



CONTRACT

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

Begin Date November 1, 2016	End Date January 31, 2020	Agency Tracking # 31865-00453	Edison Record ID 52066
---------------------------------------	-------------------------------------	---	----------------------------------

Contractor Legal Entity Name Navigant Consulting, Inc.	Edison Vendor ID 0000201788
--	---------------------------------------

Goods or Services Captlon (one line only)
 Technical Assistance Services for Primary Care Practices and Community Mental Health Centers

Contractor <input checked="" type="checkbox"/> Contractor	CFDA # 93.778 Dept of Health & Human Services/Title XIX
---	---

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2017		\$2,264,000.00			\$2,264,000.00
2018		\$3,396,000.00			\$3,396,000.00
2019		\$3,396,000.00			\$3,396,000.00
2020		\$1,943,680.00			\$1,943,680.00
TOTAL:		\$10,999,680.00			\$10,999,680.00

Contractor Ownership Characteristics:

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

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

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

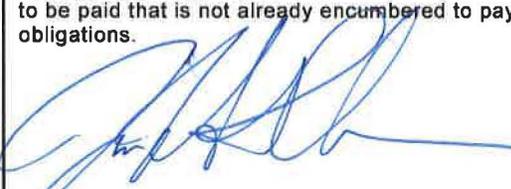
Other: For Profit Corporation

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

Competitive Selection RFP

Other

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



Speed Chart (optional) **Account Code (optional)**
 TN00000313



**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND
NAVIGANT CONSULTING, INC.**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), Bureau of TennCare, ("State" or "HCFA") and Navigant Consulting, Inc. ("Contractor"), is for the provision of training and technical assistance services for primary care practices and community mental health centers to become Patient-Centered Medical Homes (PCMH) and Health Homes, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a For-Profit Corporation.
Contractor Place of Incorporation or Organization: Illinois
Contractor Edison Registration ID # 201788

A. SCOPE:

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.

- A.2. The Contractor shall provide training and technical assistance services for primary care providers (PCPs) and behavioral health providers to assist them in participating in TennCare's Patient-Centered Medical Home (PCMH) program and TennCare's Health Homes program for members with acute behavioral health needs, respectively. For the purposes of this Contract, "PCPs" are defined as primary care providers, pediatrics, family medicine, general internal medicine, geriatrics, or advanced practice nurses working under the aforementioned physicians meeting the eligibility requirements to be a part of a TennCare PCMH. For the purposes of this Contract, "Health Home providers" are defined as all providers with authority to be the lead sponsors of a Health Home pursuant to HCFA's Health Home eligibility requirements. The Contractor's services include, but are not limited to, designing and implementing training curricula and providing technical assistance to support TennCare PCMH providers and TennCare Health Home providers as described herein. In providing these services, the Contractor shall comply with the following general requirements:
 - a. Prepare practices to design, execute, and track improvements in practice management, care delivery, and care team effectiveness to achieve PCMH and Health Home goals;
 - b. Prepare practices to proactively coordinate activities and improve relationships with other healthcare stakeholders;
 - c. Ensure that practices' PCMH and Health Home approaches are well-aligned with TennCare initiatives and those undertaken by TennCare Managed Care Organizations (MCOs);
 - d. Deliver services without discrimination based on business characteristics, without any favoring of one party, provider, practice, or payer, over the other, and in compliance with Federal and State confidentiality laws;
 - e. Engage practices in multi-practice learning, such as through learning collaboratives;
 - f. Respond to TennCare provider inquiries regarding training and transformation and, as appropriate, notify the State and MCOs about those provider concerns and issues, and



- g. The Contractor shall not provide direct clinical support under any circumstances, but shall instead focus on building capabilities of existing physicians, clinicians, management, and other practice staff.

A.3. Initial Assessment of Provider Capabilities - The Contractor shall conduct an Initial Assessment of each participating provider that identifies current capabilities. The Contractor shall use a standard assessment tool approved by the State in order to complete the initial readiness assessment as well as subsequent semi-annual assessments. Consistency across the initial assessment and subsequent assessments will allow the State to uniformly track providers' progress.

- a. The initial assessment shall differentiate between the wide ranges of provider readiness in areas including, but not limited to:
1. Knowledge of practice transformation and quality improvement principles;
 2. Supporting processes and workflows already in place;
 3. Staff capabilities and gaps in workforce;
 4. Already existing clinical activities (e.g., same-day appointment access, care planning, patient risk stratification) relative to future required activities;
 5. Current level of quality improvement capabilities;
 6. Supporting technical capabilities and infrastructure (e.g., EHR use and data sharing, e-prescribing);
 7. Current level of medical/behavioral integration to include referral and coordination activities;
 8. Current use of team-based care;
 9. Current methods of patient engagement;
 10. Awareness of current patient experience performance (i.e., through Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys, user ratings, or patient feedback) and knowledge of techniques to improve patient satisfaction;
 11. Initial practice needs and prioritized areas of improvement; and
 12. Presence and perceived enthusiasm of practice staff for practice transformation training.
- b. The Initial Assessment shall support the Contractor in tailoring a curriculum for each practice. Following the Initial Assessment, the Contractor shall develop an individualized curriculum for each practice with practice transformation milestones. The Contractor shall share individualized curricula with the participating practices within thirty (30) days of completion of each practice's Initial Assessment, and
- c. Results from the initial as well as semi-annual assessments shall be shared with the State and the MCOs via monthly progress reports described in A.20.b. Practices' individualized curricula shall also be made available to the State and MCO staff.
- d. Initial and semi-annual assessments are not required to be completed for practices to maintain their eligibility in the PCMH or Health Home programs.
- e. Health Home and PCMH providers are selected through an application process with the State. Once providers are selected, they will be encouraged to engage with the provider training vendor for an initial assessment, on-site coaching, and other resources. In addition, the provider training vendor will be expected to directly outreach to PCMH and Health Home providers to engage them in the initial assessment and on-site training. The State will provide the requisite contact information, such as names, email addresses, and mail addresses of physicians, office managers, care coordinators and/or PCMH directors to enable outreach and communication. It is expected that a practice's first interaction with the provider training vendor will be their initial assessment.



- f. Initial and semi-annual assessments should also include a review of site-level performance as a drill down, so that a provider can identify any outliers to their overall performance.
- g. Each PCMH and Health Home participating provider is eligible for 2 years of in-person practice transformation support- this support includes initial and semi-annual assessments and on-site coaching. Eligibility for in-person practice transformation support begins at the start of the program launch for the provider.

A.4. Semi-Annual Assessment of Provider Progress - The Contractor shall conduct Semi-Annual Assessments of provider progress for every participating practice. The semi-annual assessment of provider progress shall identify:

- a. Current capabilities and progress towards each practice's transformation milestones;
- b. Milestones that have been achieved;
- c. Challenges the practice is facing;
- d. Practice's explanation for missing any milestones;
- e. Any upcoming milestones that a practice may be at risk of missing; and
- f. Any outstanding milestones the practice has to meet in the next six (6) months.

The Semi-Annual Assessment shall support the Contractor in altering the providers' tailored curriculum and practice transformation milestones based on their progress to date. Individualized curricula shall be updated, as needed, following these semi-annual assessments by the Contractor.

A.5. Practice Transformation Support Curriculum for PCMH and Health Homes - The Contractor shall deliver a State-approved PCMH curriculum and a State-approved Health Home curriculum. At the start of this Contract, the Contractor shall have an off-the-shelf practice transformation training curriculum that can be customizable for both the State's PCMH and Health Homes programs. The final PCMH and Health Home Practice Transformation Support Curriculum, to be approved by the State, shall be customizable by the Contractor in the following ways:

- a. The PCMH and Health Home curricula shall be customizable by the Contractor to the initial needs of a provider based on the initial assessment, and be revised as needed thereafter based on semi-annual assessments of the provider.
- b. The PCMH and Health Home curricula shall have the capacity to be combined for providers that are interested in working towards integrating primary care and behavioral health and for providers who may be participating in both the PCMH and Health Home programs.
- c. The PCMH and Health Home curricula shall cover two (2) years of a practice's transformation and shall include the frequency and structure of learning activities.
- d. The PCMH and Health Home curricula shall focus on building health care provider capabilities for effective patient population health management to reduce the rate of growth in total cost of care while improving health, quality of care, and patient experience.
- e. The PCMH curriculum shall include (in discrete, customized fashion) a separate section on pediatric practices. The Contractor shall coordinate with the Tennessee Chapter of the American Academy of Pediatrics (TNAAP) to ensure quality improvement and training efforts are complementary and not duplicative.
- f. The PCMH curriculum shall be customizable for family practices, pediatric only practices, and internal medicine practices.
- g. The Health Home curriculum shall be relevant to providers that treat both children and adults.



- h. The PCMH and Health Home curricula shall have customizable content for different staff within the PCMH and Health Home, including but not limited to, clinical providers, business leads, and care coordinators.
- A.6. The Contractor's PCMH and Health Home curricula shall include training on the effective use of the State's care coordination tool (CCT) to meet PCMH and Health Home providers' activity requirements as indicated below. Specific activity requirements are outlined below in Section A.10.a for PCMH, and Sections A.11.a and A.11.b for Health Homes.
- a. All PCMH and Health Home participating practices shall use the CCT designed by the State. The State's separate CCT vendor will be available to teach practices how to use the tool;
 - b. In order to effectively train practices, the Contractor shall have a working knowledge of the CCT and be able to communicate about the basic functionality of the tool and how it can be used to meet practice transformation goals. The State will supply information to the Contractor on the capabilities and uses of the CCT; and
 - c. The Contractor shall train practices on how to incorporate the CCT in practice to augment transformation efforts (e.g., use of Admission, Discharge, Transfer (ADT) feeds from the hospital to expedite post-discharge follow ups).
- A.7. The Contractor's PCMH and Health Home curricula shall include performance management support. The Contractor shall:
- a. Provide basic coaching on scheduling and workflow optimization to interested practices;
 - b. Assist practices in interpreting provider reports. These reports will be produced by the MCOs and the MCOs and the State will supply information to the Contractor on how to interpret reports; and
 - c. Support practices in developing performance improvement action plans based on results of provider reports.
- A.8. The Contractor's PCMH and Health Home curricula shall include, but not be limited to, content in the following areas:
- a. Delivering integrated physical and behavioral health services;
 - b. Team-based care and care coordination;
 - c. Practice workflow redesign and management;
 - d. Risk stratified and tailored care delivery;
 - e. Enhanced patient access (e.g., flexible scheduling, expanded hours);
 - f. Evidence-informed and shared decision making;
 - g. Developing an integrated care plan;
 - h. Patient and family engagement (e.g., motivational interviewing);
 - i. Making meaningful use of Health Information Technology (HIT)/ Health Information Exchange (HIE);
 - j. Making meaningful use of the CCT (e.g., ADT feeds);
 - k. Making meaningful use of provider reports;
 - l. Business support; and
 - m. Clinical workflow management (detailed process for when a TennCare enrollee is admitted into inpatient psychiatric treatment).
- A.9. The curricula for PCMH and Health Homes shall include content structured through the following modalities as well as other modalities to be proposed by the Contractor and approved by the State. The specific content shared within each presentation method listed below is subject to review and approval by the State.



