



**STATE OF TENNESSEE
FINANCE AND ADMINISTRATION, BENEFITS ADMINISTRATION**

**REQUEST FOR PROPOSALS
FOR
VOLUNTARY, FULLY-INSURED
VISION PLAN**

RFP # 31786-00137

Release #2

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1. INTRODUCTION

The State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and Local Government Insurance Committee, hereinafter referred to as “the State”, has issued this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and, outline the State’s process for evaluating responses and selecting a contractor to provide the needed goods or services.

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

1.1. Statement of Procurement Purpose

The State is issuing this RFP through the Department of Finance and Administration, Division of Benefits Administration with the intent of securing a single contract for a fully-insured, voluntary (employee/retiree pay-all) Tennessee statewide and national Vision Program. Two separate benefit options shall be available for members of the State Group Insurance Program (a.k.a. the Public Sector Plans). The Public Sector Plans consist of three separate plans (State and Higher Education, Local Education, and Local Government) that are financially separate and governed by three separate committees. The daily management of the plans is the responsibility of the Division of Benefits Administration (BA), which resides in the Department of Finance and Administration. The plans combined provide health benefits to approximately 137,000 employees and retirees. Including dependents, the plans cover approximately 276,000 members. RFP Appendix 7.3 contains the Voluntary Vision Insurance Program Membership counts by premium tier and plan group to assist in the preparation of a response to this RFP.

The current vision program vendor was awarded the state’s first vision contract in 2013. The current benefits and premium levels offered to members for plan years 2013-2017 are included as RFP Appendix 7.11; however, the benefits have been updated and the new benefit design for plan years 2018-2022 are included in RFP Pro Forma Contract Attachment D.

Information which may be useful to a respondent in completing a response to this RFP may be found in the following appendices:

- 7.1. Group Master Policy – Fidelity Security Life Insurance Company
- 7.2.a. Certificate of Coverage Basic – Fidelity Security Life Insurance Company
- 7.2.b. Certificate of Coverage Expanded – Fidelity Security Life Insurance Company
- 7.3.a. Enrollment and Premium Experience 2013
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- 7.8. Zip Code Enrollment Counts
- 7.9. Tennessee Edison System File Format
- 7.10. Eligibility Criteria
- 7.11. Current Vision Insurance Program Benefits and Premium Rates
- 7.12. Utilization Experience Reports
- 7.13. Disruption Analysis Instructions and Template

- 1.1.2. The maximum liability will be determined through the cost estimates provided in the Cost Proposal and the enrollment by eligible members. The estimated maximum liability of the resulting contract is projected to be between \$27,000,000 to \$35,000,000.

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

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

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

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

1.3. **Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. **RFP Communications**

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

RFP #31786-00137

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

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

Seannalyn Brandmeir
 Procurement and Contracting Manager
 Tennessee Department of Finance & Administration, Division of Benefits Administration
 312 Rosa L. Parks Avenue, Suite 1900
 Nashville, Tennessee 37243
Seannalyn.Brandmeir@tn.gov
 Telephone: 615.532.4598
 Fax: 615.253.8556

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

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses as well as general, public information relating to this RFP (visit <http://www.tn.gov/generalservices/article/godbe-general-contacts> for contact information); and

- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

David Sledge
 Title VI Coordinator
 Tennessee Department of Finance & Administration
 Office of Human Resources
 312 Rosa L. Parks Avenue, Suite 2100
 Nashville, Tennessee 37243
 Phone: 615.532.4595
 Fax: 615.741.3470
David.Sledge@tn.gov

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

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

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

1.6. Respondent Required Review & Waiver of Objections

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

1.7. Pre-Response Conference

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

The conference will be held at:

William R. Snodgrass Tennessee Tower
3rd Floor – Conference Room G
312 Rosa L. Parks Avenue N
Nashville, TN 37243

Please enter the building on the Seventh Avenue side (adjacent to War Memorial Plaza). Check in at the security desk. Arrive early due to heightened security. You must show a photo ID. Proceed to the Conference Rooms past the security desk on the right hand side of the 3rd floor foyer.

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

1.8. Notice of Intent to Respond

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

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

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

1.9. Response Deadline

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

2. RFP SCHEDULE OF EVENTS

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

EVENT	TIME (central time zone)	DATE
1. RFP Issued		February 24, 2017
2. Disability Accommodation Request Deadline	2:00 p.m.	March 1, 2017
3. Pre-response Conference	1:00 p.m.	March 3, 2017
4. Notice of Intent to Respond Deadline	2:00 p.m.	March 6, 2017
5. Written "Questions & Comments" Deadline	2:00 p.m.	March 13, 2017
6. State Response to Written "Questions & Comments"		March 27, 2017
7. Response Deadline	2:00 p.m.	April 10, 2017
8. State Completion of Technical Response Evaluations		April 24, 2017
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	April 25, 2017
10. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	1 Day after Insurance Committee Award of Contract
11. End of Open File Period		7 CALENDAR DAYS LATER
12. State sends contract to Contractor for signature		1 BUSINESS DAY LATER
13. Contractor Signature Deadline	2:00 p.m.	1 – 5 BUSINESS DAYS LATER

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

3. RESPONSE REQUIREMENTS

3.1. Response Form

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

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

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

- 3.1.1.1. A Respondent must use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.
- 3.1.1.2. A Technical Response should be economically prepared, with emphasis on completeness and clarity, and should **NOT exceed fifty (50) pages** in length (maps, graphs, charts, communications material examples as noted and included as an appendix will not count against this page limit). A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible) and all text must be at least a 12 point font. All response pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Response should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a response to be non-responsive and reject it if:
- a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or
 - b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.
- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

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

- 3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.
- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.
- 3.1.2.3. A Respondent must sign and date the Cost Proposal.
- 3.1.2.4. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*).

3.2. Response Delivery

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

“RFP #31786-00137 TECHNICAL RESPONSE ORIGINAL”

and seven (7) digital copies of the Technical Response each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

“RFP #31786-00137 TECHNICAL RESPONSE COPY”

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

“RFP #31786-00137 COST PROPOSAL ORIGINAL”

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

“RFP #31786-00137 COST PROPOSAL COPY”

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

“DO NOT OPEN... RFP #31786-00137 TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.3.2. The Cost Proposal original document and digital copy must be placed in a separate, sealed package that is clearly labeled:

“DO NOT OPEN... RFP #31786-00137 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

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

“RFP #31786-00137 SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

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

Seannalyn Brandmeir, Procurement and Contracting Manager
Tennessee Department of Finance & Administration
Division of Benefits Administration
312 Rosa L. Parks Avenue, Suite 1900
Nashville, Tennessee 37243
Seannalyn.Brandmeir@tn.gov
Telephone: 615.532.4598
Fax: 615.253.8556

3.3. Response & Respondent Prohibitions

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

- 3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).
- 3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:
- 3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
- 3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
- 3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

3.4. **Response Errors & Revisions**

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

3.5. **Response Withdrawal**

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

3.6. **Additional Services**

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

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

3.7. **Response Preparation Costs**

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

4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

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

4.2. RFP Cancellation

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

4.3. State Right of Rejection

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

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

4.4. Assignment & Subcontracting

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

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.15.).

