any portion of savings realized under this Grant after the costs of all covered benefits and administrative expenses are paid for the provision of required services to enrollees. If the actual amount paid by the Grantee for covered services and administrative costs exceeds the capitation rate described in Section C.3 and Attachment A of this Grant, TennCare shall not be liable for any excess costs.
- (3) Return of Funds - Any overpayments or capitation payments disallowed by TennCare pursuant to the terms of this Grant shall be considered to be TennCare funds and shall be refunded to TennCare within thirty (30) calendar days after the Grantee receives notification from TennCare, unless otherwise authorized by TennCare in writing. If the Grantee fails to return funds due TennCare within thirty (30) calendar days, TennCare shall have the right to recover such funds from any current or future funds that may be owed to the Grantee.
- (4) Third Party Resources - The TennCare program shall be the payer of last resort for all medical services. The Grantee shall be entitled to, and shall exercise, full subrogation rights and shall be responsible for making every reasonable effort to determine the legal liability of third parties to pay for services rendered to enrollees under this Grant and recover any such liability from the third party.
  - (a) If the Grantee has determined that third party liability exists for part or all of the services provided directly by the Grantee to an enrollee, the Grantee shall make reasonable efforts to recover from third party liable sources the value of services rendered.
  - (b) If the Grantee has determined that third party liability exists for part or all of the services provided to an enrollee by a provider, and the third party will make payment within a reasonable time, the Grantee may pay the provider only the amount, if any by which the provider's allowable claim exceeds the amount of third party liability; or, the Grantee may assume full responsibility for third party collections for service provided through a subcontract.

- (c) The Grantee may not withhold payment for covered services provided to an enrollee if third party liability or the amount of liability cannot be determined or if payment will not be available within a reasonable time.
  - (d) All funds recovered from third parties will be treated as offsets to claims expense for the Grantee.
  - (e) The Grantee shall provide third party resource (TPR) data to any provider having a claim denied by the Grantee based upon the enrollee having a TPR.
- e. **Adult Day Health Services Facility Requirements** – in addition to meeting the Tennessee Department of Human Services licensure standards for adult day services providers, each PACE facility that provides adult day health services shall meet applicable local and state fire and safety codes and shall meet Tennessee Department of Health food and environmental sanitation standards.
- f. **Grantee Status** - Upon promulgation of federal regulations permitting states to implement Grantee Status and upon the inclusion of Grantee Status in the Tennessee Medicaid Title XIX state plan, the Grantee shall comply with all state and federal requirements for PACE providers.
- g. **Infection Control** – The Grantee shall have an Infection Control Plan as required in 42 CFR §§ 460.74.
- A.30. Pursuant to Sections 1128 and 1156 of the Social Security Act specified in Grant Section E.13.j., the Grantee shall search the HHS-OIG website monthly to capture exclusions and reinstatements that have occurred since the last search and immediately report to TennCare any exclusion information discovered.
- A.31. **Marketing Plan.** The Grantee shall be responsible for developing and implementing a marketing plan designed to solicit enrollment from eligible persons who reside in Hamilton County, Tennessee. The Grantee shall submit to TennCare the marketing plan and all draft marketing materials including, but not limited to, brochures, posters, fact sheets, billboard ads, magazine or newspaper ads, and other forms of commercial advertising. The Grantee shall not implement or utilize any marketing plan, procedure, or materials developed under this Grant until the Grantee has received written approval from TennCare. TennCare will approve, deny or return the plan and/or materials (with written comments) within fifteen (15) calendar days from the date of submission. The marketing plan shall contain, at a minimum, a plan for the dissemination of materials to potential enrollees, and projections for future enrollment. Since marketing problems may not be evident from the materials submitted and may become apparent after the marketing plan is put into effect, TennCare reserves the right to notify the Grantee to discontinue or modify a particular part of the marketing plan or materials.

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a. **Written Material Guidelines**

- (1) All materials shall be worded at a 6<sup>th</sup> grade reading level, unless TennCare approves otherwise.
- (2) All written materials shall be clearly legible with a minimum font size of 12pt. with the exception of member I.D. cards, stickers and such, and unless otherwise approved by TennCare.
- (3) All written materials shall be printed with an assurance of non-discrimination.
- (4) The following shall not be used on marketing or communication material without the written approval of TennCare:

- (i) The Seal of the State of Tennessee;
    - (ii) The TennCare<sup>sm</sup> name unless the initials "SM" denoting a service mark, is superscripted to the right of the name;
  - (5) All written materials shall be made available in alternative formats for persons with special needs or appropriate interpretation services shall be provided by the Grantee.
  - (6) The Grantee shall provide written notice of any changes in policies or procedures described in written materials previously sent to enrollees. The Grantee shall provide written notice at least thirty (30) days before the effective date of the change.
- b. The Grantee shall not engage in marketing practices that mislead, confuse, or defraud or that are unfair or deceptive practices or that otherwise violate federal or state consumer protection laws or regulations.
- (1) The Grantee shall not engage in overly aggressive solicitation, such as repeated telephoning or continued recruitment after an offer for enrollment is declined by an enrollee, or in similar techniques.
  - (2) The Grantee shall not offer gifts of material or financial gain as incentives to enroll.
  - (3) The Grantee shall not engage in the use of independent marketing agents or representatives for the purpose of in person or direct solicitation of persons for enrollment with the Grantee. Direct or in person solicitation activities shall be conducted only by full-time or part-time salaried employees of the Grantee. The Grantee may contract with independent marketing firms, agents, representatives, etc., for the purpose of indirect marketing (e.g., the production of marketing materials, public relations).
- c. Failure to comply with the marketing limitations contained in this Grant may result in the imposition by TennCare of one or more of the following sanctions which shall remain in effect until such time as the deficiency is corrected:
- (1) Revocation of previously authorized marketing methods;
  - (2) Refusal of TennCare to accept new enrollments for a period specified by TennCare;
  - (3) Forfeiture by the Grantee of all or part of the capitation payments for persons enrolled as a result of noncompliant marketing practices;
  - (4) The Grantee personally contact each enrollee who is enrolled during the period while the Grantee was out of compliance, in order to explain the nature of the noncompliance and inform the enrollee of his or her right to disenroll; and/or
  - (5) Application of liquidated damages or other sanctions as provided in Section E.11 and E.12 of this Grant.