- a. Large format in-person trainings: The curricula shall include large-format conferences, trainings, or symposia on a quarterly basis. Refer to Section A.12 for further detail.
- b. Live webinars: The curricula shall include live, hosted webinars with live Q&A on a quarterly basis for both PCMH and Health Homes. Refer to Section A.13 for further detail.
- c. Recorded trainings: The curricula shall include recorded video trainings available to providers online on a self-serve basis on the State's website. Refer to Section A.14 for further detail.
- d. Compendium of resources: The curricula shall include a library of documents and resources available on the State's website for both PCMH and Health Home providers. Refer to Section A.15 for further detail.
- e. On-site coaching: The curricula shall include on-site coaching for practice staff, e.g., one-on-one coaching sessions with small groups of practice staff including, but not limited to, physicians, office managers, care coordinators and/or PCMH Directors. Refer to Section A.16 for further detail.

A.10. Practice Transformation Support Curriculum PCMH-specific Content. The Contractor shall produce a curriculum for PCMH that both supports the required new activities, quality metrics, and efficiency metrics expected of PCMHs and helps practices perform additional activities that are essential to becoming an effective PCMH. The Contractor shall produce a curriculum for PCMH that gives PCMH providers the tools to improve quality and efficiency in the State's PCMH model.

- a. The Contractor's curricula shall include training for providers to achieve the following elements of PCMH. While these are the activity requirements that practices are required to meet and maintain in order to continue to operate as PCMHs, a separate entity will monitor and evaluate practices' performance against the following criteria for the purposes of maintaining program eligibility:
 1. Provide same-day appointments for routine and urgent care;
 2. Provide routine and urgent care appointments outside regular business hours;
 3. Enable two-way patient communication with the practice;
 4. Create and use a care team to provide a range of patient care services by defining roles for clinical and nonclinical team members and by identifying team structure and staff who lead and sustain team-based care;
 4. Use electronic prescribing;
 6. Provide 24/7 access to clinical advice and timely access to medical records by telephone;
 7. Identify the top ten percent (10%) of patients who may benefit from care management through a CCT;
 8. Create meaningful care plans for those patients who may benefit from care management;
 9. Submit a list of preferred specialists/consultants with rationale for why they are chosen;
 10. Strengthen relationship with specialists; ensure timely follow up on active referrals;
 11. Coordinate care transitions from admission through discharge, with an emphasis on community and social resources available to patients and follow up with patients following hospital admissions;
 12. Create workflows;
 13. Leverage all available technology (e.g., Electronic Health Records, online resources, and CCT); and
 14. Engage patients more effectively and track and measure improvements in engagement outcomes (e.g., through CAHPS).
- b. The Contractor shall assist practices in monitoring and improving performance on select adult and child quality measures for PCMH. Refer to Attachment C for recommended PCMH quality measures; and



c. The Contractor shall assist PCMH practices in reducing avoidable utilization. Refer to Attachment C for PCMH efficiency metrics. PCMH practice performance shall be tracked for the following utilization measures:

1. Total cost of care;
2. Inpatient admissions per one thousand (1,000) members;
3. Avoidable Emergency Department visits per one thousand (1,000) members; and
4. Specialist referrals per one thousand (1,000) members.

A.11. Practice Transformation Support Curriculum Health Homes-Specific Content. The Contractor shall produce a curriculum for Health Homes that both supports the required new activities, quality metrics, and efficiency metrics expected of Health Homes and helps practices perform additional activities that are essential to becoming an effective Health Home. The Contractor shall produce a curriculum for Health Homes that gives Health Home providers the tools to improve quality and efficiency in the State's Health Home model. The Contractor's curricula shall include training providers to support the following elements of Health Homes. These are the activity requirements that practices shall meet and maintain in order to continue to operate as Health Homes. The MCOs will separately monitor and evaluate practices' performance against these criteria for the purposes of maintaining program eligibility.

a. Health Home activity requirements by end of program Year 1:

1. Comprehensive Care Management Plan for Each Patient

- i. Create, update, and monitor the progress of a comprehensive person-centered care plan, following a comprehensive assessment of the patient's behavioral and physical health needs within thirty (30) days of patient enrollment. The plan should address the patient's behavioral health treatment and care coordination needs, including protocols for treatment adherence and crisis management, incorporating input from (1) the patient, (2) the patient's social support, and (3) the patient's primary and specialty care providers within ninety (90) days of an eligible patient's enrollment with the Health Home provider.
- ii. Participate in patient's physical health treatment plan as developed by their primary care provider, as necessary
- iii. Track and make improvements based on quality outcomes included in reports from MCOs
- iv. Identify the highest risk patients on a continuous basis, supported by the CCT to focus resources and interventions

2. Care Coordination

- i. Support scheduling and reduce barriers to adherence for medical appointments, including in-person accompaniment to some appointments
- ii. Follow up with PCP to understand significant changes in medical status, and translate into care plan
- iii. Proactive outreach with PCP regarding specific gaps in care
- iv. Follow up with other behavioral health providers or clinical staff as needed to understand additional behavioral health needs, and translate into care plan

3. Health Promotion

- i. Participate in practice transformation training and learning collaboratives on a variety of topics, including health promotion
- ii. Educate the patient and his/her family, as needed, on independent living skills with attainable and increasingly aspirational goals



4. Transitional Care
 - i. Receive ADT notifications for the patient and continue ongoing use of the CCT
 - ii. Participate in development of discharge plan for each hospitalization, beginning at admission to support patient's transition. This includes emergency rooms, inpatient residential, rehabilitative, and other treatment settings
 - iii. Develop a systemic protocol to assure timely access to follow-up care post discharge that includes at a minimum all of the following:
 - (a) Receipt of a summary of care record from the discharging entity
 - (b) Medication reconciliation
 - (c) Reevaluation of the care plan to include and provide access to needed community support services
 - (d) A plan to ensure timely scheduled appointments
 - iv. Establish relationships with hospitals, residential settings, rehabilitation settings, other treatment settings, and long term services and supports providers to promote a smooth transition if the patient is moving between levels of care and back into the community
 - v. Provide additional support in crisis situations when other resources are unavailable, or as an alternative to Emergency Department (ED) or crisis services
 - vi. Communicate and provide education to the patient, the patient's support member and the providers located at both the setting from which the person is transitioning, and the setting to which the individual is transitioning
 5. Patient and Family Support
 - i. Provide in-person support to ensure treatment and medication adherence (including medication reconciliation, medication management for specialty medications, medication drop-off, help arranging transportation to appointments)
 - ii. Provide caregiver counseling or training to include, skills to provide specific treatment regimens to help the individual improve function, obtain information about the individual's disability or conditions, and navigation of the healthcare service system
 - iii. Identify resources to assist individuals and family support members in acquiring, retaining, and improving self-help, socialization and adaptive skills
 - iv. Check-ins with patient to support treatment adherence
 6. Referral to Social Supports
 - i. Identify and facilitate access to community supports (food, shelter, clothing, employment, legal, entitlements, and all other resources that would reduce barriers to help individuals in achieving their highest level of function and independence), including by providing referrals, scheduling appointments, and following up with the patient, their relevant caregivers, and their community supports
 - ii. Communicate patient needs to community partners
 - iii. Provide information and assistance in accessing services such as: self-help services, peer support services; and respite services
- b. Health Home activity requirements to be met by program Year 2:
1. Comprehensive Care Management
 - i. Facilitate and participate in regular interdisciplinary care team meetings with PCP



- f. The State shall approve the webinar topics in writing prior to the webinar content being developed and advertised to providers.

- A.14. Recorded Video Trainings - The Contractor shall provide a minimum of four (4) total hours of recorded video trainings for PCMH and Health Homes for each of the first two (2) years of a practice's participation in the program. In total, the Contractor shall develop eight (8) hours of recorded training content to be provided to practices within the first twenty four (24) months of their participation in the program, which shall comply with the following criteria:
- a. The recordings shall be non-duplicative material not otherwise covered in live webinars or large format in-person trainings;
 - b. The content can be targeted to PCMH providers, Health Home providers, or to both PCMH and Health Home providers;
 - c. Videos shall be professionally produced, relevant, and timely to the evolving needs of the program and healthcare overall, with all costs associated therewith to be included in Contractor's flat fee for recorded video trainings set forth in Section C.3.b and
 - d. The State shall approve the topic in writing prior to production of the video.

- A.15. Compendium of Resources - The Contractor shall create and deliver, for the State's review and approval, one (1) compendium of resources for PCMH and one (1) compendium of resources for Health Homes. The resources shall be comprehensive and inclusive of all elements of PCMH and Health Home requirements covered in this Scope of Services. The Contractor shall also provide each compendium to the MCOs for comment and/or to add content to each one, and shall provide all MCO comments and additional content to the State for final approval. Once approved by the State, both compendia will be posted on the State and MCO's websites. All costs associated with the creation and revision of the compendia to be included in Contractor's flat fee for each compendium set forth in Section C.3.b.

It is expected that the final Compendia of Resources for PCMH and Health Homes will be delivered to the State 12/1/2017. Following that, the compendia of resources will be updated as new content is developed by the Contractor for training purposes or changes to the PCMH and Health Homes programs are made by the State for the duration of the contract period. These updates will be at no additional cost to the State.

- A.16. On-Site Coaching - The Contractor shall conduct on-site coaching with practices. These sessions will be approximately two (2) hours each.
- a. The Contractor shall reach out to practices to coordinate and schedule on-site coaching. The State shall provide the requisite contact information, such as names, email addresses, and mail addresses of physicians, office managers, care coordinators and/or PCMH Directors to enable outreach and communication for onsite coaching;
 - b. The Contractor shall align priorities with the TennCare's MCOs and include MCO representatives in meetings when applicable to minimize duplication of efforts and priorities. Within a given practice, each practice site will be eligible for a maximum of one (1) onsite coaching session per month;
 - c. The Contractor shall encourage practices with multiple sites to send site representatives to any trainings that will cover non site-specific material;
 - d. The Contractor shall provide the State, in advance, with a list of scheduled on-site coaching sessions scheduled for the following month, and
 - e. The first on-site coaching session will always be the "initial assessment" described in A.3 of this Scope of Services. The ongoing assessments conducted semi-annually as described in A.4 of this Scope of Service shall also be considered on-site coaching sessions.
 - f. All costs associated with on-site coaching shall be included in the Contractor's flat fee for on-site coaching set forth in Section C.3.b



A.17.