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

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

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

4.5. Right to Refuse Personnel or Subcontractors

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

4.6. Insurance

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

4.7. Professional Licensure and Department of Revenue Registration

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

4.8. Disclosure of Response Contents

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

4.9. Contract Approval and Contract Payments

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

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

4.10. **Contractor Performance**

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

4.11. **Contract Amendment**

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

4.12. **Severability**

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

4.13. **Next Ranked Respondent**

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

5. EVALUATION & CONTRACT AWARD

5.1. Evaluation Categories & Maximum Points

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

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	10
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	25
Technical Qualifications, Network Analysis (refer to RFP Attachment 6.2., Section D)	25
Cost Proposal (refer to RFP Attachment 6.3.)	40

5.2. Evaluation Process

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

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

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

- 5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP, and will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.
 - 5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.
 - 5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not to meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.
- 5.2.3. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

5.3. Contract Award Process

- 5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. The procuring agency head will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.
- 5.3.3. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

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

- 5.3.4. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.
- 5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response

evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

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

RFP #31786-00137 STATEMENT OF CERTIFICATIONS AND ASSURANCES

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

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

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma Contract* for the total contract period.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma Contract*.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Respondent will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint response each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each Respondent is not on the list created pursuant to §12-12-106." For reference purposes, the list is currently available online at: <http://www.tn.gov/generalservices/article/Public-Information-library>.

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

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

SIGNATURE:

PRINTED NAME & TITLE:

DATE:

**RESPONDENT LEGAL ENTITY
NAME:**

TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

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

		satisfactory credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)	
	A.6.	Submit a written statement indicating that the Proposer has at least three (3) years' experience in providing Vision Insurance plan benefits to at least four (4) employer accounts, one (1) of which serves at least 25,000 members.	
	A.7.	Submit a written statement indicating that the Proposer acknowledges it is required to, and agrees to administer the Vision Plan benefits as contained in Attachment 6.6 - Pro Forma Contract Attachment D.	
	A.8.	Submit a written statement indicating the Proposer will comply with the State's requirement that no minimum membership enrollment levels are contained as a provision of the proposal.	
	A.9	The Respondent must hold a current certificate of authority from the Tennessee Department of Commerce and Insurance which authorizes the Respondent to issue group vision insurance benefits in Tennessee. Submit a copy of your organization's current State of Tennessee Certificate of Authority.	
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>			

RFP ATTACHMENT 6.2. — SECTION B

TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

RFP ATTACHMENT 6.2. — SECTION B (continued)

		NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	B.11.	Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	B.12.	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP.
	B.13.	Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent's requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.
	B.14.	Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent's requirements of any contract awarded pursuant to this RFP, and if so, detail: <ul style="list-style-type: none"> (a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each; (b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u> (c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFP.
	B.15.	Provide documentation of the Respondent's commitment to diversity as represented by the following: <ul style="list-style-type: none"> (a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable. (b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information: <ul style="list-style-type: none"> (i) contract description; (ii) contractor name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled); (iii) contractor contact name and telephone number. (c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information: <ul style="list-style-type: none"> (i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and DO NOT INCLUDE DOLLAR AMOUNTS); (ii) anticipated goods or services contract descriptions; (iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors. <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810 for more information.</p> <ul style="list-style-type: none"> (d) <u>Workforce</u>. Provide the percentage of the Respondent's total current employees by ethnicity

RFP ATTACHMENT 6.2. — SECTION B (continued)

		<p>and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce.</p>
	B.16.	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:</p> <p>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</p> <p>(b) the procuring State agency name;</p> <p>(c) a brief description of the contract's scope of services;</p> <p>(d) the contract period; and</p> <p>(e) the contract number.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points. ▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.
	B.17.	<p>Provide customer references from individuals who are <u>not</u> current or former State employees for projects similar to the goods or services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) accounts Respondent currently services that are similar in size to the State; <u>and</u> ▪ three (3) completed projects. <p>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which <u>must</u> be used and completed, is provided at RFP Attachment 6.4. References that are not completed as required may be deemed non-responsive and may not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining fully completed reference questionnaires and including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires follow the process below.</p> <p>(a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.</p> <p>(b) Send a reference questionnaire and new, standard #10 envelope to each reference.</p> <p>(c) Instruct the reference to:</p> <ol style="list-style-type: none"> (i) complete the reference questionnaire; (ii) sign and date the completed reference questionnaire; (iii) seal the completed, signed, and dated reference questionnaire within the envelope provided; (iv) sign his or her name in ink across the sealed portion of the envelope; and (v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response). <p>(d) <u>Do NOT open the sealed references upon receipt.</u></p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.

RFP ATTACHMENT 6.2. — SECTION B (continued)

		<ul style="list-style-type: none"> ▪ The State is under <u>no</u> obligation to clarify any reference information.
	B.18.	<p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <ul style="list-style-type: none"> (a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency; (b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and (d) has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.
		SCORE (for <u>all</u> Section B—Qualifications & Experience Items above): <i>(maximum possible score = 10)</i>
<i>State Use – Evaluator Identification:</i>		

RFP ATTACHMENT 6.2. — SECTION C

TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

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

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

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C — Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1.	a. Provide a narrative illustrating how the Respondent will manage the project, ensure completion of the scope of services, and accomplish required objectives within the State's project schedule. b. Describe your experience delivering the services required in this contract to large employer groups.		8	
	C.2.	Implementation: a. Describe your experience with large implementation projects including the transition of a large group to a new vendor. b. Provide a project implementation plan describing the major implementation tasks that will ensure the Respondent is prepared to assume all responsibilities as of the go-live date described in the <i>Pro Forma</i> Contract (RFP Attachment 6.6). c. Describe the major implementation tasks you deem to be the most critical and high risk and your ability to successfully manage these tasks. d. Include a roster of the implementation team members who will be assigned to this project detailing each member's primary role and responsibility.		10	
	C.3.	Call Center: a. What is the location of the proposed call center and what are the hours of operation? b. Provide the following statistics for the call center that will be assigned to this contract for calendar year 2016 by quarter: <ul style="list-style-type: none"> • Average seconds to answer • Average Hold in Queue (in minutes) • First call resolution rates 		10	

RFP ATTACHMENT 6.3. (continued)

		<ul style="list-style-type: none"> c. Describe how the quality of member service calls is measured, reported and used to enhance the member experience. d. Provide a summary of customer satisfaction results for the last two years for the call center that will be assigned to this account. 			
	C.4.	<p>Call Center Staff:</p> <ul style="list-style-type: none"> a. What is your staffing ratio of customer service representatives (CSRs) to members? b. What are the qualifications and experience of the CSRs? c. What are the average annual turnover rates for this call center? 		5	
	C.5.	<p>Member Communications:</p> <ul style="list-style-type: none"> a. Describe how you would effectively communicate with and educate plan members regarding the vision benefit during the annual enrollment period and throughout the plan year. b. Describe the various communications methods (written, electronic, in person, etc.) and the schedule of outreach you would utilize to reach members. Provide sample materials you propose to use for this account. c. What communication materials (<i>i.e.</i>, I.D. cards, letters) are provided to the employee/retiree to identify them as a member? Please provide a sample. 		7	
	C.6.	<p>Claims Processing:</p> <ul style="list-style-type: none"> a. Provide a description of the claims accuracy testing processes that occur both during implementation and after implementation. b. Is your claims processing system fully customizable? c. What is your average claims turnaround time? d. How are employees notified of the status of their claims? e. Indicate your 2016 performance standards for claims processing and provider and member payments. f. What percentage of claims is submitted electronically? g. How many vision care claims does your organization process annually? 		10	
	C.7.	<p>Reporting:</p> <ul style="list-style-type: none"> a. Describe your reporting systems and capabilities and how they will support your ability to deliver timely and accurate reports as required in Pro Forma Contract Attachment C. b. What plan performance data will be shared so that we can collaborate on plan strategy? 		5	
	C.8.	<p>Website and Mobile Tools:</p> <ul style="list-style-type: none"> a. Describe the website and mobile tools that the 		8	

