



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 31786-00148	Edison ID	Contract # 69906	Amendment # One
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Contractor Legal Entity Name BlueCross BlueShield of Tennessee, Inc.	Edison Vendor ID 91649
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Amendment Purpose & Effect(s)
Updates to current contract language

Amendment Changes Contract End Date: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	End Date: June 30, 2029
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TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **\$ N/A**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2022			\$25,500,000		\$25,500,000
2023			\$52,000,000		\$52,000,000
2024			\$55,000,000		\$55,000,000
2025			\$58,500,000		\$58,500,000
2026			\$62,000,000		\$62,000,000
2027			\$66,000,000		\$66,000,000
2028			\$33,000,000		\$33,000,000
TOTAL:			\$352,000,000		\$352,000,000

<p>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.</p>	<i>CPO USE</i>	
	<p>Speed Chart (optional)</p>	<p>Account Code (optional)</p>

**AMENDMENT ONE
OF CONTRACT 69906**

This Amendment is made and entered by and between the State of Tennessee, State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and the Local Government Insurance Committee, hereinafter referred to as the "State" and BlueCross BlueShield of Tennessee, Inc., hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract section A.9.b. is deleted in its entirety and replaced with:

A.9.b. [REMOVED]

2. The following is added as Contract section A.4.p.

A.4.p. Benefits Administration and the Contractor shall document and agree to, In Writing, the tasks, processes, functions and responsibilities of the Contractor related to the requirements of Public Law 116-260 (the Consolidated Appropriations Act of 2021) and 85 Federal Register 72158 (Transparency in Coverage).

3. The following is added as Contract section C.15.

C.15 Compensation Disclosure. All indirect or transactional arrangements that result in payment or compensation to the Contractor must be approved by the State In Writing, upon a review and determination that the arrangement benefits the State or plan Members. Approval of such arrangements shall be based upon a full explanation of the services provided, compensation received by the Contractor, and regular reporting, no less than annually, related to the services and compensation. The Contractor shall submit an annual disclosure detail statement of all financial and compensation arrangements including but not limited to direct, indirect, transactional, spread, incentive, fee, and other forms of compensation, within sixty (60) days prior to the end of the year for the subsequent calendar year. The annual disclosure detail statement shall be updated and submitted to the State within sixty (60) days of any changes throughout the year.

4. Contract Attachment C, item #6 is deleted in its entirety and replaced with:

6. [REMOVED]

5. Contract Attachment D is deleted in its entirety and replaced with the following:

Below is the SLA Scorecard and associated KPIs used to measure the Contractor's performance against the desired outcomes. KPIs listed in Table A shall be evaluated, scored, and reconciled quarterly via the SLA Scorecard with relevant documentation. Contractor must submit the SLA Scorecard each calendar quarter documenting the Contractor's outcome for each of the KPIs for the previous quarter, in which services were delivered. KPIs listed in Table C will be evaluated by the State quarterly, if needed. In both cases, the State will determine, and may assess, any At-Risk Performance Payments.

It is agreed by the State and the Contractor that any At-Risk Performance Payment assessed by the State shall be due and payable to the State within forty-five (45) calendar days after Contractor receipt of the Invoice containing an assessment of fees at risk. If payment is not made by the due date, the At-Risk Performance Payment amount may be withheld from future payments by the State without further notice.

Use the following for the quarterly calculations – the Contractor will fill in the Quarterly Score column for each individual KPI. If the individual KPI does not apply for the reported quarter, place 'n/a' in the Quarterly Score column. The total possible score will be adjusted accordingly. The State will calculate the Total Quarterly Score using the following formula: Quarterly Score divided

by total possible quarterly score multiplied by 100%. The At-Risk Performance Payment will be determined by this percentage (see table B below).