Learning Collaboratives - The Contractor shall establish and facilitate peer-to-peer learning collaboratives among practices to allow PCMH and Health Home practitioners to learn from one another's experience. These learning collaborative shall comply with the following requirements:

- a. According to the timeline in A.21, the Contractors shall submit its proposed approach to managing two (2) years of learning collaboratives for State approval;
- b. Learning collaboratives shall be hosted by the Contractor quarterly at a minimum of one (1) in each of Tennessee's three grand divisions with separate collaboratives for PCMH and Health Homes. Hosted learning collaboratives shall be approximately two (2) hours each;
- c. All practices will be required to send a representative to at least three (3) of the four (4) quarterly learning collaboratives. Practices may switch which collaborative they are a member of at any time, though continuity should be encouraged;
- d. Practices may be grouped in a variety of ways, connecting high-performing with low-performing, matching practices based on their needs, size, geography, or any other criteria agreed upon in advance, in writing by the State;
- e. To enable learning and adoption at the practice level, the Contractor shall create mechanisms for providers to share best practices, to collaborate on common problems, and to adopt and refine evidence-informed protocols. In addition to the Contractor-facilitated collaboratives, practices should be encouraged to form informal social networks, meet offline, and continue learning from one another;
- f. The Contractor shall track attendance and share the attendance data with the State, and
- g. The Contractor shall facilitate all aspects of the learning collaboratives, including but not limited to, facility rental, logistics, and content, with all costs associated therewith to be included in Contractor's fee for each learning collaborative set forth in Section C.

A.18. Knowledge Transfer to MCOs - Each current TennCare MCO (Amerigroup, BlueCross BlueShield of Tennessee, and UnitedHealthcare) shall be encouraged to attend coaching sessions where they will be able to review MCO specific data and priorities with practices;

- a. The Contractor shall maintain and distribute to the State and MCOs an updated schedule with at minimum three (3) weeks advanced notice for scheduled events such as on-site coaching, learning collaboratives, large-format trainings so MCO and State staff are able to participate in these events;
- b. The Contractor shall ensure that the MCOs receive feedback with regards to observed trends in a practice's performance, progress, and opportunities for improvement, and
- c. In the final year of the Contract, the Contractor shall provide a total of up to seventy-five (75) hours of coaching to the three (3) then current TennCare MCOs to prepare them to ultimately take over the responsibilities set forth in this Contract from the Contractor. These hours may be split for each MCO to complete separately with the Contractor or these hours may be completed in a joint format with all three (3) MCOs present.
- d. The knowledge transfer to the MCOs will be provided by the Contractor at no additional cost to the State.

A.19. The Contractor shall maintain sufficient staff to carry out the duties in this scope of services and agrees to the following staffing requirements:

- a. Professional and Technical Staff
 1. The Contractor warrants and represents that all persons assigned by it to the performance of this Contract shall be fully qualified to perform the work required herein. The Contractor is responsible for maintaining a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties as



contained herein. The Contractor shall provide and retain sufficient staff to meet the requirements specified in this Contract. After consultations with the Contractor, the State shall make the final decision as to the required staffing levels based upon current progress in meeting the goals of this Contract. Contractor's use of any subcontractor in the performance of the services required herein is subject to the State's prior, written approval as stated in Section D.7 hereunder. The Contractor shall include a provision in its subcontract with any subcontractor approved by the State to perform work hereunder.

2. The State shall have the absolute right to approve or disapprove the Contractor's and any subcontractor's key personnel assigned to this Contract, to approve or disapprove any proposed changes in key staff, or to require the removal or reassignment of any key Contractor employee or subcontractor personnel found unacceptable by the State. For purposes of this Contract, the term "Key Personnel" refers to Contractor personnel deemed by the State to be essential to the Contractor's satisfactory performance of the requirements contained in this Contract. This includes, but is not limited to, the Contractor's qualified trainers and coaches, professional and technical leadership, project managers, meeting coordinators, and trainer and coach supervisors. Meeting coordinators will be critical to the Contractor's staffing model. Meeting coordinators are expected to outreach to practices, schedule on-site assessments and trainings, coordinate logistics for large-format trainings, etc.
 3. The Contractor shall immediately remove a staff person from the activities described in this scope of services, at the State's request.
 4. To the extent possible, the Contractor shall notify the State in writing of any change in key personnel at least thirty (30) days prior to the change. The Contractor shall, upon request, provide the State with a resume of any members of its staff or a subcontractor's staff assigned to or proposed to be assigned to any aspect of the performance of this Contract.
 5. Personnel commitments made in the Contractor's proposal that resulted in award of this Contract shall not be changed except as herein above provided, or due to the resignation of any named individual. Key personnel shall be replaced within thirty (30) days of departure of existing staff, unless exception is granted in writing by the State.
 6. The Contractor's professional and technical leadership and staff shall participate in the following meetings:
 - i. Weekly conference calls with the State of one (1) hour duration;
 - ii. Monthly in-person meetings with the State of two (2) hours duration, no conference calls during the weeks of these meetings;
 - iii. Participation in quarterly Payer Coalition meetings with the MCOs and State staff of two (2) hours duration, and
 - iv. Quarterly conference calls with each MCO; ninety (90) minute meetings for each of the three (3) MCOs.
- b. **Qualified Trainers and Coaches**
1. The Contractor's training and coaching staff shall have strong knowledge of primary care transformation processes;
 2. The Contractor's training and coaching staff shall have strong background in behavioral health treatment, service delivery, and care coordination;
 3. The Contractor's training and coaching staff shall have strong knowledge of the State's PCMH and Health Home programs;
 4. The Contractor's training and coaching staff shall have the skills necessary to effectively train practices, and equip them with best practices and approaches to optimize their population health impact, control total cost of care, and improve the patient experience;
 5. At least two-thirds (2/3) of the Contractor's trainers and coaches shall have two (2) or more years of relevant experience;



6. The training and coaching staff must be supervised by individual(s) with five (5) or more years of experience in clinical practice evaluations and at least three (3) years of management experience;
 7. All training staff shall include demonstrated expertise in quality improvement, patient engagement, and general practice transformation;
 8. The trainers and coaches shall participate in the following meetings on a regular basis:
 - i. Up to one (1) on-site coaching session per practice site per month, two (2) hours duration per session;
 - ii. One (1) large format in-person training per grand region per quarter, three (3) hours per training, and
 - iii. One (1) learning collaborative per grand region per quarter, two (2) hours per session.
 9. The trainers and coaches shall also be responsible for producing the online content, including both webinars and recorded trainings.
- c. Retention of Key Personnel
1. The key personnel specified in this Contract are considered to be essential to work performance;
 2. At least thirty (30) days prior to diverting any of the specified individuals to other programs or contracts, or as soon as possible, if an individual must be replaced, as a result of leaving the employ of the Contractor, the Contractor shall notify the State and shall submit comprehensive justification for the diversion or replacement request, including proposed substitutions for key personnel, to permit evaluation by the State of the impact on performance under this Contract, and
 3. The Contractor shall not divert or otherwise replace any key personnel without the prior, written consent of the State.
- A.20. Contractor Reports to be provided to the State - The Contractor shall be responsible for providing the following reports in a format approved by the State. The Contractor shall follow each report with an in-person meeting with State staff to discuss the report. Upon the State's request, the Contractor shall also share progress updates with the MCOs.
- a. Start-up: The Contractor shall provide an initial report describing the Contractor's completion of start-up activities, including, but not limited to, hiring of new staff, development of provider outreach and enrollment plans, and readiness to begin engaging with providers. The Contractor shall submit an initial start-up activities report on its provider outreach and enrollment approach, and a final start-up activities report according to the timeline in A.21.
 - b. Monthly progress: The Contractor shall provide monthly progress reports to the State by the sixth (6th) business day of the following month. The progress report must include, but is not limited to, the following information:
 1. List of practices enrolled in on-site coaching
 2. Current status of support for each PCMH and Health Home practice, e.g., initial assessment complete, tailored curriculum developed, refused to participate in on-site coaching;
 3. Plan for future scheduled site visits for onsite coaching;
 4. Contractor activity for that month;
 5. Any operating issues related to providing support, including, but not limited to, Contractor capacity constraints or challenges with provider participation;
 6. Report on the participation by each practice in transformation activities, including but not limited to, practice enrollment, attendance at onsite coaching sessions, completion of online webinars, and participation in learning collaboratives;



7. Report on "at-risk" practices that are unlikely to achieve some or all milestones on the required timeline. For each at-risk practice, the Contractor shall submit a corrective action plan (CAP) jointly developed with the practice to the State for review and approval. The Contractor shall include an addendum to the monthly progress report for all practices that have an ongoing CAP describing progress against the plan. All reporting on "at-risk" practices shall be shared with the MCOs, and
 8. Summary of feedback from PCPs and Health Homes on how to improve the Contractor's training curriculum and delivery.
- c. **Semi-annual Assessment Reports:** The Contractor shall submit a report every six (6) months upon completing an assessment of progress towards practice transformation milestones at each practice. The report shall describe the milestones that have been achieved by each practice and provide summary statistics on the number of practices achieving each milestone for each enrollment wave. The Contractor shall propose a set of metrics to demonstrate progress and measures overall effectiveness and report on these to HCFA in these monthly progress reports.
- A.21. **Project Management Plan and Detailed Timeline -** As part of its required start up activities, the Contractor shall according to the timeline in A.21 (a) initiate provider outreach and practice enrollment and; (b) initiate initial assessments; and (c) initiate on-site coaching within one hundred sixty-five (165) days of Contract start date.

CA: 10/7/16
10/7/16

The Contractor shall submit to the State for review and approval, a draft project management plan (Project Management Plan) and detailed timeline (Detailed Timeline) for all Contractor deliverables set forth in this Contract according to the timeline in A.21. The Project Management Plan and Detailed Timeline shall include dates for all required activities by the Contractor, State staff, and all other entities (such as providers, practices and MCOs). Upon written approval of its format and content, the Contractor shall maintain the Project Management Plan and Detailed Timeline and make timely and satisfactory submission in compliance therewith of all deliverables in this Scope of Services by the deadlines specified in this Detailed Timeline. Any amendments or revisions to the Project Management Plan or the Detailed Timeline shall be pre-approved in writing by the State through a Control Memorandum. The Contractor shall maintain an up to date Project Management Plan and Detailed Timeline, making adjustments to the plan and timeline within two (2) business days of receipt of approved amendments or revisions by the State. The Contractor shall make the Project Management Plan and Detailed Timeline continuously available to the State in an approved manner, and as directed by the State, they shall also be made available to the MCOs and other entities.