RFP ATTACHMENT 6.3. (continued)

		<p>Respondent will make available to members. Include a list of available materials and services.</p> <p>b. Identify which required capabilities are in current operation and any that would be developed to comply with a contract pursuant to this RFP.</p> <p>c. Share links and materials that describe your member tools.</p>			
	C.9.	<p>Materials:</p> <p>a. What percentage of ophthalmologist and optometrist offices in your proposed network maintain the ability to dispense eyewear?</p> <p>b. Describe the coverage/selection for frames which is available through your providers. (Discuss the quality of frames, variety of styles, ability to service all ages, consistency of frames between different provider offices.)</p> <p>c. What is the average size of inventory in your provider locations and what percentage of the inventory is at or below a typical member allowance of \$150?</p> <p>d. Describe the coverage/selection of contact lenses available from your network. Indicate the type and extent of coverage for daily wear soft lenses, hard contacts, extended wear and disposable.</p> <p>e. Describe online services available to members for purchasing frames and lenses and contact lenses.</p> <p>f. Do you in any way limit the materials members may purchase using their benefit allowance (e.g. only allowing members to choose from certain inventory, etc.)?</p>		15	
	C.10.	<p>Benefits:</p> <p>a. Please answer Yes or No to what services are performed in your basic/routine eye exam:</p> <ul style="list-style-type: none"> • Vision history • Visual acuity • General eye health • Glaucoma testing • Assess eye muscles • Refraction • Patient education <p>Describe any other standard services provided not listed above.</p> <p>b. Describe any wellness or disease management programs included as a part of your standard offerings (not a buy-up) and describe any experience you have coordinating with other vendors on such programs.</p> <p>c. What are the plan benefit limitations or exclusions?</p> <p>d. Describe discounts offered beyond the funded benefit.</p>		8	
	C.11.	<p>Member Complaints and Grievances:</p> <p>a. How are member inquiries or complaints tracked, reported and resolved?</p> <p>b. Describe the levels and timeframes available for</p>		4	

RFP ATTACHMENT 6.3. (continued)

		<p>grievance resolution.</p> <p>c. Are inquiries or complaints matched to the treating provider?</p> <p>d. How will the status of grievances be reported back to the State of Tennessee?</p>			
	C12.	<p>Data Integration and Technical Requirements:</p> <p>a. Describe your experience processing a full standard 834 eligibility file</p> <p>b. Describe the quality control processes you use to ensure the accurate and complete update of enrollment files as well as how enrollment errors will be communicated to the State</p> <p>c. Describe how the Respondent will ensure a continuous 95% enrollment match between the State's system (Edison) and the Proposer's system.</p>		10	
		<p><i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i></p>			<p>Total Raw Weighted Score: <i>(sum of Raw Weighted Scores above)</i></p>
		<p>Total Raw Weighted Score</p> <hr/> <p>Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i></p>			<p>then multiply by 25 <i>(maximum possible score)</i></p> <p>= SCORE:</p>
<p><i>State Use – Evaluator Identification:</i></p>					
<p><i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i></p>					

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C.1: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH: NETWORK ANALYSIS. The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

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

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

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

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section D — Technical Qualifications, Network Analysis	Item Score	Evaluation Factor	Raw Weighted Score
	D.1.	<p>Networks:</p> <ul style="list-style-type: none"> a. Identify the Tennessee statewide and national networks you are proposing for this contract. b. Provide the total number of contracted individual providers (not locations) in your proposed statewide network and in your proposed national network that will be part of the State of Tennessee plan. c. How many members are served by each of these networks? d. Is your statewide network open to new providers? e. Are there any proposed provider recruitment efforts or areas in Tennessee that you would target for network expansion if awarded this contract? f. Provide the total number of contracted facilities (optical store chains, etc.) in your proposed statewide and national networks that will be part of the State of Tennessee plan. g. Do your proposed networks include discount buyers/retailers (Costco, Sam's, etc.)? List those participating buyers/retailers. 		25	
	D.2.	Detail the voluntary and involuntary Tennessee statewide and national network provider turnover rates (calculated as the number of provider agreements terminated divided by the total number of provider agreements) for CY 2016 for (a) Ophthalmologists and (b) Optometrists. Report the voluntary and involuntary turnover rates separately.		15	
	D.3.	Describe how members will be able to access service when residing or traveling outside of Tennessee. Specify the extent to which members will receive benefits, including provider discount pricing		10	

RFP ATTACHMENT 6.3. (continued)

		arrangements, from your national and regional network(s). NOTE: Tennessee has a small number of members who reside out of state (e.g., retirees, dependents who are students and employees living in other states).			
	D.4.	Provider Quality: a. Describe your provider and facility credentialing standards. b. Explain any review processes you have for monitoring the care provided by network providers.		10	
	D.5.	Provider Communication: a. What is the timing and content of your standard communication process with network providers for introduction of a new client? b. How do providers access eligibility information?		10	
	D.6.	Ophthalmologist & Optometrist Disruption Analysis: Using the provider listing in Appendix 7.13 , and following the instructions within said appendix, indicate which Ophthalmologists & Optometrists are in the proposed network as of the proposal date.		15	
	D.7.	Statewide Provider Network Accessibility Analysis: For the proposed statewide network, conduct and submit the GeoAccess© GeoNetworks© Provider Accessibility Analysis for your participating Ophthalmologists and Optometrists IN TENNESSEE ONLY , as required in Appendix 7.5 and using the State's total eligibility population data for TENNESSEE ONLY provided in Appendix 7.7.a., TN Zip Code Counts.		15	
<p><i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i></p>					<p>Total Raw Weighted Score: <i>(sum of Raw Weighted Scores above)</i></p>
<p>Total Raw Weighted Score</p>					
<p>Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i></p>					<p>then multiply by 25 <i>(maximum possible score)</i> = SCORE:</p>
<p><i>State Use – Evaluator Identification:</i></p>					
<p><i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i></p>					

RFP ATTACHMENT 6.3.

COST PROPOSAL & SCORING GUIDE

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

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

Any blank cells will be calculated as a zero (0).

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

Notwithstanding the cost items herein, pursuant to the second paragraph of the *Pro Forma* Contract, Section C.1. (refer to RFP Attachment 6.6.), "The State is under no obligation to request any goods or services from the Contractor in any specific dollar amounts or to request any goods or services at all from the Contractor during any period of this Contract."

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

RESPONDENT SIGNATURE:	
PRINTED NAME & TITLE:	
DATE:	
RESPONDENT LEGAL ENTITY NAME:	

RFP ATTACHMENT 6.3. (continued)

Table A								
BASIC PLAN Guaranteed Monthly Premium Rates	Proposed Cost					State Use ONLY		
	January 1, 2018 – December 31, 2018	January 1, 2019 – December 31, 2019	January 1, 2020 – December 31, 2020	January 1, 2021 – December 31, 2021	January 1, 2022 – December 31, 2022	Sum	Evaluatio n Factor	Evaluatio n Cost (sum x factor)
Employee/Retiree	\$ n.nn /Subscriber		7,000					
Employee/Retiree + Spouse	\$ n.nn /Subscriber		2,000					
Employee/Retiree + Child(ren)	\$ n.nn /Subscriber		1,800					
Employee/Retiree + Spouse + Child(ren)	\$ n.nn /Subscriber		2,500					
TOTAL EVALUATION COST AMOUNT (sum of evaluation costs above):								
The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.								
<u>lowest evaluation cost amount from all proposals</u> evaluation cost amount being evaluated					then multiply by 10 (maximum possible score)	=SCORE:		
State Use – Solicitation Coordinator Signature, Printed Name & Date:								