Responsibilities of TennCare

- A.32. TennCare shall be responsible for management of this Grant. Management shall be conducted in good faith with the best interest of the State and the citizens it serves being the prime consideration. Management of TennCare shall be conducted in a manner consistent with simplicity of administration and the best interests of enrollees, as required by 42 U.S.C. Section 1396a(a)(19).
- A.33. TennCare shall be solely responsible for the review of Pre-Admission Evaluation applications for nursing facility level of care and determination of approval status.
- A.34. The Bureau of TennCare, the Centers for Medicare and Medicaid Services, and the agents of such shall have the authority to conduct on-site inspections of the Grantee and all health facilities and service delivery sites utilized by the Grantee in fulfilling the obligations under this Grant, in order to determine compliance with the requirements of this Grant and applicable federal and state laws and regulations. Inspections may be made at any time during the Grant period and without prior notice. Monitoring activities may include, but shall not be limited to, inspection of the Grantee's facilities, auditing and review of all records developed under this Grant (e.g., medical records, appeals, enrollments, disenrollments, termination, utilization, records, financial records), reviewing management systems and procedures developed under this Grant, and review of any other areas or materials pertaining to the Grantee's responsibilities pursuant to this Grant. TennCare may select an External Quality Review Organization (EQRO) or other entity to conduct such inspections and monitoring activities. TennCare shall provide the Grantee with a written report of findings and recommendations and shall implement any sanctions that may be appropriate in accordance with Section E.12 of this Grant.

**B. CONTRACT PERIOD:**

- B.1. This Grant Contract shall be effective for the period beginning January 1, 2012 and ending on December 31, 2014. The Grantee hereby acknowledges and affirms that the State shall have no obligation for Grantee services or expenditures that were not completed within this specified contract period.
- B.2. Term Extension. The State reserves the right to extend this Grant Contract for an additional period or periods of time representing increments of no more than one year and a total contract period of no more than five (5) years, provided that such an extension of the contract period is effected prior to the current, contract expiration date by means of a contract amendment. If a term extension necessitates additional funding beyond that which was included in the original Grant Contract, such funding will also be effected through contract amendment.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2012, Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2013 and Eleven Million Four Hundred Seventy-One Thousand Six Hundred Seventy-Seven Dollars (\$11,471,677.00) for Calendar Year 2014 with a total Grant maximum liability of Thirty-Four Million Four Hundred Fifteen Thousand Thirty-One Dollars (\$34,415,031.00). The Grant Budgets, attached and incorporated hereto as Attachment A, Attachment A.1 and Attachment A.2, shall constitute the maximum amount due the Grantee for all service and Grantee obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

- C.2. Compensation Firm. The maximum liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in section C.6.
- C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget and in accordance with a reimbursement document specified by TennCare. Such documents shall be submitted to TennCare each month in accordance with TennCare guidelines for the purpose of documenting enrollment and requesting reimbursement of the capitation rates to be paid monthly, as specified in Attachments A, A.1, and A.2, not to exceed the maximum liability established in section C.1, and subject to the availability of funding as specified in each year's Appropriation Bill.
- C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
- C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

Bureau of TennCare  
 310 Great Circle Road  
 Fiscal Division – 4 East  
 Nashville, TN 37243

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
  - (1) Invoice/Reference Number (assigned by the Grantee).
  - (2) Invoice Date.
  - (3) Invoice Period (to which the reimbursement request is applicable).
  - (4) Grant Contract Number (assigned by the State).
  - (5) Grantor: Department of Finance and Administration, Bureau of TennCare.
  - (6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
  - (7) Grantee Name.
  - (8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
  - (9) Grantee Remittance Address.
  - (10) Grantee Contact for Invoice Questions (name, phone, and/or fax).
  - (11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:
    - i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
    - ii. The amount reimbursed by Grant Budget line-item to date.
    - iii. The total amount reimbursed under the Grant Contract to date.
    - iv. The total amount requested (all line-items) for the Invoice Period.
- b. The Grantee understands and agrees to all of the following.
  - (1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.

- (2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.
  - (3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.
- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to one percent (1%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amount(s) such that the net result of variances shall not increase the total Grant Contract amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Contract.
- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within ninety (90) days of the Grant Contract end date and in form and substance acceptable to the State.
  - a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract, the Grantee shall refund the difference to the State. The Grantee shall submit said refund with the final grant disbursement reconciliation report.
  - b. The State shall not be responsible for the payment of any invoice submitted to the state after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.
  - c. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.
  - d. The Grantee must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Grantee request reimbursement for Indirect cost, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency and the State. The Grantee will be reimbursed for indirect cost in accordance with the approved indirect cost rate to amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the contract period. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency and the State. If the indirect cost rate is provisional during the period of this agreement, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the contract period.
- C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.