- a. All participating PCMH and Health Home providers in the State will be eligible for two (2) years of practice transformation support from the Contractor. While certain training opportunities that will be offered by the Contractor will be required for practices, not all aspects of the training are required. Therefore, some practices that have already made investments in practice transformation may choose not to participate in all aspects of the training. HCFA's expectation is that the majority of Tennessee PCMH practices and Health Homes will enroll for practice transformation support organized by the Contractor.
- b. The Contractor's work and scale up shall mirror the projected launch and scale up for both PCMH and Health Homes:
 - (1) Health Homes Program launches statewide (approximately 30 practices, comprising approximately 200 sites, impacting approximately 90,000 TennCare members, requiring 2 years of vendor support) 12/1/2016
 - (2) Wave 1 PCMH begins (approximately 25 practices, comprising approximately 50 sites, impacting approximately 139,000 TennCare members, requiring 2 years of vendor support) 1/1/2017
 - (3) Wave 2 PCMH begins (approximately 63 additional practices, comprising approximately 125 sites, impacting approximately 266,000 TennCare members, requiring 2 years of vendor support) 1/1/2018



(4) Wave 3 PCMH begins (approximately 50 additional practices, comprising approximately 100 sites, impacting approximately 277,000 TennCare members; the Contractor will provide 1 year of training while simultaneously coaching MCOs to take over training in second year) 1/1/2019.

c. The Contractor shall provide compliance with all deliverable timelines set forth in the Detailed Timeline and elsewhere in the Contract.

	Timeline of Contractor Practice Transformation Deliverables	Due Date
1	Contract Start Date	11/1/2016
2	Deliver initial start-up activities report on Contractor's provider outreach and enrollment approach (A.20.a)	12/1/2016
3	Deliver to the State the off-the shelf Standard Curricula for Health Homes and PCMH that will be the basis of the PCMH and Health Home curricula customizations	12/1/2016
4	Deliver to the State a draft version of Initial Assessment tool for Health Homes and PCMH (A.3)	12/1/2016
5	Deliver to the State a final version of Initial Assessment tool for Health Homes and PCMH (A.3)	1/6/2017
6	Deliver monthly progress report (combined report for PCMH and Health Homes) (A.20.b)	1/6/2017 (Rekurs monthly)
7	Deliver proposed approach to managing two (2) years of learning collaboratives for State approval (A.17.a)	1/6/2017
8	Deliver final start-up activities report with the remaining information on Contractor's provider outreach and enrollment approach (A.20.a)	1/6/2017
9	Deliver Draft Project Management Plan and Detailed Timeline (A.21)	1/6/2017
10	Begin Scheduling Initial Assessments for Wave 1 PCMH and Health Homes	1/16/2017
11	Deliver Final Project Management Plan and Detailed Timeline (A.21)	3/1/2017
12	Deliver 1 st Draft Customized Curricula for Health Homes and PCMH to State (A.5, A.6, A.7, A.8, A.10, A.11)	3/1/2017
13	Complete Initial Assessments for Year 1 Health Homes and Wave 1 PCMH	4/15/2017
14	Begin onsite coaching for Year 1 Health Homes and Wave 1 PCMH	4/15/2017
15	Deliver 2 nd Draft Customized Curricula for Health Homes and PCMH to State (A.5, A.6, A.7, A.8, A. 10, A.11)	5/1/2017
16	Deliver Final Customized Curricula for Health Homes and PCMH to State (A.5, A.6, A.7, A.8, A. 10, A.11)	7/1/2017
17	Deliver Draft Compendiums of Resources for PCMH and Health Homes to State	7/1/2017
18	Complete first set of Learning Collaboratives for PCMH and Health Homes (PCMH and Health Homes providers will be required to participate)	7/1/2017 (Rekurs quarterly, calendar year)
19	Complete first set of Large-format Conferences for PCMH and Health Homes (PCMH and Health Homes providers will be required to participate)	7/1/2017 (Rekurs quarterly, calendar year)
20	Complete first set of Live Webinars for PCMH and Health Homes	7/1/2017



		(Rekurs quarterly, calendar year)
21	Complete Semi-annual Assessments for Year 1 Health Homes and Wave 1 PCMH	10/15/2017 (Rekurs every 6 months)
22	Complete first year of Recorded Video Trainings content	11/1/2017 (Repeats for 11/1/2018)
23	Deliver Final Compendiums of Resources for PCMH and Health Homes to State (A.15)	12/1/2017
24	Expected Wave 2 launch for PCMH (schedule for completing Initial Assessments, onsite coaching, and Semi-annual assessments for Wave 2 practices will mirror Wave 1 PCMH)	1/1/2018
25	Expected Wave 3 launch for PCMH (schedule for completing Initial Assessments, onsite coaching, and Semi-annual assessments for Wave 3 practices will mirror Wave 1 PCMH)	1/1/2019

A.22. Continuing Medical Education Credits - The Contractor shall develop a plan, including specific timelines and work plan, for providing Continuing Education (CE), Continuing Medical Education (CME), and Maintenance of Certification (MOC) activities to healthcare professionals working in PCMH and Health Home practices who participate in trainings with the Contractor. The Contractor shall make a good faith effort to ensure that participating providers are offered credits for participating in the large format in-person trainings and on-site coaching;

A.23 No costs will be paid to the Contractor other than the flat fees for each deliverable itemized in Contract Section C.3. The Contractor shall pay for any and all costs of facility rentals, all costs associated with hosting or preparation of required materials or other costs associated with the required trainings, webinars, large format conferences, and learning collaboratives, all costs relating to video production or other video-related costs, and those relating to preparation and revision of compendia.

A.24. Control Memorandum Process. The Control Memorandum ("CM") process shall be utilized by the State to clarify Contract requirements, issue instruction to the Contractor, document action required of the Contractor, or request information from the Contractor. In addition, the CM process shall be used by the State to impose assessments of damages, either actual or liquidated. This process will be used to address issues or matters that do not require a contract amendment. Each CM must be in writing and indicate the date on which it was issued. CMs may provide relevant history, background, and other pertinent information regarding the issue(s) being addressed in the CM. Each CM will establish a deadline or timeframe for the Contractor's reply or other action. All CMs submitted to the Contractor must be signed and approved by the State's Project Director (or his/her designee). When the CM pertains to damages, either actual or liquidated, the State may issue consecutive CMs, as may be necessary or appropriate.

a. A CM may include one (1) or more of the following five (5) components of the CM process described below:

1. On Request Report – a request directing the Contractor to provide information by the time and date set out in the CM.
2. Control Directive (CD) – instructions that require the Contractor to complete, within a designated timeframe, one (1) or more deliverables or to perform any other request from the State that is within the scope of the Contract. A CD may also provide clarification of certain Contract terms. Once a CM/CD has been issued, it shall be considered to be incorporated into this Contract.
3. Notice of Potential Damages (Actual or Liquidated) (NPD) – notification to the



Contractor that the State has determined that a potential Contract performance or compliance issue exists and that the State is contemplating assessing damages, actual and/or liquidated. The NPD shall identify the Contract provision(s) on which the State determination rests.

4. Notice of Calculation of Potential Damages (Actual or Liquidated) (NCPD) – notification to the Contractor that provides a calculation of the amount of potential damages, actual and/or liquidated, that the State is contemplating assessing against the Contractor. NPDs and NPCDs may be issued consecutively or simultaneously.
 5. Notice of Intent to Assess Damages (Actual or Liquidated) (NIAD) – notification to the Contractor that the State is assessing damages and specifying whether the damages are actual damages, Liquidated Damages, or both, and setting out the performance or compliance issue underlying each intended damage assessment. The NIAD shall identify the NPD and NCPD upon which it is based. The NIAD shall specify the total amount and type of damages, whether actual or liquidated, the State intends to assess. Following the issuance of an NIAD, the State may elect to withhold damages from payments due to Contractor. The State may not issue a NIAD without first issuing a NPD and a NPCD. The State may not obtain both Liquidated Damages and Actual Damages for the same occurrence of a Contract performance failure.
- b. Damages for failure to comply with CM. The Contractor shall fully comply with all CMs. Failure to do so may result in the State pursuing recovery of damages, as defined in Section E.10, including Liquidated Damages as listed in Contract Attachment B, a corrective action plan, and/or termination of the Contract.
 - c. Appeal of Damages by Contractor. Contractor may appeal either the basis for NPD or calculation of NCPD potential damages, either actual or liquidated. To do so, the Contractor shall submit to the State's Project Director (or his/her designee) a written response to the NPD and/or NCPD within ten (10) business days of receipt of a CM which includes a NPD or a NCPD. The State's Project Director (or his/her designee) shall review the appeal and provide notice of his/her determination to the Contractor through a CM. If the Contractor disagrees with the State's Project Director's (or his/her designee) initial appeal determination or the State's Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may submit a written request to the State's Project Director (or his/her designee) that the matter be escalated to senior management of the Agency. Contractor shall submit such a request for escalation within ten (10) business days of its receipt of the initial appeal determination from the State's Project Director (or his/her designee) or of notification by the State's Project Director that he/she is unable to resolve the appeal. The State's senior management shall provide written notice of its final determination to the Contractor within (10) days of the receipt of the appeal from the Contractor. Upon appeal or escalation, the State shall not increase the amount of the potential damages.
- A.25. Nondiscrimination Compliance Requirements. The Contractor shall comply with all applicable federal and state civil rights laws, regulations, rules, and policies and Contract Section D.9 of this Contract.
- a) In order to demonstrate compliance with the applicable federal and State civil rights laws and regulations, which may include, but are not limited to, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and 42 U.S.C. § 18116 the Contractor shall designate a staff person to be responsible for nondiscrimination compliance.

The Contractor's Nondiscrimination Compliance Coordinator ("NCC") shall be responsible for compliance with the nondiscrimination requirements set forth in this Contract. The Contractor



does not have to require that civil rights compliance be the sole function of the designated NCC staff member. However, the Contractor shall identify the designated NCC staff member to HCFA by name.