RFP ATTACHMENT 6.3. (continued)

Table B								
EXPANDED PLAN Guaranteed Monthly Premium Rates	Proposed Cost					State Use ONLY		
	January 1, 2018 – December 31, 2018	January 1, 2019 – December 31, 2019	January 1, 2020 – December 31, 2020	January 1, 2021 – December 31, 2021	January 1, 2022 – December 31, 2022	Sum	Evaluation Factor	Evaluation Cost (sum x factor)
Employee/Retiree	\$ n.nn / Subscriber		18,500					
Employee/Retiree + Spouse	\$ n.nn / Subscriber		8,500					
Employee/Retiree + Child(ren)	\$ n.nn / Subscriber		4,500					
Employee/Retiree + Spouse + Child(ren)	\$ n.nn / Subscriber		8,500					
TOTAL EVALUATION COST AMOUNT (sum of evaluation costs above):								
The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.								
<u>lowest evaluation cost amount from all proposals</u> evaluation cost amount being evaluated					Then multiply by 22 (maximum possible score)			=SCORE:
State Use – Solicitation Coordinator Signature, Printed Name & Date:								

RFP ATTACHMENT 6.3. (continued)

Instructions: Based on your network configuration and the contractual reimbursement for services, supplies and materials, provide a **weighted** annual aggregate average in-network member out-of-pocket guarantee for both the Basic and Expanded plans for plan years 2018-2022. Use basic plan enrollment of 27,913 & expanded plan enrollment of 88,961 as your enrollment totals when calculating average costs. Current member utilization and out-of-pocket costs are located in RFP Appendix 7.12.

Table C								
	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	SUM	Evaluation Factor	Evaluation Cost (sum x factor)
Basic Plan Member Out-of-Pocket Guarantee								
Weighted aggregate average in-network member out-of-pocket costs for the following items: <ul style="list-style-type: none"> • Contact lenses • Frames • Single vision lenses • Premium Progressive Lens 	\$	\$	\$	\$	\$		6,220	
Expanded Plan Member Out-of-Pocket Guarantee								
Weighted aggregate average in-network member out-of-pocket costs for the following items: <ul style="list-style-type: none"> • Contact lenses • Frames • Single vision lenses 	\$	\$	\$	\$	\$		32,982	
TOTAL EVALUATION COST AMOUNT (sum of evaluation costs above):								
The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.								
$\frac{\text{lowest evaluation cost amount from all proposals}}{\text{evaluation cost amount being evaluated}} \times 4 \text{ (maximum possible score)} = \text{SCORE}$								
State Use – Solicitation Coordinator Signature, Printed Name & Date:								

RFP ATTACHMENT 6.3. (continued)

Enter the Respondent’s proposed benefit for the following premium tier materials purchased by a Member during an allowed benefit period. The Respondent’s proposed benefit will be the Member benefit for at least the first Plan year unless the awarded contractor receives approval from the State to enhance the benefit. The benefit level, otherwise, may be modified after the first Plan year upon approval by the State.

Table D				
Expanded Plan – Premium Tiers and Retinal Imaging Member Copay	Proposed Cost		State Use ONLY	
	In-network	Sum	Evaluation Factor	Evaluation Cost (sum x factor)
Progressive Lens Tier 1	\$Copay		883	
Progressive Lens Tier 2	\$Copay		1,654	
Progressive Lens Tier 3	\$Copay		1,997	
Progressive Lens Tier 4	\$Copay		1,282	
Anti-reflective Coating Tier 1	\$Copay		961	
Anti-reflective Coating Tier 2	\$Copay		3,571	
Anti-reflective Coating Tier 3	\$Copay		1,817	
Retinal Imaging	\$Copay		300	
TOTAL EVALUATION COST AMOUNT (sum of evaluation costs above):				
The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.				
<u>lowest evaluation cost amount from all proposals</u> evaluation cost amount being evaluated			then multiply by 4 (maximum possible score)	=SCORE:
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>				

State Use Only Cost Proposal Total Score		
Table A Score		
Table B Score		
Table C Score		
Table D Score		
TOTAL SCORE:		
<p>The Solicitation Coordinator will add the scores from Table A, Table B, Table C, and Table D to determine the total Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.</p>		= SCORE:
<p><i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i></p>		

REFERENCE QUESTIONNAIRE

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

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

RFP #31786-00137 REFERENCE QUESTIONNAIRE

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

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

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

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

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

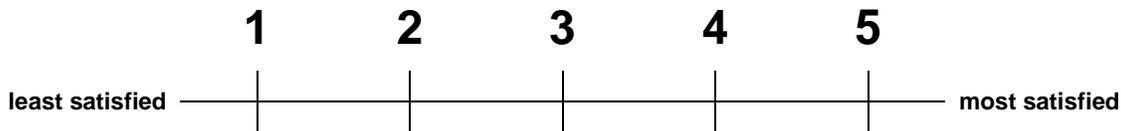
(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

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

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

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

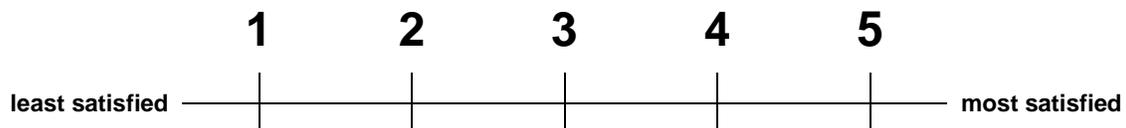


RFP #31786-00137 REFERENCE QUESTIONNAIRE — PAGE 2

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

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

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

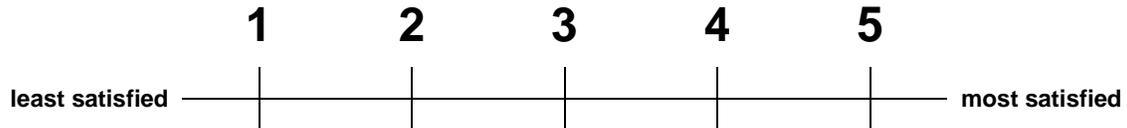


What, if any, comments do you have regarding the score selected above?

RFP #31786-00137 REFERENCE QUESTIONNAIRE — PAGE 3

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

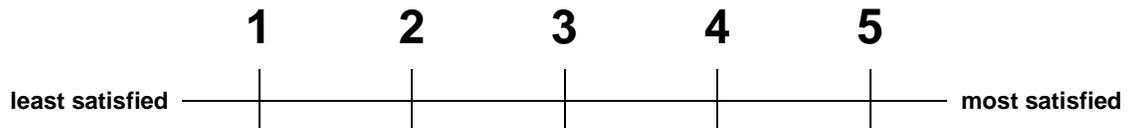
Please respond by circling the appropriate number on the scale below.



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

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

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



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

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

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

DATE:

SCORE SUMMARY MATRIX

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: 10)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: 25)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, NETWORK ANALYSIS (maximum: 25)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum: 40)	SCORE:		SCORE:		SCORE:	
TOTAL RESPONSE EVALUATION SCORE: (maximum: 100)						

Solicitation Coordinator Signature, Printed Name & Date:

RFP ATTACHMENT 6.6.