- C.11. Unallowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment theretofore made, which are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, not to constitute allowable costs.
- C.12. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Grantee under this or any contract between the Grantee and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Grantee.
- C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following documentation properly completed.
- a. The Grantee shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once said form is received by the State, all payments to the Grantee, under this or any other contract the Grantee has with the State of Tennessee shall be made by Automated Clearing House (ACH).
  - b. The Grantee shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Federal Employer Identification Number or Social Security Number referenced in this Grant Contract or the Grantee's Tennessee Edison Registration.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. Except as specifically provided herein, this Grant Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. Should the State exercise this provision, the Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
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- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.
- D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written

approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.

- D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.

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

- D.7. Lobbying. The Grantee 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 undersigned, 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 this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Grantee 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 section 1352, title 31, *U.S. Code*.

- D.8. Nondiscrimination. The Grantee 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 Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.9. Public Accountability. If the Grantee is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Grantee shall display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

- D.10. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Grantee shall be approved by the State.
- D.11. Licensure. The Grantee and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.12. Records. The Grantee (and any approved subcontractor) shall maintain documentation for all charges under this Contract. The books, records, and documents of the Grantee (and any approved subcontractor), insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the state agency, the Comptroller of the Treasury, or duly appointed representatives. The records of not-for-profit entities shall be maintained in accordance with the *Accounting and Financial Reporting for Not-for-Profit Recipients of Grant Funds in Tennessee*, published by the Tennessee Comptroller of the Treasury and found at <http://www.comptroller1.state.tn.us/ma/finreptmanual.asp>. The records for local governments shall be maintained in accordance with the *Internal Control and Compliance Manual for Tennessee Municipalities*, published by the Tennessee Comptroller of the Treasury and found at <http://www.comptroller1.state.tn.us/ma/citymanual.asp> and in accordance with GFOA's publication, *Governmental Accounting, Auditing and Financial Reporting*.
- D.13. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.14. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.
- D.15. Annual Report and Audit. The Grantee shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Grant Contract to the commissioner or head of the Granting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Grantee that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Grantee may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Grantee and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Grantee shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Grantee shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Granting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

D.16. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for such decision and non-competitive procurement. Further, and notwithstanding the foregoing, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Grantee's compliance with applicable federal procurement requirements.

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

D.17. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.18. Independent Contractor. The parties hereto, in the performance of this Grant Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Grant Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Grantee's employees, and to pay all applicable taxes incident to this Grant Contract.

D.19. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.

D.20. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.

D.21. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract.

D.22. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. ~~The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.~~

D.23. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.24. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.25. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant 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 Grant Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:  
Deputy Commissioner  
Department of Finance and Administration  
Bureau of TennCare  
310 Great Circle Road  
Nashville, TN 37243  
(615) 507-6443 (Phone)  
(615) 741-0882 (Fax)

The Grantee:  
Mr. Viston Taylor  
Chief Executive Officer  
Alexian Brothers Community Services  
425 Cumberland Street  
Chattanooga, Tennessee 37404  
(423) 698-0802 (Phone)  
(423) 622-6048 (Fax)

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

- E.3. Subject to Funds Availability. The Grant Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Grant Contract upon written notice to the Grantee. Said termination shall not be deemed a breach of contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. 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 Grantee by the State or

acquired by the Grantee on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Grantee to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Grantee's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Grantee of this Grant Contract; previously possessed by the Grantee without written obligations to the State to protect it; acquired by the Grantee without written restrictions against disclosure from a third party which, to the Grantee's knowledge, is free to disclose the information; independently developed by the Grantee without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Grantee to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Grant Contract.

- E.5. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. The Grantee warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract.
  - b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the grant so that both parties will be in compliance with HIPAA.
  - c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and the Grantee in compliance with HIPAA. This provision shall not apply if information received by the State under this grant is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.6. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Grantee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Grantee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Grant Contract.
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- E.7. Debarment and Suspension. The Grantee 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 Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal

offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee 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.

- E.8. Venue. For purposes of any legal action occurring as a result of or under this Grant Contract between the Grantee and TennCare, the place of proper venue shall be Davidson County, Tennessee.
- E.9. Federal Funding Accountability and Transparency Act (FFATA). This Grant requires the Grantee to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Grantee is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Grantee provides information to the State as required.

The Grantee shall comply with the following:

- a. Reporting of Total Compensation of the Grantee's Executives.
  - (1) The Grantee shall report the names and total compensation of each of its five most highly compensated executives for the Grantee's preceding completed fiscal year, if in the Grantee's preceding fiscal year it received:
    - i. 80 percent or more of the Grantee'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 sub awards); 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 sub awards); 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>.)

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Executive means officers, managing partners, or any other employees in management positions.