Table A						
KPI		Description	Performance Requirement	Vendor Performance	Score if Met	Quarterly Score
1.	PA and UM Evaluation	The Contractor shall complete ninety-seven percent (97%) of all prior authorizations and utilization management decisions within the timeframes specified in Section A.9.i.	97%	97% or greater 95.0-96.9% 93.0-94.9% Less than 93%	10 8 6 0	
2.	Eligibility Discrepancies	Resolve all eligibility discrepancies (any difference of values between the State's database and the Contractor's database), not identified during processing, as identified by the State or Contractor within one (1) business day of notification by the State or identification by the Contractor, as required in Contract Section A.22.e.4.	100%	100% 98.0-99.9% 96.0-97.9% Less than 96%	10 8 6 0	
3.	Expedited Appeals	One hundred percent (100%) of expedited appeals for urgent care, not involving a third-party review, shall be decided within seventy-two (72) hours, as required in Contract Section A.8.f.1.	100%	100% 98.0-99.9% 96.0-97.9% Less than 96%	10 8 6 0	
4.	Non-Urgent Pre-Service Appeals	Ninety-five percent (95%) of non-urgent pre-service appeals shall be decided within thirty (30) days, as required in Contract Section A.8.f.2.	95%	95% or greater 93.0-94.9% 91.0-92.9% Less than 91%	8 6 4 0	
5.	Non-Urgent Post-Service Appeals	Ninety-five percent (95%) of non-urgent post-service appeals within sixty (60) days, as required in Contract Section A.8.f.3.	95%	95% or greater 93.0-94.9% 91.0-92.9% Less than 91%	8 6 4 0	
6.	Claims Auto-Adjudication	The claims management system shall automatically adjudicate no less than eighty percent (80%) of clean claims, i.e., without recourse to manual or other calculation methods external to the system, as required in Contract Section A.12.i.1.	80%	80% or greater 75.0-79.9% 70.0-74.9% Less than 70%	8 6 4 0	
7.	Claim Adjustment Completion	The Contractor shall complete ninety-five percent (95%) of all claim adjustments within seven (7) calendar days, as required in Contract Section A.12.i.6.	95%	95% or greater 93.0-94.9% 91.0-92.9% Less than 91%	8 6 4 0	
8.	Average Speed of Answer	The Contractor shall maintain an average daily ASA of thirty (30) seconds and callers may not be placed on hold after the call is answered, as required in Contract Section A.11.i.1.	30 second average	30 Sec or less Avg 31-35.9 Sec Avg 36-40.9 Sec Avg	8 6	

				41 Sec Avg or greater	4	
					0	
9.	First Call Resolution	The Contractor shall maintain a first call resolution rate of 85%, as required in Contract Section A.11.i.2.	85%	85% or greater	8	
				83.0-84.9%	6	
				81.0-82.9%	4	
				Less than 81%	0	
10	Distribution of Ongoing Member ID Cards/Welcome Packets	Ninety-five percent (95%) of new member welcome packets and ID cards shall be produced and mailed within ten (10) days of receipt of complete and accurate eligibility information, as required in Contract Section A.14.e.	95%	95% or greater	10	
				93.0-94.9%	8	
				91.0-92.9%	6	
				Less than 91%	0	
Total Sum Available Quarterly Scores						
Total Sum Achieved Quarterly Scores						
Quarterly Calculated Performance Percentage						
(Total Sum Achieved Quarterly Scores/ Total Sum of Available Quarterly Scores for all applicable KPIs) *100						

Table B	
Quarterly Calculated Performance Percentage	At Risk Performance Payment
>=96%	0% of previous quarter Administrative Fees
91 – 95.9%	.25% of previous quarter Administrative Fees
86 – 90.9%	.50% of previous quarter Administrative Fees
81 – 85.9%	.75% of previous quarter Administrative Fees
76 – 80.9%	1% of previous quarter Administrative Fees
71 – 75.9%	1.5% of previous quarter Administrative Fees
66 – 70.9%	2% of previous quarter Administrative Fees
61 – 65.9%	3% of previous quarter Administrative Fees
<61%	4% of previous quarter Administrative Fees

Table C			
KPI	Description	Performance Requirement	At Risk Performance Payment
Unauthorized Usage of Information	Unless prior approved In Writing by the State, and in compliance with state and federal law, the Contractor shall not use information gained through this Contract, including but not limited to utilization and pricing information, in marketing or expanding non-State business relationships or for any pecuniary gain as stated in Contract Section A.4.l.	If the Contractor uses data without prior approval	\$50,000 per incident.
Reporting	The Contractor shall distribute to the State all reports required in the Contract within the time frame specified in the Contract as required in Contract Section A.21.a, A.21.g.7., and Contract Attachment C, Reporting Requirements.	If the Contractor fails to deliver any report on time.	\$1,000 per late or undelivered report.