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

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

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

- (2) The Contractor shall, at a minimum, emphasize nondiscrimination in its personnel policies and procedures as it relates to hiring, promoting, operational policies, contracting processes and participation on advisory/planning boards or committees.
- (3) Prior to implementation of this Contract, Contractor shall provide its written policies and procedures that demonstrate nondiscrimination in the provision of services provided under this Contract to HCFA. These policies shall include topics, such as, the provision of language services to individuals with Limited English Proficiency and individuals requiring communication assistance in alternative formats and providing other forms of assistance to individuals with disabilities. These nondiscrimination policies and procedures shall be approved in writing by HCFA.
- (4) The Contractor shall keep such records as may be necessary in order to submit timely, complete and accurate compliance reports that may be requested by the U.S. Department of Health and Human Services ("HHS"), the U.S. Department of Justice ("DOJ"), HCFA, and the Tennessee Human Rights Commission ("THRC") or their designees. If requested, the information shall be provided in a format and timeframe specified by HHS, DOJ, HCFA, or THRC. The requested information may be necessary to enable HHS, DOJ, HCFA, or THRC to ascertain whether the Contractor is complying with the applicable civil rights laws. For example, the Contractor should have available data showing the manner in which services are or will be provided by the program in question, and related data necessary for determining whether any persons are or will be denied such services on the basis of prohibited discrimination. Further examples of data that could be requested can be found at 45 C.F.R. § 80.6 and 28 C.F.R. § 42.406.
- (5) The Contractor shall permit access as set forth in the applicable civil rights laws, such as, 45 C.F.R. § 80.6 to HHS, DOJ, HCFA, and THRC or their designees during normal business hours to such of its books, records, accounts, and other sources of information, and its facilities as may be pertinent to ascertain whether the Contractor is complying with the applicable civil rights laws.
- (6) The Contractor shall make available to beneficiaries and participants in HCFA's programs and other interested persons information regarding the provisions of the applicable civil rights laws as set forth in the implementing regulations, including 45 C.F.R. § 80.6 and 45 C.F.R. § 84.8. For example, a notification shall state, where appropriate, that the Contractor does not discriminate in admission or access to, or treatment or employment in, its programs or activities. The notification shall also include an identification of the responsible employee designated for its



nondiscrimination compliance. This notice shall be considered a vital document and shall be available at a minimum in the English and Spanish languages.

- (7) The Contractor shall use and have available to individuals HCFA's discrimination complaint forms for the HCFA program or programs covered under this contract. These discrimination complaint forms shall be provided to individuals upon request and be available on the Contractor's website. HCFA's discrimination complaint forms are vital documents and must be available at a minimum in the English and Spanish languages. HCFA's Director of Civil Rights Compliance shall work with the Contractor's NCC on providing the Contractor with the HCFA program's or programs' discrimination complaint forms that are required under this contract.

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

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

Annually, HCFA shall provide the Contractor with a Nondiscrimination Compliance Questionnaire. The Contractor shall answer the questions contained in the Compliance Questionnaire and submit the completed Questionnaire to HCFA within sixty (60) days of receipt of the Questionnaire with any requested documentation, which shall include, the Contractor's Assurance of Nondiscrimination. The signature date of the Contractor's Nondiscrimination Compliance Questionnaire shall be the same as the signature date of the Contractor's Assurance of Nondiscrimination. The Nondiscrimination Compliance Questionnaire deliverables shall be in a format specified by HCFA.

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



Also as part of the requested documentation for the Nondiscrimination Compliance Questionnaire the Contractor shall include reports that capture data for all language and communication assistance services used and provided by the Contractor under this Contract. One report shall contain the names of the Contractor's language and communication assistance service providers, the languages that interpretation and translation services are available in, the auxiliary aids or services that were provided and that are available, the hours the language assistance services are available, and the numbers individuals call to access language and communication assistance services. A separate report that captures a listing of language and communication assistance services that were requested by members (i.e. Arabic; Braille) and the methods used to provide the language and alternative communication service to the members (i.e. interpretation; translation). Upon request the Contractor shall provide a more detailed report that contains the requestor's name and identification number, the requested service, the date of the request, the date the service was provided, and the name of the service provider.

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



assistance under this Contract shall cooperate with HCFA and the Contractor during discrimination investigations and resolutions.

- (3) Corrective Action Plans to Resolve Discrimination Complaints. If a discrimination complaint against the Contractor or its employees or one of its subcontractors who are recipients of federal financial assistance under this contract, is determined by HCFA to be valid, HCFA shall, at its option, either (i) provide the Contractor with a corrective action plan to resolve the complaint, or (ii) request that the Contractor submit a proposed corrective action plan to HCFA for review and approval that specifies what actions the Contractor proposes to take to resolve the discrimination complaint. Upon provision of the corrective action plan to Contractor by HCFA, or approval of the Contractor's proposed corrective action plan by HCFA, the Contractor shall implement the approved corrective action plan to resolve the discrimination complaint. HCFA, in its sole discretion, shall determine when a satisfactory discrimination complaint resolution has been reached and shall notify Contractor of the approved resolution. A discrimination complaint resolution corrective action plan may consist of approved nondiscrimination training on relevant discrimination topics. Prior to use, the nondiscrimination training material shall be reviewed and approved by HCFA. Time periods for the implementation of the corrective action plan nondiscrimination training shall be designated by HCFA.
- d) Electronic and Information Technology Accessibility Requirements. To the extent that the Contractor is using electronic and information technology to fulfill its obligations under this Contract, the Contractor agrees to comply with the electronic and information technology accessibility requirements under the federal civil rights laws including Section 504 and Section 508 of the Rehabilitation Act of 1973 ("Section 508") and the Americans with Disabilities Act. To comply with the accessibility requirements for Web content and non-Web electronic documents and software, the Contractor shall use W3C's Web Content Accessibility Guidelines ("WCAG") 2.0 AA (For the W3C's guidelines see: <http://www.w3.org/TR/WCAG20/>) (Two core linked resources are Understanding WCAG 2.0 <http://www.w3.org/TR/UNDERSTANDING-WCAG20/> and Techniques for WCAG 2.0 <http://www.w3.org/TR/WCAG20-TECHS/>).

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

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

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

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

Should the system or a component of the system fail to comply with the accessibility standards, the Contractor shall develop and submit to HCFA for approval a noncompliance report that identifies the areas of noncompliance, a plan to bring the system or component into compliance, an alternative/work around that provides users with the equivalent access to the content, and a timeframe for achieving that compliance. HCFA shall review the noncompliance report to



determine whether or not it is acceptable and should be implemented. Once the noncompliance report is approved by HCFA the Contractor may implement the compliance plan. HCFA, in its sole discretion, shall determine when a satisfactory compliance plan resolution has been reached and shall notify the Contractor of the approved resolution. If Contractor is unable to obtain content that conforms to WCAG 2.0 AA, it shall demonstrate through its reporting to HCFA that obtaining or providing accessible content would fundamentally alter the nature of its goods and services or would result in an undue burden.

B. TERM OF CONTRACT:

This Contract shall be effective for the period beginning November 1, 2016 ("Effective Date") and ending on January 31, 2020 ("Term"). The State shall have no obligation for goods delivered or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Ten Million Nine Hundred Ninety-Nine Thousand Six Hundred Eighty Dollars (\$10,999,680.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
 - a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
 - b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount (per compensable increment)
Delivery of a final State-approved Patient Centered Medical Homes (PCMH) curriculum as specified in Sections A.5 –A.10.	\$ 133,000.00
Delivery of a final State-approved Health Home curriculum as specified in Sections A.5. – A.9, and A.11.	\$ 133,000.00
Completion of large format in-person trainings, PCMH and Health Homes (up to sixty (60) sessions throughout the contract period) as specified in Section A.12.	\$ 17,413.00 Per large format training
Completion of hosted PCMH and Health Homes learning collaboratives (up to sixty (60) sessions throughout the contract period) as specified in Section A.17.	\$ 17,075.00 Per hosted learning collaborative



Completion of one-on-one PCMH and Health Homes coaching sessions (up to eight thousand (8,000) coaching sessions throughout the contract period) as specified in Sections A.16.	\$ 1,025.00 Per coaching session
Completion of live PCMH and Health Homes webinars (up to thirty (30) throughout the contract period) as specified in Section A.13	\$ 6,750.00 Per webinar
Completion of recorded PCMH and Health Homes training sessions (up to eight (8) hours of recorded content) as specified in Section A.14.	\$ 7,600.00 Per hour of recorded content
Completion of two State approved compendia of resources (one for PCMH and one for Health Homes) as specified in Section A.15.	\$ 100,550.00 Per compendium

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Division of Health Care Finance and Administration
310 Great Circle Road
Nashville, TN 37243

a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):

- (1) Invoice number (assigned by the Contractor);
- (2) Invoice date;
- (3) Contract number (assigned by the State);
- (4) Customer account name: Department of Finance and Administration, Division of Health Care Finance and Administration
- (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
- (6) Contractor name;
- (7) Contractor Tennessee Edison registration ID number;
- (8) Contractor contact for invoice questions (name, phone, or email);
- (9) Contractor remittance address;
- (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
- (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
- (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
- (13) Amount due for each compensable unit of good or service; and
- (14) Total amount due for the invoice period.

b. Contractor's invoices shall:



- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
 - (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
 - (4) Include shipping or delivery charges only as authorized in this Contract.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
 - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. MANDATORY TERMS AND CONDITIONS:

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



stated below or any other address provided in writing by a Party.

The State:

Deputy Commissioner
Department of Finance and Administration
Division of Health Care Finance and Administration
Bureau of TennCare
310 Great Circle Road
Nashville TN 37243
Telephone # (615) 507-6443
FAX # (615) 253-5607

The Contractor:

Catherine Sreckovich, Managing Director
Navigant Consulting, Inc.
30 S. Wacker Drive
Suite 3100
Chicago, IL 60606
csreckovich@navigant.com
Telephone # (312) 583-5747

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

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

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



- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.

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

- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination. In addition, the Contractor shall comply with the provisions of Contract Section A.25 (Nondiscrimination Compliance Requirements) and this Section D.9 shall not be deemed to limit or abridge any requirement set forth in Section A.25.

- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
 - a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to



perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.

- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including



but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

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

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



D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the



nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract. In addition, the Contractor shall comply with the provisions of Contract Section E.16, (Applicable Laws, Rules, Policies and Court Orders), and this Section D.25 shall not be deemed to limit or abridge any requirement set forth in Section E.16, Applicable Laws, Rules, Policies and Court Orders.
- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes Attachment A, Attestation RE: Personnel Used in Contract Performance, Attachment B, Liquidated Damages, Attachment C, PCMH Quality and Efficiency Metrics, and Attachment D, Health Home Quality and Efficiency Metrics.
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.