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- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Grantee's preceding fiscal year and includes the following (for more information see 17 CFR 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 Grantee must report executive total compensation described above to the State by the end of the month during which this Grant is awarded.
  - c. If this Grant is amended to extend its term, the Grantee must submit an executive total compensation report to the State by the end of the month in which the amendment to this Grant becomes effective.
  - d. The Grantee will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Grant. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

E.10. Tennessee Bureau of Investigation Medicaid Fraud and Abuse Unit (MFCU) Access to Contractor and Provider Records Office of TennCare Inspector General Access to Contractor, Provider, and Enrollee Records

Pursuant to the Health Insurance Portability and Accountability Act (HIPAA) privacy regulations, MFCU and TennCare OIG shall be health oversight agencies as defined at 45 C.F.R. §§ 164.501 and 164.512(d) and 65 F.R. § 82462. When acting in their respective capacities as health oversight agencies, MFCU and TennCare OIG do not need authorization to obtain enrollee protected health information (PHI). Because MFCU and TennCare OIG will request the information mentioned above for health oversight activities, "minimum necessary" standards do not apply to disclosures to MFCU or TennCare OIG that are required by law. See 45 C.F.R. §§ 164.502(b)(2)(iv), 164.502(b)(2)(v), and 164.512(d).

The Grantee shall immediately report to MFCU all factually based known or suspected fraud, abuse, waste and/or neglect of a provider or Grantee, including, but not limited to, the false or fraudulent filings of claims and/or the acceptance or failure to return money allowed or paid on claims known to be false or fraudulent. The Grantee shall not investigate or resolve the suspicion, knowledge or action without informing MFCU, and must cooperate fully in any investigation by MFCU or subsequent legal action that may result from such an investigation.

The Grantee and all its health care providers who have access to any administrative, financial, and/or medical records which relate to the delivery of items or services for which TennCare monies are expended, shall, upon request, make them available to MFCU or TennCare OIG. In addition, the MFCU must be allowed access to the place of business and to all TennCare records of any Contractor or health care provider, during normal business hours, except under special circumstances when after hour admission shall be allowed. MFCU shall determine any and all special circumstances.

The Grantee and its participating and non-participating providers shall report TennCare enrollee fraud and abuse to TennCare OIG. The Contractor and/or provider may be asked to help and assist in investigations by providing requested information and access to records. Shall the need

arise, TennCare OIG must be allowed access to the place of business and to all TennCare records of any TennCare Contractor or health care provider, whether participating or non-participating, during normal business hours.

The Grantee shall inform its participating and non-participating providers that as a condition of receiving any amount of TennCare payment, the provider must comply with this section of this Grant Contract regarding fraud, abuse, waste and neglect.

E.11. Liquidated Damages.

- a. If the Grantee fails to meet the requirements provided in this Grant and any appendices and amendments, the Grantee may be required to pay non-refundable liquidated damages to TennCare in the fixed amount stated below, provided that if it is subsequently determined that the Grantee would have been able to meet the specific Grant requirements listed below but for TennCare's failure to perform as provided in this Grant, the Grantee shall not be liable for liquidated damages resulting directly from such. TennCare will provide prior written notice to the Grantee of any such failure to meet the Grant requirements, the potential amount of liquidated damages that may be assessed, and the timeframe for actual assessment of the liquidated damages. If TennCare then elects to assess damages, a written notice containing the specific amount of liquidated damages will be provided to the Grantee. Liquidated damages are due and payable to TENNCARE within thirty (30) calendar days after the Grantee's receipt of the notice of damages from TennCare, and if payment is not made by the due date, the liquidated damages may be withheld from future capitation payments by TennCare without further notice. The collection of such liquidated damages by TennCare shall be made without regard to any appeal rights the Grantee may have pursuant to this Grant; however, in the event an appeal by the Grantee results in a decision in favor of the Grantee, any such funds withheld by TennCare will be immediately returned to the Grantee.
- b. For each day that a required report or deliverable is late, incorrect, or deficient, the Grantee shall be liable to TennCare for liquidated damages in the amount of one hundred dollars (\$100) per working day per report or deliverable. Liquidated damages for late reports shall begin on the first day the report is late. Liquidated damages for incorrect reports or deficient deliverables shall begin on the sixteenth (16<sup>th</sup>) calendar day after notice is provided from TennCare to the Grantee that the report remains incorrect or the deliverables remain deficient; provided, however, that it is reasonable to correct the report or deliverable within fifteen (15) calendar days. For the purposes of determining liquidated damages in accordance with this section, reports or deliverables are due in accordance with the following schedule and the liquidated damages for failure to perform specific responsibilities shall be as follows:

DELIVERABLES	DATE DELIVERABLE IS DUE
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Monthly Reports	By the 20th day of following month.
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Quarterly Reports	By the 30th day of following month.
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Annual Reports	By the 90th day after the end of the year.
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On Request Reports	Within ten (10) working days from the date of request, when reasonable, unless otherwise specified by TennCare. (In urgent situations, TennCare shall have the right to impose a shorter time frame, when reasonable, for submission of On Request reports.)
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- c. Other liquidated damages shall include the following:

- (1) Failure to complete corrective action plans -- Liquidated damages of one hundred dollars (\$100) per calendar day for each day the corrective action is not completed as required.

- (2) Failure to comply with the TennCare complaint and appeals rules and guidelines -- Liquidated damages of \$100 per calendar day for each day beyond the required time frame that the appeal is unanswered in each and every aspect and/or each day the appeal is not handled according to TennCare rules and guidelines.
- (3) Failure to provide covered services or reimbursement for covered services within thirty (30) calendar days of a reasonable TennCare directive -- Liquidated damages of one hundred dollars (\$100) per calendar day per covered service beginning on the thirty first (31st) calendar day after the directive is issued by TennCare.
- (4) Failure to have properly licensed personnel -- Liquidated damages of one hundred dollars (\$100) per calendar day for each day that personnel are not licensed as required by applicable state law and/or regulations.