RFP # 31786-00137 *PRO FORMA* CONTRACT

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

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
INSURANCE COMMITTEES,
AND
CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Insurance Committees (State, Local Education, and Local Government), hereinafter referred to as the "State", and **Contractor Legal Entity Name** ("Contractor"), is for the provision of a voluntary vision insurance program, 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/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

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

Contractor Edison Registration ID # **Number**

A. SCOPE:

- 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. The Contractor agrees to provide a fully insured vision program (Program) option to eligible employees of State agencies, as well as Local Education and Local Government agencies electing to participate in the vision program, and eligible retirees; plus eligible dependents of employees and retirees. (Eligibility criteria shall be as defined in RFP # **31786-00137** and subsequently the Contractor's Certificate of Coverage.) The Contractor agrees there shall be no minimum participation requirements in this contract. The insurance benefit coverage period for the Program shall be from January 1, 2018 through December 31, 2022.
 - b. The Contractor shall confirm eligibility of each Member as claims are submitted, on the basis of enrollment information provided by the State that applies to the period during which the charges were incurred. The Contractor shall receive claims either filed by the Members or the providers, and shall process said claims in a timely and accurate manner (see Contract Attachment B.14.,15.,16.). It shall be the responsibility of the Contractor to adjudicate all claims incurred on or before the end of this Contract. No compensation, beyond that specified in this Contract, shall be paid for completion of this task as it is recognized to be part of the Contractor's responsibilities.
 - c. Member participation in said Program shall be effective for the entire Plan Year unless the Member's coverage is terminated due to a qualifying event or non-payment of the required premium due.
 - d. The Contractor shall allow for COBRA continuation coverage for eligible individuals.
 - e. The Contractor shall provide benefits and process all claims under the Vision Program in accordance with Contract Attachment D – *Vision Program Benefits* and the *Vision Insurance Certificate of Coverage*, incorporated hereto by reference. The Contractor shall not limit the purchase of frames by Members to a select brand, category, or other limiting criteria.
 - f. The Contractor shall furnish written information (Explanation of Benefits) to each claimant regarding the payment or rejection of claims. Upon the State's approval, the Explanation of Benefits may be provided electronically if desired by the Member.
 - g. The Contractor shall provide customary corporate office services and functions including but not limited to call center, claims adjudication, administration, and accounting.

- h. The Contractor shall accept all current Members' coverage transferred from the prior contract, without any break or lapse in coverage. Benefit frequencies and other limitations under this contract shall not incorporate Members' experience under the prior contract.
- i. The Contractor shall guarantee that the **weighted** aggregate average in-network member out-of-pocket costs for the following items will not exceed the maximum shown below.
- (1) BASIC PLAN
 Contact lenses, frames, single vision lenses, and premium progressive lens
 2018 \$XXX.XX (as per RFP 31786-00137, Cost Proposal, Table C)
 2019 \$XXX.XX
 2020 \$XXX.XX
 2021 \$XXX.XX
 2022 \$XXX.XX
- (2) EXPANDED PLAN
 Contact lenses, frames, and single vision lenses
 2018 \$XXX.XX
 2019 \$XXX.XX
 2020 \$XXX.XX
 2021 \$XXX.XX
 2022 \$XXX.XX

A.2. Provider Network

- a. The Contractor shall establish and administer a Tennessee statewide and national network of vision providers for Members participating in the Vision Program. The Contractor shall secure under contract, participation by vision providers as needed and necessary to continuously provide high quality, cost effective services and materials, adequate distribution, and reasonable access from a geographic and service standpoint during the term of this contract.
- b. The Contractor's provider network shall meet, at a minimum, the geographic access standards specified in Contract Attachment B, Liquidated Damages, item # 1 Provider Network Accessibility. The minimum standards are ninety-five percent (95%) of the members will have access to two (2) providers within ten (10) miles for urban geographic areas, two (2) providers within 15 miles for suburban geographic areas, and one (1) provider within twenty (20) miles for rural geographic areas. (Classification of geographic areas shall be as defined by the GeoNetworks[®] Provider & Facility Network Accessibility Analysis system.) The State shall review network accessibility and shall inform the Contractor, in writing, of any deficiencies it identifies which deny reasonable access to vision care. The Contractor shall respond to the State, in writing, as to the action it intends to take to correct said deficiencies.
- c. The Contractor shall maintain the capability to respond to inquiries from employees, retirees, dependents, and Members concerning participation by providers in the network via a Member toll-free call center, detailed in Section A.4., and via network vision provider search capability on the Contractor's website for this Program, detailed in Section A.8.
- d. The Contractor shall contract only with vision providers who are duly licensed by the state in which they are providing vision services and/or materials. In addition, the Contractor shall require that all providers maintain all licenses and accreditations in existence at the time of selection as a network provider in order to continue their status as a network provider, with the exception of any requirements which are no longer required by the Contractor for new network providers. Re-credentialing of network providers must be performed at least every three (3) years in order to assure the quality of network providers.
- e. The Contractor shall maintain communication with providers to ensure a high degree of continuity in the provider base and ensure that the providers are familiar with the Vision Program benefits and procedural requirements, (See Section A.15.e.7.). There shall be provisions to allow for on-site visits to the provider's office by the Contractor's staff, in

addition to telephone and written contact for the purpose of monitoring provider conformance with Program standards and quality requirements.

- f. The Contractor shall notify all network providers of and enforce, through the Contractor's provider contract, compliance with all provisions of the Vision Program.
- g. The Contractor shall require all network providers to file claims, associated with their services, directly with the Contractor on behalf of Members.

A.3. Staffing

- a. The Contractor shall provide and maintain qualified personnel and staffing to provide the deliverables and services in accordance with this Contract.
- b. The Contractor shall ensure that all staff, including the Contractor's employees, independent contractors, consultants, and subcontractors, performing services under this contract, has the experience and qualifications to perform the applicable services. The State may also direct the Contractor to replace staff members providing core services and/or interacting regularly with the State as it deems necessary and appropriate. The decision of the State on these matters shall not be subject to appeal.
- c. The Contractor shall designate an Account Manager and a back-up with overall responsibility for the State Program for the duration of the Contract. The Account Manager shall serve as the single point of contact for the State and have overall responsibility for the Contractor's functions under the Contract. The Account Manager shall have the authority to make decisions and resolve problems on behalf of the Contractor with the State.
- d. In addition to the Account Manager, the Contractor shall designate a Customer Service Manager, who shall manage the Call Center operations and staff for the duration of the Contract.
- e. The Contractor shall also designate an Information Systems Project Coordinator who shall be responsible for implementation of the systems requirements necessary to administer the Program and interface with the State.
- f. All key Contractor project staff shall attend a project kick-off meeting at the State of Tennessee offices in Nashville, TN within the first thirty (30) days after the Contract Award Date or on a date established by the State.
- g. The Contractor shall train its representatives/operators and other staff regarding the provisions of the State's Program. The Contractor's staff shall successfully complete the training program prior to assuming their duties. The Contractor shall conduct regular staff refresher training to address current Program benefits, process, and policy.
- h. For work under this Contract, the Contractor shall employ no employees or contract with subcontractors that are on the U.S. Department of Health and Human Services' Office of Inspector General (OIG) exclusions list unless the Contractor receives prior, written approval from the State.
- i. The Contractor agrees that, prior to the execution of the Contract, it will provide the State with a list of the subcontractors that will be utilized in connection with this Contract and will provide reasonable advance notice of any additional subcontractors that may be used. The State may approve or disapprove the Contractor's Subcontractors or its staff assigned to this Contract if the State is not satisfied with the service delivered by the subcontractor or its staff. Should the State disapprove of any particular subcontractor, the Contractor will work with the State in good faith to procure a reasonable alternative subcontractor.