- E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. The Contractor shall only use Confidential information for activities pursuant to and related to the performance of the Contract. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

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

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

- E.4 Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
- (4) "Third-Party Software," shall mean software not owned by the State or the Contractor.
- (5) "Work Product," shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party Software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted under this Contract.
- (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and



conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.

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



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

E.9 Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

E.10. Liquidated Damages. In the event of a Contract performance failure, the State may, but is not obligated to address such Contract performance failure and/or assess damages ("Liquidated Damages") in accordance with Attachment B of the Contract. The State shall notify the Contractor of any amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Contract performance failure, as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Contract Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Liquidated Damages Event, are a reasonable estimate of the damages that would occur from a Contract performance failure, and are not punitive. The Parties agree that although the Liquidated Damages represent the reasonable estimate of the damages and injuries sustained by the State due to the Contract performance failure, they do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages as a result of a Contract performance failure before availing itself of any other remedy. In the event of multiple Contract performance failures, the Parties recognize that the cumulative effect of these Contract performance failures may exceed the compensation of Liquidated Damages. In that event, the State may choose to avail itself of any other remedy available under this Contract or at law or equity. The Parties further recognize that the State may not obtain both Liquidated Damages and Actual Damages for the same occurrence of a Contract performance failure.

Without regard to whether the State has imposed Liquidated Damages or pursued any other remedy due to any action or inaction by the Contractor, the State may impose a corrective action plan or similar measure through a Control Memorandum. Such measure is neither punitive nor related to any damages the State might suffer.

E.11 Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the



State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.

- E.12. Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State.
- E.13. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

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

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

The Contractor shall comply with the following:



- a. Reporting of Total Compensation of the Contractor's Executives.
- (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
 - i. 80 percent or more of the Contractor's annual gross revenues from federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>).
- As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.
- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)):
 - i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
 - c. If this Contract is amended to extend the Term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the term extension becomes effective.
 - d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>



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

- E.15. Survival. The terms, provisions, representations, and warranties contained in Sections D.11 (Records), D.19 (Hold Harmless), D.20 (HIPAA Compliance), E.2 (Confidentiality of Records), E.7 (Prohibited Advertising), E.9 (Intellectual Property) E.13 (Personally Identifiable Information), E.19 (Notification of Breach), E.21 (SSA Data), and E.25 (IRS Data) of this Contract shall survive the completion of performance, termination or expiration of this Contract.
- E.16. Applicable Laws, Rules, Policies and Court Orders. The Contractor agrees to comply with all applicable federal and State laws, rules, regulations, sub-regulatory guidance, executive orders, HCFA waivers, and all current, modified or future Court decrees, orders or judgments applicable to the State's TennCare program. Such compliance shall be performed at no additional cost to the State.
- E.17. Business Associate. Contractor hereby acknowledges its designation as a business associate under HIPAA and agrees to comply with all applicable HIPAA regulations. In accordance with the HIPAA regulations, the Contractor shall, at a minimum:
- a. Comply with requirements of the HIPAA, including, but not limited to, the transactions and code sets, privacy, security, and identifier regulations. Compliance includes meeting all required transaction formats and code sets with the specified data sharing agreements required under the regulations;
 - b. Transmit/receive from/to its providers, subcontractors, clearinghouses and HCFA all transactions and code sets required by HIPAA in the appropriate standard formats, utilizing appropriate and adequate safeguards, as specified under the law and as directed by HCFA so long as HCFA direction does not conflict with the law;
 - c. Agree that if it is not in compliance with all applicable standards defined within the transactions and code sets, privacy, security and all subsequent HIPAA standards, that it will be in breach of this Contract and will then take all reasonable steps to cure the breach or end the violation as applicable. Since inability to meet the transactions and code sets requirements, as well as the privacy and security requirements can bring basic business practices between HCFA and the Contractor and between the Contractor and its providers and/or subcontractors to a halt, if for any reason the Contractor cannot meet the requirements of this Section, HCFA may terminate this Contract.
 - d. Ensure that Protected Health Information (PHI) exchanged between the Contractor and HCFA is used only for the purposes of treatment, payment, or health care operations and health oversight and its related functions. All PHI not transmitted for these purposes or for purposes allowed under the federal HIPAA regulations shall be de-identified to secure and protect the individual enrollee's PHI;
 - e. Report to HCFA's Privacy Office immediately upon becoming aware of any use or disclosure of PHI in violation of this Contract by the Contractor, its officers, directors, employees, subcontractors or agents or by a third party to which the Contractor disclosed PHI;
 - f. Specify in its agreements with any agent or subcontractor that will have access to PHI that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section;
 - g. Make its internal policies and procedures, records and other documentation related to the use and disclosure of PHI available upon request to the U.S. Secretary of Health and Human Services for the purposes of determining compliance with the HIPAA regulations;



- h. Create and adopt policies and procedures to periodically audit adherence to all HIPAA regulations;
- i. Agree to ensure that any agent, including a subcontractor, to whom it provides PHI that was created, received, maintained, or transmitted by or on behalf of HCFA agrees to use reasonable and appropriate safeguards to protect the PHI.
- j. If feasible, return or destroy all PHI, in whatever form or medium (including any electronic medium) and all copies of any data or compilations derived from and allowing identification of any individual who is a subject of that PHI upon termination, cancellation, expiration or other conclusion of the Agreement, and in accordance with this Section of this Contract. The Contractor shall complete such return or destruction as promptly as possible, but not later than thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement. The Contractor shall identify any PHI that cannot feasibly be returned or destroyed. Within such thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement, the Contractor shall: (1) certify an oath in writing that such return or destruction has been completed; (2) identify any PHI which cannot feasibly be returned or destroyed; and (3) certify that it will only use or disclose such PHI for those purposes that make its return or destruction infeasible;
- k. Implement all appropriate administrative, physical and technical safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Contract and, including, but not limited to, privacy, security and confidentiality requirements in 45 CFR Parts 160 and 164;
- l. Set up appropriate mechanisms to limit use or disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure;
- m. Create and implement policies and procedures to address present and future HIPAA regulatory requirements as needed, including, but not limited to: use and disclosure of data; de-identification of data; minimum necessary access; accounting of disclosures; enrollee's right to amend, access, request restrictions; notice of privacy practices and right to file a complaint;
- n. Provide an appropriate level of training to its staff and employees regarding HIPAA related policies, procedures, enrollee rights and penalties prior to the HIPAA implementation deadlines and at appropriate intervals thereafter;
- o. Track training of Contractor staff and employees and maintain signed acknowledgements by staff and employees of the Contractor's HIPAA policies;
- p. Be allowed to use and receive information from HCFA where necessary for the management and administration of this Contract and to carry out business operations where permitted under the regulations;
- q. Be permitted to use and disclose PHI for the Contractor's own legal responsibilities;
- r. Adopt the appropriate procedures and access safeguards to restrict and regulate access to and use by Contractor employees and other persons performing work for the Contractor to have only minimum necessary access to PHI and personally identifiable data within their organization;
- s. Continue to protect and secure PHI and personally identifiable information relating to enrollees who are deceased; and
- t. Track all security incidents as defined by HIPAA and periodically report such incidents to HCFA in summary fashion.



E.18.

Information Holders. HCFA and the Contractor are "information holders" as defined in TCA 47-18-2107. In the event of a breach of the security of Contractor's information system, as defined by TCA 47-18-2107, the Contractor shall indemnify and hold HCFA harmless for expenses and/or damages related to the breach. Such obligations shall include, but not be limited to, mailing notifications to affected enrollees. Substitute notice to written notice, as defined by TCA 47-18-2107(e)(2) and (3), shall only be permitted with HCFA's express written approval. The Contractor shall notify HCFA'S Privacy Office immediately upon becoming aware of any security incident that would constitute a "breach of the security of the system" as defined in TCA 47-18-2107.

E.19.

Notification of Breach and Notification of Suspected Breach. The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of any incident, either confirmed or suspected, that represents or may represent unauthorized access, use or disclosure of encrypted or unencrypted computerized data that materially compromises the security, confidentiality, or integrity of enrollee PHI maintained or held by the Contractor, including any unauthorized acquisition of enrollee PHI by an employee or otherwise authorized user of the Contractor 's system. This includes, but is not limited to, loss or suspected loss of remote computing or telework devices such as laptops, PDAs, Blackberrys or other Smartphones, USB drives, thumb drives, flash drives, CDs, and/or disks.

E.20.

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

E.21.

Social Security Administration (SSA) Required Provisions for Data Security. The Contractor shall comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. §3541, *et seq.*), and related National Institute of Standards and Technology guidelines. In addition, the Contractor shall have in place administrative, physical, and technical safeguards for data.

- a. The Contractor shall not duplicate in a separate file or disseminate, without prior written permission from HCFA, the data governed by the Contract for any purpose other than that set forth in this Contract for the administration of the HCFA program. Should the Contractor propose a redisclosure of said data, the Contractor must specify in writing to HCFA the data the Contractor proposes to redisclose, to whom, and the reasons that justify the redisclosure. HCFA will not give permission for such redisclosure unless the redisclosure is required by law or essential to the administration of the HCFA program.
- b. The Contractor agrees to abide by all relevant federal laws, restrictions on access, use, and disclosure, and security requirements in this Contract.
- c. The Contractor shall provide a current list of the employees of such contractor with access to SSA data and provide such lists to HCFA.
- d. The Contractor shall restrict access to the data obtained from HCFA to only those authorized employees who need such data to perform their official duties in connection with purposes identified in this Contract. The Contractor shall not further duplicate, disseminate, or disclose such data without obtaining HCFA's prior written approval.
- e. The Contractor shall ensure that its employees:
 - (1) properly safeguard PHI/PII furnished by HCFA under this Contract from loss, theft or inadvertent disclosure;



- (2) understand that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee is at his or her regular duty station;
- (3) ensure that laptops and other electronic devices/ media containing PHI/PII are encrypted and/or password protected;
- (4) send emails containing PHI/PII only if encrypted or if to and from addresses that are secure; and,
- (5) limit disclosure of the information and details relating to a PHI/PII loss only to those with a need to know.