E.12. Sanctions for Failure to Meet Grant Requirements. TennCare shall have the authority to impose sanctions, as indicated herein, for failure to meet the duties and responsibilities of this Grant. Such sanctions may include a requirement to develop and implement a corrective action plan, liquidated damages, termination of the Grant for cause, or other such sanctions as may be specified in this Grant.

E.13. State and Federal Compliance. The Contractor agrees to comply with all applicable federal and state laws and regulations, and court orders, including Constitutional provisions regarding due process and equal protection of the laws and including but not limited to:

- a. Title 42 Code of Federal Regulations (CFR) Chapter IV, Subchapter C (with the exception of those parts waived under the TennCare Section 1115(a) waiver).
- b. Title 45 CFR, Part 74, General Grants Administration Requirements.
- c. All applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 as amended (42 U.S.C. 7401, et seq.).
- d. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations issued pursuant thereto, 45 C.F.R. Part 80.
- e. Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e) in regard to employees or applicants for employment.
- f. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving or benefiting from federal financial assistance, and regulations issued pursuant thereto, 45 C.F.R. Part 84.
- g. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age in programs or activities receiving or benefiting from federal financial assistance.
- h. ~~Omnibus Budget Reconciliation Act of 1981, P.E. 97-35, which prohibits discrimination on the basis of sex and religion in programs and activities receiving or benefiting from federal financial assistance.~~
- i. Americans with Disabilities Act of 1990, 42 U.S.C. Section 12101 et seq., and regulations issued pursuant thereto, 28 C.F.R. Parts 35, 36.
- j. Sections 1128 and 1156 of the Social Security Act relating to exclusion of providers for fraudulent or abusive activities involving the Medicare and/or Medicaid program.

- k. Tennessee Consumer Protection Act, T.C.A. Section 47-18-101 et seq.
- l. Executive Orders, including Executive Order 1 effective January 26, 1995.
- m. The Clinical Laboratory Improvement Act (CLIA) of 1988.
- n. Requests for approval of material modification as provided at TCA 56-32-101 etc. seq.
- o. Title IX of the Education Amendments of 1972 (regarding education programs and activities)
- p. The Rehabilitation Act of 1973
- q. The Balanced Budget Act of 1997 Section 422.208 and 422.210
- r. EEO Provisions
- s. Copeland Anti-Kickback Act
- t. Davis-Bacon Act
- u. Contract Work Hours and Safety Standards
- v. Rights to Inventions Made Under a Contract or Agreement
- w. Byrd Anti-Lobbying Amendment
- x. Debarment and Suspension
- y. The Church Amendments, 42 U.S.C. 300a-7.
- a. Public Health Service Act (PHS Act) Section 245, 42 U.S.C. 238n.
- aa. Weldon Amendment, originally adopted as section 508(d) of the Labor-HHS Division (Division F) of the 2005 Consolidated Appropriations Act, Public Law 108-447, 118 Stat. 2809, 3163 (Dec. 8, 2004), has been readopted (or incorporated by reference) in each subsequent HHS appropriations act. (Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, Public Law 110-329, Div. A, Sec. 101, 122 Stat. 3574, 3575 (Sept. 30, 2008).
- bb. Sections 1894 and 1934 of the Social Security Act as implemented by regulations at 42 CFR Part 460.

E.14. Termination of the Grant. The Grantee or TennCare may terminate this Grant Contract in accordance with Section E.15 of this Grant.

- a. Termination for Cause – TennCare may terminate this Grant Contract at any time for cause if the Grantee fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Grantee violates any terms of this Grant Contract including but not limited to uncorrected deficiencies in the quality of care provided to enrollees.
- b. Insolvency Termination - If TennCare reasonably determines that the Grantee's financial condition is not sufficient to allow the Grantee to provide the services as described herein in the manner required by TennCare, TennCare may terminate this Grant. Said termination shall not be deemed a breach by either party. The Grantee's financial condition shall be presumed not sufficient to allow the Grantee to provide the services described herein in the manner required by TennCare if the Grantee can not demonstrate to TennCare's satisfaction that the Grantee has risk reserves and a minimum net worth sufficient to meet TennCare

requirements. Grantee insolvency or the filing of a petition in bankruptcy by or against the Grantee shall constitute grounds for termination for cause. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor or provider or the insolvency of said subcontractor or provider, the Grantee shall immediately notify TennCare.

E.15. Termination Procedures. The party initiating the termination of this Grant Contract shall render written notice of termination to the other party and to CMS by certified mail with return receipt requested, or in person with proof of delivery. The notice of termination shall specify the provision of this Grant Contract giving the right to terminate and the circumstances giving rise to termination.

a. The decision to dissolve the PACE program would be made by all parties involved (CMS, TennCare, and the Grantee). If that action occurs, the Grantee shall implement the following Termination Phase-Down Plan.