- j. Key personnel commitments made by the Contractor shall not be changed unless prior approval is received from the State. For these purposes, such commitments shall include any named individuals in the proposal and the levels of effort proposed. The Contractor shall notify the State at least fifteen (15) days in advance of proposed changes and shall submit justification (including proposed substitutions) in sufficient detail to the State to evaluate the impact upon the Contract.
- k. The Contractor shall survey State staff named by the State annually to determine the State's satisfaction with the Account Team and report the results of the survey to the State (see Contract Attachment C – Reporting Requirements # 9).

A.4. Call Center

- a. The Contractor shall maintain a Call Center and provide a dedicated toll-free line, by the date specified in A.15.e.10. for the exclusive purpose of responding to Member inquiries. The Contractor shall provide advice and assistance to Members regarding issues such as, but not limited to, Program benefits, frequency limitations met, and claims status.
- b. Call Center Requirements
 - (1) The Contractor shall operate a Call Center that uses a designated toll-free number as the “front-end” entry point for callers. The Contractor’s Call Center shall have designated representatives/operators to respond to inquiries from Members.
 - (2) The Contractor’s call center and staff shall be located in the continental United States.
 - (3) The Contractor’s Call Center shall accept calls, at a minimum, from 7:00 a.m. to 4:30 p.m. Central Time (CT), Monday through Friday.
- c. Call Center Processes
 - (1) The Contractor’s call center shall maintain a monthly average rate of thirty (30) seconds or less for the Average Speed of Answer (ASA)
 - (2) The Contractor’s call center shall maintain a monthly average rate of ninety percent (90%) for First Call Resolution.
- d. The Contractor shall provide statistics related to the call center performance standards above to the State on a weekly basis during the period from the date the call center begins accepting calls for this Program as identified in Contract Section A.15.e.10. through sixty (60) days after the go-live date. After sixty (60) days from the go-live date, the call center statistics report shall be submitted to the State only on a monthly basis. (See Contract Attachment C – Reporting Requirements # 7.)
- e. The Contractor’s call center shall have call management systems and communications infrastructure that can manage the potential call volume and achieve the performance standards described in this Contract.
- f. The Contractor’s call management systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes where applicable, in response to Program, benefit, or enrollment changes.
- g. The Contractor’s call management systems shall be equipped with caller identification. In addition, the Contractor’s call center shall adopt caller identification for itself.
- h. The Contractor’s call management system shall record and index all calls such that the Contractor can easily retrieve recordings of individual calls based on the phone number of the caller, the caller’s name, the date/time of the call and the staff member who handled the call.

The Contractor shall be able to provide a full recording of each call upon the State's request. The Contractor shall archive the recordings for one year from the date of each call.

- i. The Contractor may use an automated interactive voice response (IVR) system for managing inbound calls, provided that the caller always has the ability to leave the IVR system and wait in the queue in order to speak directly with a live-voice call center staff member rather than continuing through additional prompts.
- j. The Contractor shall have the ability to make outbound calls without interrupting the ability of callers to continue to access the call center.
- k. The call management system shall enable the logging of all calls, including:
 - (1) The caller's identifying information (e.g., Edison employee ID);
 - (2) The call date and time;
 - (3) The reason for the call;
 - (4) The member services representative that handled the call;
 - (5) The length of call; and
 - (6) The resolution of the call and if unresolved, the action taken and follow up steps required.
- l. The call management system shall maintain a history of correspondence and call transactions for performance management, quality management and audit purposes. This history shall contain the actual information, a date/time stamp that corresponds to when the transaction took place, the origin of the transaction (e.g., the State and /or one of its authorized representatives or the Member), and the member services representative that processed the transaction. Related correspondence and calls shall be indexed and properly recorded such that they can be treated in reporting and analysis as part of a distinct transaction.
- m. Call Center Systems Access: The Contractor's call center staff shall have access to claims management and other systems as necessary to respond to inquiries from Members.

A.5. Member Communications/Materials

- a. The Contractor shall, in consultation with and following written approval by the State, develop and disseminate Member information and communication materials (hereinafter referred to as Member materials). Contractor shall ensure that Member material meets any regulatory compliance, if applicable. Member materials shall include, but are not limited to, Member identification cards, Member handbooks, administrative forms, letters, manuals, brochures, fliers, webinars and online videos. This provision excludes enrollment forms, which are the State's responsibility.
- b. Member materials shall be finalized (including State review and sign-off) and ready for distribution by the date specified in contract section A.15.e.13.
- c. In addition to the Member materials referenced above, the Contractor provide and disseminate, if requested by the State, general information regarding the Program. This assistance may include but not be limited to:
 - (1) Written information;
 - (2) Audio/video presentations;

- (3) Attendance at meetings, workshops, and conferences;
 - (4) Preparing materials and participating in educational training for human resources professionals and members; and
 - (5) Educating State staff and other persons on Contractor's administrative and benefits procedures.
- d. Unless otherwise specified in this Contract, the Contractor shall be responsible for all costs related to the design, development, printing, distribution, mailing (if applicable), and revision of all Member materials that are required to be produced under the terms of this Contract.
 - e. If the State requires mailings above those identified in the contract, the State shall pay the postage, printing and production costs of such mailings pursuant to Contract Sections C.3.c. and C.3.d.
 - f. Unless otherwise directed by the State, the Contractor shall obtain approval in writing from the State prior to using or distributing any Member materials under this contract.
 - g. The Contractor shall work in conjunction with the State's staff to ensure continuity of branding across all Program and Member materials, mailings, website, and any other communications information. This branding shall include, but is not limited to, use of the ParTNers for Health logo, color scheme and applicable taglines. All uses of these branding elements shall be subject to prior written approval by the State.
 - h. The Contractor shall have the exclusive responsibility to write, edit, and arrange for clearance of materials (such as securing full time use of a stock photograph for perpetuity) for any and all member materials in time for the materials to be approved by the State and printed.
 - i. The Contractor shall ensure that its member materials are culturally sensitive and professional in content, appearance, and design.
 - j. The Contractor shall prominently display the Contractor's call center telephone number and website address in large, bolded typeface on all Member materials, unless otherwise approved by the State.
 - k. The Contractor shall, to the extent practicable, use relatively large and legible fonts in its Member materials. Additionally, the Contractor shall make maximum use of graphics to communicate key messages to populations with limited literacy, limited insurance plan literacy or limited English proficiency.
 - l. Unless otherwise prior approved in writing by the State, the Contractor shall design all member materials at the sixth (6.0) grade level or lower using the Flesch-Kincaid Index or other suitable metric that the State prior approves in writing. The Contractor shall evaluate materials using the entire text of the materials (except return addresses). When submitting draft materials to the State for approval, the Contractor shall provide a reading level analysis and certification of the reading level of each piece of material.
 - m. The Contractor covenants that all materials distributed to Members and prepared or produced by the Contractor shall be accurate in all material respects.
 - n. The Contractor shall ensure that up-to-date versions of all printed Member materials can be downloaded from its website/portal and/or splash page.
 - o. The number of Member handbooks and other relevant information to be printed shall be in sufficient quantities for distribution by the Contractor to the State's Subscribers, plus a

quantity of handbooks and brochures as requested by the State for distribution to potential new Members.

- p. At the State's request, the Contractor shall attend meetings, workshops, and conferences to discuss and market the Program. Any on-site visits to agencies covered under this Program shall require prior approval by the State.
- q. Prohibition on Promotional Materials: Unless approved in advance and in writing by the State, the Contractor shall not distribute any promotional materials or gifts to employees or Program Members, even if such gifts are of a de minimus value (e.g., magnets, pens, etc.).
- r. The Contractor shall not publish or distribute terms and conditions binding on plan members using Contractor's services under this Contract unless these terms and conditions are approved by the State in writing. This includes terms and conditions on a website that plan members must click on to accept as a condition of using the Contractor's website for services or information relating to this Contract.