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

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

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

- g. HCFA may immediately and unilaterally suspend the data flow under this Contract, or terminate this Contract, if HCFA, in its sole discretion, determines that the Contractor has: (1) made an unauthorized use or disclosure of HCFA SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this Contract.
- h. This Section further carries out Section 1106(a) of the Act (42 U.S.C. 1306), the regulations promulgated pursuant to that section (20 C.F.R. Part 401), the Privacy of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget ("OMB") guidelines, the Federal Information Security Management Act of 2002 ("FISMA") (44 U.S.C. 3541 et seq.), and related National Institute of Standards and Technology ("NIST") guidelines, which provide the requirements that the SSA stipulates that the Contractor must follow with regard to use, treatment, and safeguarding data in the event data is exchanged with a federal information system.
- i. Definitions
- (1) "SSA-supplied data" – information, such as an individual's social security number, supplied by the Social Security Administration to HCFA to determine entitlement or eligibility for federally-funded programs (CMPPA between SSA and F&A; IEA between SSA and HCFA).
 - (2) "Protected Health Information/Personally Identifiable Information" (PHI/PII)(45 C.F.R. 160.103; OMB Circular M-06-19) – Protected health information means individually identifiable health information that is: (i) Transmitted by electronic media; (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium.



- (3) "Individually Identifiable Health Information"— information that is a subset of health information, including demographic information collected from an individual, and: (1) Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

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

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

- a) Purposes directly related to the administration of Medicaid and CHIP include:
 - 1) establishing eligibility;
 - 2) determining the amount of medical assistance;
 - 3) providing services for beneficiaries; and,
 - 4) conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to Medicaid or CHIP administration.

- b) The Contractor must have adequate safeguards to assure that:
 - 1) Information is made available only to the extent necessary to assist in the valid administrative purposes of those receiving the information, and information
 - 2) received under 26 USC is exchanged only with parties authorized to receive that information under that section of the Code; and, the information is adequately stored and processed so that it is protected against unauthorized disclosure for other purposes.

- c) The Contractor must have criteria that govern the types of information about applicants and beneficiaries that are safeguarded. This information must include at least--
 - 1) Names and addresses;
 - 2) Medical services provided;
 - 3) Social and economic conditions or circumstances;
 - 4) Contractor evaluation of personal information;
 - 5) Medical data, including diagnosis and past history of disease or disability



- 6) Any information received for verifying income eligibility and amount of medical assistance payments, including income information received from SSA or the Internal Revenue Service;
 - 7) Income information received from SSA or the Internal Revenue Service must be safeguarded according to Medicaid and CHIP requirements;
 - 8) Any information received in connection with the identification of legally liable third party resources; and.
 - 9) Social Security Numbers.
- d) The Contractor must have criteria approved by HCFA specifying:
- 1) the conditions for release and use of information about applicants and beneficiaries;
 - 2) Access to information concerning applicants or beneficiaries must be restricted to persons or Contractor representatives who are subject to standards of confidentiality that are comparable to those of HCFA;
 - 3) The Contractor shall not publish names of applicants or beneficiaries;
 - 4) The Contractor shall obtain permission from a family or individual, whenever possible, before responding to a request for information from an outside source, unless the information is to be used to verify income, eligibility and the amount of medical assistance payment to an authorized individual or entity;
 - 5) If, because of an emergency situation, time does not permit obtaining consent before release, the Contractor shall notify HCFA, the family or individual immediately after supplying the information.
 - 6) The Contractor's policies must apply to all requests for information from outside sources, including governmental bodies, the courts, or law enforcement officials.
 - i) The Contractor shall notify HCFA of any requests for information on applicants or beneficiaries by other governmental bodies, the courts or law enforcement officials ten (10) days prior to releasing the requested information.
 - 7) If a court issues a subpoena for a case record or for any Contractor representative to testify concerning an applicant or beneficiary, the Contractor must notify HCFA at least ten (10) days prior to the required production date so HCFA may inform the court of the applicable statutory provisions, policies, and regulations restricting disclosure of information.
 - 8) The Contractor shall not request or release information to other parties to verify income, eligibility and the amount of assistance under Medicaid or CHIP, prior to express approval from HCFA.
- E.23. Employees Excluded from Medicare, Medicaid or CHIP. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare, Medicaid, and/or CHIP programs pursuant to Sections 1128 of the Social Security Act.
- E.24. Offer of Gratuities. By signing this contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the Center for Medicare and Medicaid Services, or any other state or federal agency has or will benefit financially or materially from this Contract. This Contract may be terminated by HCFA as provided



in Section D.6, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

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

- a) Performance - In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
- (1) This provision shall not apply if information received or delivered by the Parties under this Contract is NOT "federal tax returns or return information" as defined by IRS Publication 1075 and IRC 6103.
 - (2) All work will be done under the supervision of the contractor or the contractor's employees. The contractor and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.
 - (3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
 - (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
 - (5) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
 - (6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
 - (7) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
 - (8) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
 - (9) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.



(10) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

b) Criminal/Civil Sanctions

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.
- (3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A. The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic



signature, a confidentiality statement certifying their understanding of the security requirements.

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

- E.26. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's Response to RFP 31865-00453 (Attachment 6.2, Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the required form and substance.

IN WITNESS WHEREOF,

NAVIGANT CONSULTING, INC.:

Catherine Sreckovich

CONTRACTOR SIGNATURE

DATE September 28, 2016

*CS
10/7/16*

Catherine Sreckovich, Managing Director

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

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

Larry B. Martin
LARRY B. MARTIN, COMMISSIONER

9/28/16

DATE

*10/7/16
10/7/16*



ATTACHMENT A

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	52066
CONTRACTOR LEGAL ENTITY NAME:	Navigant Consulting, Inc.
EDISON VENDOR IDENTIFICATION NUMBER:	201788

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

Catherine Sreckovich

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

Catherine Sreckovich, Managing Director

PRINTED NAME AND TITLE OF SIGNATORY

September 28, 2016

DATE OF ATTESTATION



ATTACHMENT B

LIQUIDATED DAMAGES

In the event of a Contract performance failure by Contractor and such Contract performance failure is not included in the following table with an associated Liquidated Damage amount, the parties hereby agree that the State may choose one of the following courses of action in order to obtain redressability for such Contract performance failure: (1) the State may assess actual damages resulting from the Contract performance failure against the Contractor in the event that such actual damages are known or are reasonably ascertainable at the time of discovery of such Contract performance failure or (2) if such actual damages are unknown or are not reasonably ascertainable at the time of discovery of the Contract performance failure, the State may (a) require the Contractor to submit a corrective action plan to address any such Contract performance failure and/or (b) assess a liquidated damage against Contractor for an amount that is reasonable in relation to the Contract performance failure as measured at the time of discovery of the Contract performance failure. In the event that the State chooses to assess a Liquidated Damage for a Contract performance failure according to the immediately preceding sentence, in no event shall such Liquidated Damage be in excess of \$1,000 for any single Contract performance failure. HCFA may elect to apply the following liquidated damages remedies in the event the Contractor fails to perform its obligations under this Contract in a proper and/or timely manner. Upon determination by HCFA that the Contractor has failed to meet any of the requirements of this Contract in a proper and/or timely manner, HCFA will notify the Contractor in writing of the deficiency and of the potential liquidated damages to be assessed. Should the deficiency remain uncorrected for more than thirty (30) calendar days from the date of the original notification of the deficiency by HCFA, HCFA may impose an additional liquidated damage of Five Hundred Dollars (\$500) per day from the date of the original notification to Contractor until said deficiency is resolved.

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

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

Liquidated damages will apply in the below defect occurrences. Contractor acknowledges that the actual damages likely to result from breach of the below SLRs are difficult to estimate and may be difficult for the State to prove. The parties intend that the Contractor's payment of assessed liquidated damages will compensate the State for material breach by the Contractor obligations under this Contract. Liquidated damages do not serve as punishment for any breach by the Contractor.



	<u>PROGRAM ISSUES</u>	<u>DAMAGE</u>
1.	Failure by the Contractor to meet the standards for privacy, security, and confidentiality of individual data as evidenced by a breach of the security per Section E. 2. and E.19	\$1,000 per affected member per occurrence.
2.	Failure by the Contractor to execute the appropriate agreements to effectuate transfer and exchange of enrollee PHI or HCFA confidential information including, but not limited to, a data use agreement, trading partner agreement, business associate agreement or qualified protective order prior to the use or disclosure of PHI to a third party. (See E.17. and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
3.	Failure by the Contractor to seek express written approval from HCFA prior to the use or disclosure of enrollee data or HCFA confidential information in any form via any medium with any third party beyond the boundaries and jurisdiction of the United States. (See E.13 and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
4.	Failure by the Contractor to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of suspected breach per Sections (See E.19 and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.

ATTACHMENT C

PCMH Quality and Efficiency Metrics

Quality metrics are tracked to ensure that PCMHs are meeting specified quality performance levels and to provide practices with information they can use to improve the quality of care they provide. Core quality metrics will be used to determine payment levels. Additional reporting-only quality metrics will also be provided on reports.

TABLE – Core quality metrics PCMH

Quality metric	Comments	Child or Adult
Diabetes: Nephropathy % of patients 18 to 75 years of age with type 1 or type 2 diabetes who received medical attention for nephropathy	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult
Diabetes: Retinal exam % of patients 18 to 75 years of age with type 1 or type 2 diabetes who had an eye exam (retinal) performed	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult
Diabetes: BP < 140/90 % of patients 18 to 75 years of age with type 1 or type 2 diabetes whose most recent blood pressure reading is less than 140/90 mm Hg (controlled)	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult
Asthma medication management The % of members 5-64 years of age during the measurement year who were identified as having persistent asthma and were dispensed appropriate medications that they remained on during the treatment period. The rate included in this measure would be the % of members in this age group who remained on an asthma controller medication for at least 75% of their treatment	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both
Adult BMI screening % of patients, ages 18-74 years, with an OP visit whose BMI was documented during the measurement year or the year prior	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult



Quality metric	Comments	Child or Adult
<p>Antidepressant medication management % of 18 and older who were treated with antidepressant medication, had a diagnosis of major depression and who remained on an antidepressant regime; report</p> <p>Acute phase - % who remained on meds 84 days (12 weeks)</p> <p>Continuation phase - % who remained on meds for 180 days (6 months)</p>	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	<p>Adult</p>
<p>Controlling high blood pressure</p> <p>% of patients ages 18-59 and 60-85 who had a diagnosis of hypertension whose blood pressure was adequately controlled (<140/90) during the measurement year</p>	<ul style="list-style-type: none"> ▪ Based on HRSA and HEDIS methodology ▪ Threshold TBD 	<p>Adult</p>
<p>Immunizations for adolescents</p> <p>The % of adolescents 13 years of age who had one dose of meningococcal vaccine and one Tdap or one Td by their 13th birthday. The measure calculates a rate for each vaccine and one combination rate</p>	<ul style="list-style-type: none"> ▪ Based on CHIPRA and HEDIS methodology ▪ Threshold TBD 	<p>Child</p>
<p>EPSDT screening rate (4x)</p> <p>The % of members who turned 15 months old during the measurement year and who had 6 or more well child visits with a PCP from 31st day from birth to 15 months of life²</p> <p>The % of members 16 months - 3 years who 2 or more well child visits with a PCP during the measurement year</p> <p>The % of members 4 years – 11 years of age who had 1 or more well child visits with a PCP during the measurement year</p> <p>The % of enrolled members 12-21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year</p>	<ul style="list-style-type: none"> ▪ Based on a modified HEDIS methodology ▪ Thresholds TBD 	<p>Child</p>