Claims Payment Accuracy	<p>Claims payment accuracy shall be ninety-seven point five percent (97.5%) or higher as required in Contract Section A.12.i.5.</p> <ul style="list-style-type: none"> • Quarterly internal audit performed by the State on a sample of 175 incurred date claims and 175 different paid date claims selected at random and provided by the Contractor. • Measures the frequency of payment errors by dividing the weighted number of correct benefit payments by the total number of payments in the population. 	If the Contractor fails to meet the requirement.	\$5,000 per missed requirement.
Claims Payment Turnaround	<p>The Contractor shall reimburse network providers within fourteen (14) calendar days for ninety-two percent (92%) of clean claims and within thirty (30) calendar days for ninety-eight percent (98%) of all claims as required in Contract Section A.12.i.2.</p> <ul style="list-style-type: none"> • Quarterly internal audit performed by the State on a sample of 175 incurred date claims and 175 different paid date claims selected at random and provided by the Contractor. • Measures the time elapsed from the date a claim is received to the date the claim is processed. Only the received date, not the processed date is included in the calculation. 	If the Contractor fails to meet either requirement.	\$5,000 per each missed requirement.
Claims Processing Accuracy	<p>Claims processing accuracy shall be ninety-six percent (96%) or higher as required in Contract Section A.12.i.4.</p> <ul style="list-style-type: none"> • Quarterly internal audit performed by the State on a sample of 175 incurred date claims and 175 different paid date claims selected at random and provided by the Contractor. • Measured by dividing the weighted number of claims processed without any type of error by the total number of claims in the population. 	If the Contractor fails to meet the requirement.	\$5,000 per missed requirement.
Financial Accuracy	<p>Financial accuracy shall be ninety-nine percent (99%) or higher as required in Contract Section A.12.i.3.</p> <ul style="list-style-type: none"> • Quarterly internal audit performed by the Contractor on a statistically valid sample. • Calculated by taking the total benefit dollars paid in the population, minus the sum of the weighted absolute value of overpayments and underpayments identified from the sample, divided by the total dollars paid in the population. 	If the Contractor fails to meet the requirement.	\$5,000 per missed requirement.
Claims Data Quality	<p>As assessed by the State's DSS contractor, the Contractor's data submission to the DSS contractor shall meet the following measures as required in Contract Section A.22.l.(3). Measures and Benchmarks:</p> <ul style="list-style-type: none"> • Gender Data missing for \leq (less than or equal to) 3% of claims • Date of birth Data missing for \leq 3% of claims • Outpatient diagnosis coding Data invalid or missing for \leq 5% of outpatient claims • Outpatient provider type missing Data missing for \leq 1.5% of outpatient claims • Provider ID missing Data missing for \leq 1.5% of claims 	If the Contractor fails to meet any requirement.	\$5,000 if any requirement is missed

Member Satisfaction Survey	The level of overall customer satisfaction, as measured annually by the CAHPS Member Satisfaction survey(s) required by Contract Section A.7.n., shall be equal to or greater than eighty-five percent (85%) in the first year of the Contract, and shall be equal to or greater than ninety percent (90%) in all subsequent year(s) within the contract term.	If the Contractor fails to meet the requirement.	\$20,000 for each instance.
Authorization of Member Communications	The Contactor shall not distribute any materials to members prior to receiving the express, written authorization by the State for the use of such materials as required in Contract Section A.13.c and A.13.i..	If the Contractor distributes materials without prior State approval, In Writing.	\$25,000 for each instance.
Timely Notification	The Contractor shall notify the State, within three (3) business days of identification, about any situation that appears to negatively impact the administration or delivery of the program, plan, or benefits including but not limited to file and data sharing between contractors, as required in Contract Section A.4.n.	If the Contractor fails to notify the State within three (3) Business Days	\$10,000 per incident.