A.6. Member Identification Cards

- a. Unless otherwise approved by the State, the Contractor shall provide Members with identification (I.D.) cards following initial enrollment and thereafter only when a change is necessary. The cost of this item shall be borne by the Contractor. The State reserves the authority to review I.D. cards prior to issuance for use. The Contractor shall mail initial identification cards to Members no later than the date specified in Contract section A.15.e.13. During the benefit year the Contractor shall, unless otherwise approved by the State, mail I.D. cards to new members no later than ten (10) days from receipt of new enrollment and I.D. cards to existing members upon change in enrollment, as indicated in the enrollment information from the State and no later than ten (10) days from receipt of a Member's request for a replacement or duplicate card (at no charge to the Member).
- b. The Contractor shall have the capability on its website (see Contract Section A.8) to allow Members to print identification cards.
- c. The Contractor shall use the State's Edison person identification number (not Social Security Number) as the primary unique identifier for Members and shall include this number as the Member's identification number on the identification card.
- d. The Contractor shall allow each member to have duplicate cards upon the Member's request.

A.7. Member Handbook

- a. The Contractor, following review and approval by the State, shall write, update, print and distribute, upon the State's request, Member handbooks and shall maintain on the State's splash page (Contract Section A.8.) an up-to-date version of the Member handbook.
- b. The Member handbook shall be specific to the Program and shall detail benefits and provide other information helpful to Members.
- c. The Contractor shall distribute the Member handbook with a cover letter, if requested by the State, to every Subscriber no later than the date specified in Contract section A.15.e.13. and thereafter if requested by the State.
- d. During the benefit year, the Contractor shall mail handbooks to new Subscribers, if requested by the State, no later than ten (10) days from receipt of new enrollment and State's delivery of the new Subscriber's address or email to Contractor. With the State's approval, electronic means may be utilized to provide the Member handbook.

- e. Upon the State's request, the Contractor shall provide Member handbooks to specified parties, e.g., Agency Benefits Coordinators, within fifteen (15) days of the State's request to provide copies.
- f. The Contractor shall provide an electronic copy of the Member handbook to the State for posting on the State's website.

A.8. Website

- a. The Contractor shall maintain a "splash" page (defined A.17.kk.) dedicated to and customized for this Contract containing general Program information, specific to the State program membership, which does not require a Member to login. The design of the splash page; inclusive of the site map, page layout, color/font scheme and branding, static content and any documents which can be accessed via, or downloaded from the splash page; must be prior approved in writing by the State. Additionally, the Contractor shall obtain prior written approval from the State for any links from the site to an external website/portal or webpage.
- b. The Contractor shall link to Benefits Administration's websites, other State contracted vendor websites, microsites, content or other web or mobile device enabled video/multimedia tools or apps as determined by the State that are useful or applicable for members (State-approved tools from other approved vendors).
- c. Contractor's own website shall have a member log-in portal so members can view member-specific documents including but not limited to claims information, plan documents and other material pertaining to benefits.
- d. The splash page shall be fully operational on or before the date specified in Contract Section A.15.e.14.
- e. Unless otherwise approved by the State, the Contractor shall update content and/or documents posted to the splash page within five (5) business days of the State's approval of changes to said content and/or documents.
- f. The Contractor shall provide all information pertinent to each new Plan year on the splash page by the date specified by the State.
- g. The Contractor shall grant the State access to the customized development splash page for review and approval no later than the date specified in Contract Section A.15.e.15.
- h. The Contractor shall host the splash page on a non-governmental server, which shall be located within the United States.
- i. The Contractor shall ensure that the splash page meets all of the capacity, availability, performance and security requirements outlined in Contract Sections A.10. and A.11.
- j. To ensure accessibility among persons with a disability, the Contractor's splash page shall substantially comply with Section 508 of the Rehabilitation Act of 1973 (29 USC Section 794d) and implementing regulations at 36 CFR 1194 Parts A-D.
- k. At a minimum the splash page shall contain a home page with general information and links to additional information including, but not limited to, benefits, frequently asked questions (FAQs), the Member handbook, forms, and other information as requested by the State.

A.9. Administrative Services

- a. The Contractor, upon request by the State, shall review and comment on benefits provisions in the Program. When so requested, the Contractor shall comment in regard to:

- (1) industry practices; and/or
 - (2) the general financial impact to premium rates and claims expense if future changes were made to the benefits of the Program.
- b. The Contractor shall provide assistance and information to the State regarding applicable existing and proposed Federal and State laws, court holdings and regulations affecting the Program, and other Program related matters as needed.
 - c. The Contractor shall provide assistance with questions raised by the State, individual employees/retirees, former Members and others identified by the State.
 - d. The Contractor shall refer calls regarding eligibility and premium payment issues to the State.
 - e. The Contractor shall respond to all inquiries in writing from the State within three (3) business days after receipt of said inquiry. In cases where additional information to answer the State's inquiry is required, the Contractor shall notify the State within two (2) business days as to when the response can be furnished to the State. For matters designated as urgent by the State, the Contractor shall provide a response to the State within four (4) hours during normal business hours. During non-business hours, the Contractor shall provide a response to urgent matters to the State within twenty-four (24) hours. Staff members, from the applicable business unit, with final decision making authority shall provide responses. Said responses may be communicated through the Account Manager.
 - f. The Contractor shall answer, in writing, within five (5) business days, all written inquiries from Members concerning the status of claims submitted, all benefits available through the benefit option, its clarifications and revisions, and other relevant information.
 - g. The Contractor shall establish a formal grievance procedure for Members and providers to appeal decisions in regard to administration of the Program and to resolve disputes that may arise in the administration of the Program. The Contractor shall provide the State with a written copy of this grievance procedure by the date specified on contract section A.15.e.16., and the State reserves the right to require changes in the procedures when appropriate.
 - h. To maintain the privacy of personal information, the Contractor shall enable Transport Layer Security (TLS), or other encryption software as directed by the State, on the mail server used for daily communications between the State and the Contractor. TLS, or other protocols that provide data encryption, shall be enabled no later than the go-live date as listed in contract section A.15.e.17. and shall remain in effect throughout the term of the contract unless otherwise directed by the State.
 - i. The Contractor shall meet with representatives of the State periodically, but no less than annually, to discuss programmatic, operational and contractual issues related to the Program. The Contractor shall have in attendance the staff requested by the State, which shall include the Account Manager and representatives from the Contractor's organizational units required to respond to topics indicated by the agenda. These meetings will take place at the State of Tennessee offices in Nashville, TN. Quarterly meetings between the Contractor and the State may also be held upon request by either the Contractor or the State. However, at its discretion, the State may allow the Contractor to participate in quarterly meetings by teleconference.
 - j. The Contractor shall perform, following review and approval by the State, annual customer satisfaction surveys. The survey instrument shall be developed and approved by the State by the date specified in Contract Section A.15.e.19. and annually thereafter. The survey shall be conducted at a time mutually agreed upon by the State and the Contractor and shall involve a statistically valid random sample of State members. The Contractor shall guarantee a statistically valid response rate consistent with the sample size. Based upon the results of

the survey, the Contractor and the State shall jointly develop an action plan to correct problems or deficiencies identified through this activity.