- (1) A date for dissolution of the program and its service capacity will be established in conjunction with CMS and TennCare.
- (2) All marketing activities and new enrollments would cease immediately. Referrals would be directed to other community resources.
- (3) Current enrollees would be notified in writing of the decision to dissolve services and would be assured of sixty (60) days of uninterrupted full service benefits.
- (4) The input of current community resources would be obtained in planning for the needs of the enrollees. The services available and the ability of the program to accept the volume of PACE enrollees requiring services would be determined.
- (5) The PACE Multidisciplinary Team would develop a priority list of enrollees, ranking those with the most skilled care needs highest and those with lesser needs lower.
- (6) Based on the priority, individual care plans would be developed in conjunction with the enrollee and/or the enrollee's family and the appropriate community resources.
- (7) As care plans are completed, enrollees would be gradually disenrolled until all enrollees have been integrated into traditional Medicare and Medicaid systems.
- (8) Records would be made available, upon the consent of the enrollee, to all providers as appropriate. Original records would be stored and maintained as required by State guidelines.
- (9) All service contractors would be provided a written 60 (sixty) day notice. Based upon program resources and the risk-sharing plan, all outstanding debts would be settled upon final dissolution of the program. Debts to all service contractors would be met, as resources are available. Services provided by the Grantee's sponsoring organization would be the last to be resolved, pending availability of funds.

b. In the event the PACE Program is dissolved, the Grantee shall continue to serve or arrange for provision of services to the enrollees in the plan as described in E.15.a. During this transition period, TennCare shall continue to pay the applicable capitation rate as described in Sections C.1 and C.3 of this Grant;

c. The Grantee shall promptly make available to TennCare, or another health plan acting on behalf of TennCare, any and all records, whether medical or financial, related to the Grantee's activities undertaken pursuant to this Grant. Such records shall be in a usable form and shall be provided at no expense to TennCare; and

d. The Grantee shall promptly supply all information necessary to TennCare or another health plan acting on behalf of TennCare for reimbursement of any outstanding claims at the time of final dissolution.

E.16. Errors. The Grantee is expected to prepare carefully all reports for submission to TennCare. If after preparation and submission, a Grantee error is discovered either by the Grantee or TennCare, the Grantee has fifteen (15) calendar days, where practical, after written notification to correct the error and submit accurate reports and/or invoices. Similarly, errors on TennCare's

part identified by the Grantee shall be corrected within fifteen (15) calendar days, where practical, of receipt of written notification by the Grantee.

- E.17. Disputes. Any claim by the Grantee against TennCare arising out of the breach of this Grant shall be handled in accordance with the provision of TCA § 9-8-301, et. seq., provided, however, that the Grantee agrees that the Grantee shall give notice to TennCare of its claim thirty (30) calendar days prior to filing the claim in accordance with TCA § 9-8-301, et. seq.
- E.18. TennCare Financial Responsibility. Notwithstanding any provision which may be contained herein to the contrary, TennCare shall be responsible solely to the Grantee for the amount described herein and in no event shall TennCare be responsible, either directly or indirectly, to any subcontractor or any other party who may provide the services described herein.
- E.19. Provider Agreements. The Grantee shall provide or assure the provision of all required services specified in Section A.6 of this Grant. The Grantee may provide these services directly or may enter into agreements with providers who will provide services to the enrollees in exchange for payment by the Grantee for services rendered. Provider agreements and amendments thereto do not require prior approval by TennCare before taking effect; however, the Grantee shall not execute provider agreements with providers who have been excluded from participation in the Medicare and/or Medicaid programs pursuant to Sections 1128 or 1156 of the Social Security Act or who are otherwise not in good standing with the TennCare program. All provider agreements executed by the Grantee pursuant to this section shall, at a minimum, meet the following requirements which shall not be superseded by any other terms or conditions agreed to between the Grantee and the provider. The provider agreement shall:
- a. Be in writing;
  - b. Specify the effective dates of the provider agreement;
  - c. Specify in the provider agreement that the provider agreement and its appendices contain all the terms and conditions agreed upon by the parties;
  - d. Assure that the provider shall not enter into any subsequent agreements or subcontracts for any of the work contemplated under the provider agreement without approval of the Grantee;
  - e. Identify the population covered by the provider agreement;
  - f. Specify that the provider may not refuse to provide medically necessary covered services or covered preventive services to a TennCare patient under this grant for non-medical reasons. A provider, however, shall not be required to accept or continue treatment of a patient with whom the provider feels he/she cannot establish or maintain a professional relationship;
  - g. Specify the functions and/or services to be provided by the provider and assure that the functions and/or services to be provided are within the scope of his/her professional/technical practice;
  - h. Provide that emergency services be rendered without the requirement of prior authorization of any kind;
  - i. Require that any provider of laboratory services must meet all applicable requirements of the Clinical Laboratory Improvement Act (CLIA) of 1988;
  - j. Require that sound medical record-keeping and billing systems be maintained for documenting services, servicing providers, charges, dates, and all other commonly accepted information elements for services rendered to enrollees pursuant to the agreement (including but not limited to such records as are necessary for the evaluation of the quality, appropriateness, and timeliness of services performed under the provider agreement).