Efficiency metric	Comments	Child or Adult
AD/ADD Follow-up Care The % of children newly prescribed ADHD medication who had at least three follow-up care visits within a 10-month period, one of which was within 30 days of when the first ADHD medication was dispensed (including both Initiation Phase of 30 days and Continuation and Maintenance phase of 270 days for members 6-12 years of age)	<ul style="list-style-type: none"> ▪ Based on CHIPRA and HEDIS methodology ▪ Threshold TBD 	Child
Childhood immunizations The percentage of children 2 years of age who had 4 DTaP), 3 polio, 1 MMR, 3 HiB, 3 HepB, 1 VZV, and 4 PCV by their second birthday	<ul style="list-style-type: none"> ▪ Based on CHIPRA and HEDIS methodology ▪ Threshold TBD 	Child
Weight assessment and nutritional counseling Weight assessment and counseling for nutrition and physical activity for children/adolescents ages 3-17 including BMI	<ul style="list-style-type: none"> ▪ Based on CHIPRA and HEDIS methodology ▪ Threshold TBD 	Child

In addition to Total Cost of Care, efficiency metrics are tracked to ensure that PCMHs are meeting specified efficiency performance levels and to provide PCMHs with information they can use to improve the quality of care they provide. Core efficiency metrics that will be used to determine payment levels are shown in the table below.

TABLE – Efficiency metrics PCMH

Efficiency metric	Comments	Child or Adult
ER visits per 1000 members Utilization of ambulatory care for ED visits (excludes mental health and psychiatry)	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both
Inpatient admissions per 1000 members Inpatient utilization – General Hospital/Acute Care: Summarizes utilization of acute inpatient care and services by: total inpatient, maternity, surgery, and medicine (reported separately and in total)	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both



Efficiency metric	Comments	Child or Adult
<p>Specialist visits per 1000 members</p> <p>Utilization of office-based specialists per 1000 members (Specialist efficiency metric includes only following specialties: allergy, cardiology, cardiovascular disease, cardiovascular surgery, dermatology, endocrinology, gastroenterology, hand surgery, nephrology, neurological surgery, neurology, ophthalmology, orthopedic surgery, otolaryngology, pain management, plastic and reconstructive, pulmonary disease, rheumatology, sports medicine, surgery, urology)</p>	<ul style="list-style-type: none"> ▪ Based on Health Care Cost Institute methodology ▪ Threshold TBD 	<p>Both</p>



ATTACHMENT D

Health Home Quality and Efficiency Metrics

Quality metrics are tracked to ensure that Health Homes are meeting specified quality performance levels and to provide them with information they can use to improve the quality of care they provide. Core quality metrics that will be used to determine payment levels are shown in the table below. Additional reporting only metrics will also be provided on reports.

TABLE – Core quality metrics Health Homes

Quality metric	Comments	Child or Adult
<p>30-Day Psychiatric Hospital/RTF Readmission</p> <p>7-Day Psychiatric Hospital / RTF Readmission</p> <p>The number of members readmitted to a psychiatric inpatient or residential facility divided by the total number of members discharged from a psychiatric inpatient or residential facility during the respective time periods. The readmission is counted in the month that the readmission occurred (rather than the month of initial hospitalization or discharge.) Judicial and State-only admissions should not be included in the calculation.</p> <ul style="list-style-type: none"> ▪ 30-day Readmission Rate - % readmitted within 30 days of discharge. ▪ 7-day Readmission Rate - % readmitted within 7 days of discharge. 	<ul style="list-style-type: none"> ▪ Based on TennCare methodology ▪ Threshold TBD 	<p>Both</p>
<p>Follow-up after hospitalization for mental illness within 30 days of discharge</p> <p>Follow-up after</p>	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology, CMS Health Home Core Set ▪ Threshold TBD 	<p>Both</p>



Quality metric	Comments	Child or Adult
<p>hospitalization for mental illness within 7 days of discharge</p> <p>The percentage of discharges for members 6 years of age and older who were hospitalized for treatment of selected mental illness diagnoses and who had an outpatient visit, an intensive outpatient encounter or partial hospitalization with a mental health practitioner. Two rates are reported:</p> <ul style="list-style-type: none"> ▪ The percentage of discharges for which the member received follow-up within 30 days of discharge. ▪ The percentage of discharges for which the member received follow-up within 7 days of discharge. 		
<p>Suicide Risk Assessment</p> <p>Percentage of patients 18 and over with a suicide risk assessment completed during the visit in which a new diagnosis or recurrent episode.</p>	<ul style="list-style-type: none"> ▪ Based on AMA / PCPI, PQRS 2015 methodology ▪ Threshold TBD 	Adult
<p>Antidepressant Medication Management</p> <p>% of 18 and older who were treated with antidepressant medication, had a diagnosis of major depression and who remained on an antidepressant regime; report</p> <ul style="list-style-type: none"> ▪ Acute phase - % who remained on meds 84 days (12 weeks) ▪ Continuation phase - % who 	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult



Quality metric	Comments	Child or Adult
remained on meds for 180 days (6 months)		
<p>Use of Multiple Concurrent Antipsychotics in Children and Adolescents</p> <p>The % of children and adolescents 1-17 years of age who were on two or more concurrent antipsychotic medications: report by age 1-5, 6-11, 12-17, and total</p>	<ul style="list-style-type: none"> ▪ Based on APC methodology ▪ Threshold TBD 	Child
<p>Diabetes: Nephropathy</p> <p>% of patients 18 to 75 years of age with type 1 or type 2 diabetes who received medical attention for nephropathy</p>	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult
<p>Diabetes: Retinal exam</p> <p>% of patients 18 to 75 years of age with type 1 or type 2 diabetes who had an eye exam (retinal) performed</p>	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult
<p>Diabetes: BP < 140/90</p> <p>% of patients 18 to 75 years of age with type 1 or type 2 diabetes whose most recent blood pressure reading is less than 140/90 mm Hg (controlled)</p>	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult
<p>Asthma medication management</p> <p>The % of members 5-64 years of age during the measurement year who were identified as having persistent asthma and were dispensed appropriate medications that they remained on</p>	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both



Quality metric	Comments	Child or Adult
<p>during the treatment period. The rate included in this measure would be the % of members in this age group who remained on an asthma controller medication for at least 75% of their treatment</p>		
<p>Adult BMI screening % of patients, ages 18-74 years, with an OP visit whose BMI was documented during the measurement year or the year prior</p>	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Adult
<p>Controlling high blood pressure % of patients ages 18-59 and 60-85 who had a diagnosis of hypertension whose blood pressure was adequately controlled (<140/90) during the measurement year</p>	<ul style="list-style-type: none"> ▪ Based on HRSA and HEDIS methodology ▪ Threshold TBD 	Adult
<p>Immunizations for adolescents The % of adolescents 13 years of age who had one dose of meningococcal vaccine and one Tdap or one Td by their 13th birthday. The measure calculates a rate for each vaccine and one combination rate</p>	<ul style="list-style-type: none"> ▪ Based on CHIPRA and HEDIS methodology ▪ Threshold TBD 	Child
<p>EPSDT screening rate The % of members who turned 15 months old during the measurement year and who had the following number of well child visits with a PCP during the first 15 months of life: No well child, one well child, two well child,</p>	<ul style="list-style-type: none"> ▪ Based on a modified HEDIS methodology ▪ Thresholds TBD 	Child



Quality metric	Comments	Child or Adult
<p>three well child, four child, five well child, six or more well child visits</p> <p>The % of members 15 months - 11 years of age who had one or more well child visits with a PCP during the measurement year</p> <p>% of enrolled members 12-21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year</p>		
<p>Childhood immunizations</p> <p>The percentage of children 2 years of age who had 4 DTaP), 3 polio, 1 MMR, 3 HiB, 3 HepB, 1 VZV, and 4 PCV by their second birthday</p>	<ul style="list-style-type: none"> ▪ Based on CHIPRA and HEDIS methodology ▪ Threshold TBD 	Child
<p>Weight assessment and nutritional counseling</p> <p>Weight assessment and counseling for nutrition and physical activity for children/adolescents ages 3-17 including BMI</p>	<ul style="list-style-type: none"> ▪ Based on CHIPRA and HEDIS methodology ▪ Threshold TBD 	Child

Efficiency metrics Health Homes

In addition, efficiency metrics are tracked to ensure that Health Homes are meeting specified efficiency performance levels and to provide them with information they can use to improve the efficiency of care they provide. Core efficiency metrics that will be used to determine payment levels are shown in the table below.


 E – Efficiency metrics Health Homes

Efficiency metric	Comments	Child or Adult
ER visits per 1000 members Utilization of ambulatory care for ED visits (excludes mental health and psychiatry)	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both
Psychiatric inpatient days The number of inpatient psychiatric days per 1,000 patients	<ul style="list-style-type: none"> ▪ Based on modified HEDIS methodology ▪ Threshold TBD 	Both
ED utilization for behavioral-health related causes The number and percentage of members receiving mental health ED services during the measurement year	<ul style="list-style-type: none"> ▪ Based on modified HEDIS methodology ▪ Threshold TBD 	Both
Inpatient admissions per 1000 members General Hospital/Acute Care: Summarizes utilization of acute inpatient care and services by: total inpatient, maternity, surgery, and medicine (reported separately and in total)	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both
ER visits per 1000 members Utilization of ambulatory care for ED visits (excludes mental health and psychiatry)	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both
All-cause readmission rate For members 18 years of age and older, the	<ul style="list-style-type: none"> ▪ Based on HEDIS methodology ▪ Threshold TBD 	Both



Efficiency metric	Comments	Child or Adult
<p>number of acute inpatient stays during the measurement year that were followed by an unplanned acute readmission for any diagnosis within 30 days and the predicted probability of an acute readmission</p>		
<p>Rate of residential treatment facility admissions</p> <p>The number and percentage of members receiving mental health residential treatment services during the measurement year</p>	<ul style="list-style-type: none"> ▪ Methodology TBD ▪ Threshold TBD 	<p>Both</p>