6. Contract Attachment B, item #11 is deleted in its entirety and replaced with the following:

11. Efficient Network Provider/Facility Network Accessibility		
Guarantee	As measured by the Geographic Access Provider & Facility Network Accessibility Analysis, the Contractor's efficient provider and facility network shall assure that 95% of all State, Local Education, and Local Government Plan enrolled members residing in Tennessee shall have the Access Standard indicated, as required in Contract Section A.6.c and A.6.d.	
Definition	Provider Group – Urban	Access Standard
	PCPs (Internal Medicine, General or Family Practitioners)	2 physicians within 10 miles
	Obstetricians/Gynecologists	2 physicians within 10 miles
	Pediatricians	2 physicians within 10 miles
	Cardiologists	1 physician within 10 miles
	Endocrinologists	1 physician within 15 miles
	Acute Care Hospitals	1 facility within 15 miles
	Provider Group – Suburban	Access Standard
	PCPs (Internal Medicine, General or Family Practitioners)	2 physicians within 15 miles
	Obstetricians/Gynecologists	2 physicians within 15 miles
	Pediatricians	2 physicians within 15 miles
	Cardiologists	1 physician within 15 miles
	Endocrinologists	1 physician within 20 miles
	Acute Care Hospitals	1 facility within 15 miles
	Provider Group – Rural	Access Standard
	PCPs (Internal Medicine, General or Family Practitioners)	2 physicians within 20 miles
	Obstetricians/Gynecologists	2 physicians within 30 miles
	Pediatricians	2 physicians within 30 miles
	Cardiologists	1 physician within 30 miles
Endocrinologists	1 physician within 50 miles	
Acute Care Hospitals	1 facility within 25 miles	
Assessment	Seventy-five thousand dollars (\$75,000) if any of the above listed standards is not met, either individually or in combination. For purposes of measuring compliance with the access standards delineated in this liquidated damage, the Contractor shall provide the State with a Geographic Access report of provider access for urban, suburban, and rural areas. Unless otherwise directed by the State, the Contractor shall use the default definitions for urban, suburban, and rural areas. Unless otherwise directed by the State, the Contractor shall use the approved data analysis, report format, and Tennessee ZIP code list provided by the State prior to each reporting period.	
Justification	The Contract requires minimum access standards and without those, Members do not have access to providers within the access standards and therefore the potential to go without medical services and increased financial hardship. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.	
Measurement	Compliance report is the quarterly Geographic Access Analysis submitted by the Contractor. Measured, reported, reconciled, and assessed quarterly.	

7. Contract Attachment B, item #12 is deleted in its entirety and replaced with the following:

12. Broad Network Provider/Facility Network Accessibility		
Guarantee	As measured by the Geographic Access Provider & Facility Network Accessibility Analysis, the Contractor's Broad provider and facility network shall assure that 95% of all State, Local Education, and Local Government Plan enrolled members residing in Tennessee shall have the Access Standard indicated, as required in Contract Section A.6.c and A.6.d.	
Definition	Provider Group – Urban	Access Standard
	PCPs (Internal Medicine, General or Family Practitioners)	2 physicians within 5 miles
	Obstetricians/Gynecologists	2 physicians within 5 miles
	Pediatricians	2 physicians within 5 miles
	Cardiologists	1 physician within 5 miles
	Endocrinologists	1 physician within 10 miles
	Acute Care Hospitals	1 facility within 10 miles
	Provider Group – Suburban	Access Standard
	PCPs (Internal Medicine, General or Family Practitioners)	2 physicians within 10 miles
	Obstetricians/Gynecologists	2 physicians within 10 miles
	Pediatricians	2 physicians within 10 miles
	Cardiologists	1 physician within 10 miles
	Endocrinologists	1 physician within 15 miles
	Acute Care Hospitals	1 facility within 10 miles
	Provider Group – Rural	Access Standard
	PCPs (Internal Medicine, General or Family Practitioners)	2 physicians within 15 miles
	Obstetricians/Gynecologists	2 physicians within 25 miles
	Pediatricians	2 physicians within 25 miles
	Cardiologists	1 physician within 20 miles
	Endocrinologists	1 physician within 50 miles
Acute Care Hospitals	1 facility within 20 miles	
Assessment	Seventy-Five thousand dollars (\$75,000) if any of the above listed standards is not met, either individually or in combination. For purposes of measuring compliance with the access standards delineated in this liquidated damage, the Contractor shall provide the State with a Geographic access report of provider access for urban, suburban, and rural areas. Unless otherwise directed by the State, the Contractor shall use the default definitions for urban, suburban, and rural areas. Unless otherwise directed by the State, the Contractor shall use the approved data analysis, report format, and Tennessee zip code list provided by the State prior to each reporting period.	

Justification	The Contract requires minimum access standards and without those, Members do not have access to providers within the access standards and therefore the potential to go without medical services and increased financial hardship. This assessment and amount take into account the State's increased staff time for Member inquiries, resolution of additional Member issues, and increased legislative inquiries.
Measurement	Compliance report is the quarterly Geographic access Analysis submitted by the Contractor. Measured, reported, reconciled and assessed quarterly.

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

Amendment Effective Date. The revisions set forth herein shall be effective December 1, 2022. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,
BLUECROSS BLUESHIELD OF TENNESSEE, INC.:**



10/20/22

SIGNATURE

DATE

Robin Young SVP & CMO

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

James E. Bryson, COMMISSIONER

DATE