Enrollees and their representatives shall be given access to the enrollees' medical records, to the extent and in the manner provided by TCA §§ 63-2-101 and 63-2-102, and, subject to reasonable charges, be given copies thereof upon request;

- k. Require that any and all records be maintained for a period not less than five (5) years from the close of the agreement and retained further if the records are under review or audit until the review or audit is complete. Said records shall be made available for fiscal audit, medical audit, medical review, utilization review, and other periodic monitoring upon request of authorized representatives of the Grantee or TennCare;
- l. Provide that TennCare, the United States Department of Health and Human Services, and the Office of Inspector General Comptroller shall have the right to evaluate through inspection, whether announced or unannounced, or other means any records pertinent to this Grant including quality, appropriateness and timeliness of services and such evaluation, when performed, shall be performed with the cooperation of the provider. Upon request, the provider shall assist in such reviews including the provision of complete copies of medical records;
- m. Provide for monitoring, whether announced or unannounced, of services rendered to enrollees in the PACE Program;
- n. Whether announced or unannounced, provide for the participation and cooperation in any internal and external quality monitoring/quality improvement, utilization review, peer review, and appeal procedures established by the Grantee or TennCare;
- o. Specify that the Grantee shall monitor the quality of services delivered pursuant to this Grant and initiate corrective action where necessary to improve quality of care, in accordance with that level of medical care which is recognized as acceptable professional practice in the respective community in which the provider practices and/or the standards established by TennCare;
- p. Require that the provider comply with corrective action plans initiated by the Grantee;
- q. Provide for submission of all reports and clinical information required by the Grantee;
- r. Require safeguarding of information about enrollees according to applicable state and federal laws and regulations and as described in Section E.5 of this Grant;
- s. Provide the name and address of the official payee to whom payment shall be made;
- t. Make full disclosure of the method and amount of compensation or other consideration to be received from the Grantee;
- u. Provide for prompt submission of information needed to make payment;
- v. Provide for payment within thirty (30) calendar days to the provider upon receipt of a clean claim properly submitted by the provider;
- w. ~~Specify that the provider shall accept payment or appropriate denial made by the Grantee or, if applicable, payment by the Grantee that is supplementary to the enrollee's third party payer as payment in full for covered services provided and shall not solicit or accept any surety or guarantee of payment from the enrollee (or the enrollee's children, spouse, or other legally responsible person), provided that a nursing facility, ACLF, RHA, or ICF/MR provider shall also be able to collect any applicable patient liability associated with permanent placement.~~
- x. Require the provider to secure and maintain sufficient liability and malpractice insurance coverage to adequately protect enrollees and the Grantee during the term of the provider

agreement. The provider shall upon execution of the provider agreement furnish the Grantee with written verification of the existence of such coverage;

- y. Specify both the Grantee and the provider agree to recognize and abide by all state and federal laws, regulations, and guidelines applicable to the PACE Program;
- z. Provide that the provider agreement incorporates by reference all applicable federal and state laws or regulations, including but not limited to, the Civil Rights Act, the Age Discrimination Act, and the American with Disabilities Act. Revisions of such laws or regulations shall automatically be incorporated into the agreement as they become effective. In the event that changes in the agreement as a result of revisions and applicable federal or state law materially affect the position of either party, the Grantee and provider agree to negotiate such further amendments as may be necessary to correct any inequities;
- aa. Specify procedures and criteria for any alterations, variations, modifications, waivers, extension of the agreement termination date, or early termination of the agreement and that such change shall only be valid when reduced to writing, duly signed and attached to the original of the agreement;
- bb. Specify that both parties recognize that in the event of termination of this Grant between the Grantee and TennCare for any of the reasons described in Section E.14 of this Grant, the provider agreement shall terminate in accordance with Section E.15 of the Grant and the provider shall immediately make available to TennCare upon request, or its designated representative, in a usable form, any or all records, whether medical or financial, related to the provider's activities undertaken pursuant to the provider agreement with the Grantee. The provision of such records shall be at no expense to TennCare;
- cc. Contain a provision requiring resolution of disputes by an arbitration process approved by TennCare or its designee. This provision shall specify that if any dispute arises involving a contention by one party (grieving party) that the other party has failed to perform its obligations and responsibilities under the agreement, then the grieving party shall promptly give written notice to the other party. Such notice shall set forth in detail the basis for the grieving party's contention and shall be sent by certified mail with return receipt requested. Within thirty (30) calendar days of receiving such notice, the other party shall provide a written response seeking to satisfy the grieving party. Following receipt of and dissatisfaction with such response by the grieving party, or the failure of the other party to respond to the grieving party within thirty (30) calendar days, the grieving party shall notify the other party in writing, and the matter shall be promptly submitted to inexpensive and binding arbitration in accordance with the Tennessee Uniform Arbitration Act Tennessee Code Annotated Section 29-5-301 et. seq.). The responsibility for any legal fees and/or costs incurred by such action shall be described.

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- dd. Include a conflict of interest clause as stated in Section D.6 of this Grant between the Grantee and TennCare;
- ee. Specify that the provider shall be required to accept Grantee reimbursement amounts for services provided to enrollees under the agreement between the provider and Grantee and shall not be required to accept Grantee reimbursement amounts for services provided under ~~any other health plan operated or administered by the Grantee;~~

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- ff. Specify that the provider must adhere to the quality monitoring standards as required by the Grantee.
- gg. Specify that the provider will comply with the appeal process including but not limited to assisting an enrollee by providing appeal forms and contact information including the appropriate address for submitting appeals; and



**ATTACHMENT A  
GRANT BUDGET  
(Grant Budget Page 1)**

Alexian Brothers Community Services

APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning January 1, 2012 and ending December 31, 2012.

POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries		\$0.00	
2	Benefits & Taxes		\$0.00	
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$11,471,677.00	\$0.00	\$11,471,677.00
5	Supplies		\$0.00	
6	Telephone		\$0.00	
7	Postage & Shipping		\$0.00	
8	Occupancy		\$0.00	
9	Equipment Rental & Maintenance		\$0.00	
10	Printing & Publications		\$0.00	
11, 12	Travel/ Conferences & Meetings		\$0.00	
13	Interest <sup>2</sup>		\$0.00	
14	Insurance		\$0.00	
16	Specific Assistance to Individuals		\$0.00	
17	Depreciation <sup>2</sup>		\$0.00	
18	Other Non-Personnel <sup>2</sup>		\$0.00	
20	Capital Purchase <sup>2</sup>		\$0.00	
22	Indirect Cost		\$0.00	
24	In-Kind Expense		\$0.00	
25	<b>GRAND TOTAL</b>	<b>\$11,471,677.00</b>	<b>\$0.00</b>	<b>\$11,471,677.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*, (posted on the Internet at: [www.state.tn.us/finance/rds/ocr/policy03.pdf](http://www.state.tn.us/finance/rds/ocr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.

**ATTACHMENT A**  
**GRANT BUDGET LINE-ITEM DETAIL**

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
<p>Capitated Rate:</p> <p>\$95.34/day x Dual Population (300) = \$28,602.00 Daily</p> <p>\$113.09/day x Medicaid Only Population (25) = \$ 2,827.25 Daily</p> <p style="text-align: center;">—————</p> <p style="text-align: right;">\$31,429.25 Combined Daily Rate x 365 Days</p>	\$11,471,676.25
<b>TOTAL (Rounded)</b>	<b>\$11,471,677.00</b>

**ATTACHMENT A.1**  
**GRANT BUDGET**  
 (Grant Budget Page 1)

Alexian Brothers Community Services

APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning January 1, 2013 and ending December 31, 2013.

POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries		\$0.00	
2	Benefits & Taxes		\$0.00	
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$11,471,677.00	\$0.00	\$11,471,677.00
5	Supplies		\$0.00	
6	Telephone		\$0.00	
7	Postage & Shipping		\$0.00	
8	Occupancy		\$0.00	
9	Equipment Rental & Maintenance		\$0.00	
10	Printing & Publications		\$0.00	
11, 12	Travel/ Conferences & Meetings		\$0.00	
13	Interest <sup>2</sup>		\$0.00	
14	Insurance		\$0.00	
16	Specific Assistance to Individuals		\$0.00	
17	Depreciation <sup>2</sup>		\$0.00	
18	Other Non-Personnel <sup>2</sup>		\$0.00	
20	Capital Purchase <sup>2</sup>		\$0.00	
22	Indirect Cost		\$0.00	
24	In-Kind Expense		\$0.00	
25	<b>GRAND TOTAL</b>	<b>\$11,471,677.00</b>	<b>\$0.00</b>	<b>\$11,471,677.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the internet at: [www.state.tn.us/finance/rds/ocr/policy03.pdf](http://www.state.tn.us/finance/rds/ocr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.

ATTACHMENT A.1

GRANT BUDGET LINE-ITEM DETAIL

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
<p>Capitated Rate:</p> <p>\$95.34/day x Dual Population (300) = \$28,602.00 Daily</p> <p>\$113.09/day x Medicaid Only Population (25) = \$ 2,827.25 Daily</p> <p style="text-align: center;">_____</p> <p style="text-align: right;">\$31,429.25 Combined Daily Rate x 365 Days</p>	<p style="text-align: right;">\$11,471,676.25</p>
<b>TOTAL</b>	<b>\$11,471,677.00</b>

**ATTACHMENT A.2**  
**GRANT BUDGET**  
 (Grant Budget Page 1)

Alexian Brothers Community Services

**APPLICABLE PERIOD:** The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning January 1, 2014 and ending December 31, 2014.

POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries		\$0.00	
2	Benefits & Taxes		\$0.00	
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$11,471,677.00	\$0.00	\$11,471,677.00
5	Supplies		\$0.00	
6	Telephone		\$0.00	
7	Postage & Shipping		\$0.00	
8	Occupancy		\$0.00	
9	Equipment Rental & Maintenance		\$0.00	
10	Printing & Publications		\$0.00	
11, 12	Travel/ Conferences & Meetings		\$0.00	
13	Interest <sup>2</sup>		\$0.00	
14	Insurance		\$0.00	
16	Specific Assistance to Individuals		\$0.00	
17	Depreciation <sup>2</sup>		\$0.00	
18	Other Non-Personnel <sup>2</sup>		\$0.00	
20	Capital Purchase <sup>2</sup>		\$0.00	
22	Indirect Cost		\$0.00	
24	In-Kind Expense		\$0.00	
25	<b>GRAND TOTAL</b>	<b>\$11,471,677.00</b>	<b>\$0.00</b>	<b>\$11,471,677.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*, (posted on the Internet at: [www.state.tn.us/finance/rds/ocr/policy03.pdf](http://www.state.tn.us/finance/rds/ocr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.

ATTACHMENT A.2  
 GRANT BUDGET LINE-ITEM DETAIL  
 Page 2

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Capitated Rate: \$95.34/day x Dual Population (300) = \$28,602.00 Daily \$113.09/day x Medicaid Only Population (15) = \$ 2,827.25 Daily  <div style="text-align: right; margin-right: 100px;">             _____              \$31,429.25 Combined Daily Rate x 365 Days           </div>	\$11,471,676.25
<b>TOTAL</b>	<b>\$11,471,677.00</b>