- k. The Contractor shall not modify the services or benefits provided to Members during the term of this Contract without the prior written consent of the State.
- l. The Contractor shall refer all media and legislative inquiries concerning the Program to the State's Division of Benefits Administration, which will have the sole and exclusive responsibility to respond to all such inquiries. However, the Contractor shall respond directly to audit requests from the Comptroller, to audit requests from divisions within the Department of Finance & Administration, and to subpoenas; in all such instances, the Contractor shall copy the State's Division of Benefits Administration on all correspondence.
- m. 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.
- n. The Contractor shall ensure that the U. S. Postal Service or other mailing service does not return any undeliverable mail to the State.

A.10. Information Systems

- a. The Contractor shall save in its computer system the State's Edison employee identification number for Members and shall include the Edison identification number when communicating with the State about a particular Member.
- b. The Contractor shall for reporting purposes capture in its system the Member's agency of employment as identified in the State's Edison 834 enrollment record.
- c. All Contractor systems shall maintain linkages between initial and related subsequent interactions/transactions/events/activities. Additionally, when the Contractor houses indexed images of documents used by Members and subcontractors to transact with the Contractor, the Contractor shall ensure that these documents maintain logical relationships to certain key data such as Member identification and subcontractor identification numbers. The Contractor shall also ensure that records associated with a common event, transaction or customer service issue have a common index that facilitates search, retrieval and analysis of related activities, e.g., interactions with a particular Member about the same matter/problem/issue.
- d. Upon the State's request, the Contractor shall be able to generate a listing of all Members (including each Member's Edison identification number) that were sent a particular document, the date and time that the document was generated, and the date and time that it was sent to particular Members or groups thereof. The Contractor shall also be able to generate a sample of said document.
- e. Retention and Accessibility of Information
 - (1) The Contractor shall provide and maintain a comprehensive information retention plan that is in compliance with applicable State and Federal requirements, including but not limited to 508 compliance (See Section A.17.o).
 - (2) The Contractor shall maintain information on-line for a minimum of one (1) year, based on the last date of update activity, and update detailed and summary history data for up to two (2) years to reflect adjustments.
 - (3) The Contractor shall provide within three (3) business days turnaround or better on requests for access to information. Such requests for information shall be made by the State or its authorized designee.

- (4) If an audit or administrative, civil or criminal investigation or prosecution is in progress or audit findings or administrative, civil or criminal investigations or prosecutions are unresolved, information shall be kept in electronic form until all tasks or proceedings are complete.
- f. Information Ownership. All information, whether data or documents, and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior written consent of the State.
- g. Upon termination of this Contract or request by the State, the Contractor shall provide to the State or its designated agent, pertinent data identified by the State for Members to effect a transition of the Program from the Contractor. The information shall be furnished in a format and medium as is compatible with the data processing system maintained by the State or its designated agent. Additionally, the Contractor shall provide all information necessary to properly interpret the data supplied. To ensure the continuous operation of the Program and upon 30 days' notice, this information shall be provided to the State or its designated agent at least 45 days prior to the termination date of this Contract; further, the State may require the Contractor to provide this information at various other times prior to or after the termination date of this Contract. Upon termination of the Contract, all Confidential Information in the Contractor's possession shall be returned to the State or destroyed in accordance with NIST Special Publication 800-88.
- h. System Availability, Business Continuity and Disaster Recovery (BC-DR)
- (1) The Contractor shall ensure that critical Member and other web-accessible and/or telephone-based functionality and information, including the website described in Contract Section A.8. (to be agreed to in writing by the State and the Contractor), are available to the applicable System users twenty-four (24) hours a day, seven (7) days a week, except during periods of scheduled system unavailability agreed upon in writing by the State and the Contractor. Unavailability caused by events outside of the Contractor's span of control is outside of the scope of this requirement. Notification of any scheduled maintenance shall be posted on the member website/portal. The Contractor shall make efforts to minimize any down-time between 5:00 a.m. and 10:00 p.m. Central Time.
 - (2) The Contractor shall ensure that the systems within its span of control that support its data exchanges with the State are available and operational according to the specifications and schedule associated with each exchange.
 - (3) Regardless of the architecture of its systems, the Contractor shall develop and be continually ready to invoke a business continuity and disaster recovery (BC-DR) plan. The BC-DR plan shall encompass all information systems supporting this Contract. At a minimum the Contractor's BC-DR plan shall address the following scenarios:
 - i. Central and/or satellite data processing, telecommunications, print and mailing facilities and functions therein, hardware and software are destroyed or damaged;
 - ii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage;

- iii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of data maintained in a live or archival system; and
 - iv. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system.
 - (4) The Contractor shall provide the State a written summary of its BC-DR plan and latest test results by the date specified in Contract Section A.15.e.20. The Contractor shall provide the State a copy of its BC-DR plan within ten (10) business days of the Contractor's revision of the plan.
 - (5) The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore system functions. The Contractor shall submit a written summary of its annual BC-DR test results to the State.
 - (6) In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall submit to the State a summary of its BC-DR corrective action plan that describes how the failure will be resolved. If the summary results show failure or that remedial action is necessary, the Contractor shall also provide a timeline of how long exposure is and when remediation will be implemented.
 - (7) In the event of a declared major failure or disaster, as defined in the Contractor's BC-DR plan the Contractor's critical functionality as discussed in Contract Section A.10. shall be restored within seventy-two (72) hours of the failure's or disaster's occurrence.
 - (8) The Contractor shall maintain a duplicate set of all records relating to this Program in electronic medium, usable by the State and the Contractor for the purpose of disaster recovery or data restoration. A duplicate set of records shall be created every 24-hours of business processing. Prior versions of duplicate records may be destroyed when the Contractor has tested and verified that a replacement duplicate set of records is valid and usable for this purpose.
- i. Prior to implementing any major modifications to, or replacement of, the Contractor's core information systems functionality and/or associated operating environment, the Contractor shall notify the State in writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or modification; (a) would affect the Contractor's ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users and Members; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of this Contract; or (d) would materially reduce the coverage amounts payable or services provided to the average member. If so directed by the State, the Contractor shall discuss the proposed change with the State prior to implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.
- j. System and Information Security and Access Management Requirements
 - (1) The Contractor shall make system information available to duly authorized representatives of the State and other State and Federal agencies to evaluate, through inspections or other means, the quality, appropriateness and timeliness of services performed.

- (2) The Contractor's systems shall contain controls to maintain information integrity. These controls shall be in place at all appropriate points of processing. The controls shall be tested in periodic and spot audits following a methodology to be mutually agreed upon by the Contractor and the State.
 - (3) Audit trails shall be incorporated into all systems to allow information on source data files and documents to be traced through the processing stages to the point where the information is finally recorded.
 - (4) The Contractor shall provide for the physical safeguarding of its data processing facilities and the systems and information housed therein. The Contractor shall provide the State or a third party who performs assessment work for the State with access to data facilities upon request. The physical security provisions shall be in effect for the life of this Contract. All data must be stored in the United States.
 - (5) Unless the State prior-approves in writing the Contractor's use of alternate mitigating controls, the Contractor shall use Federal Information Processing Standard (FIPS) 140-2 compliant technologies to encrypt all member specific information in motion or rest, including back-up media.
- k. The Contractor shall provide the State a written copy of its most current FedRamp, ISO 27000 or SOC2 Type 2 report at least one (1) month prior to the go-live date. (See Contract Section A.15.e.27.) The Contractor shall provide the State a copy of its FedRamp, ISO 27000 or SOC2 Type 2 report on an annual basis beginning with the second year of the contract term. (See Contract Attachment C.15.) The Contractor shall also provide a copy of the FedRamp, ISO 27000, or SOC2 Type 2 report at least one (1) month prior to the go-live date (see Contract Section A.15.e.27.) and on an annual basis for any subcontractor processing claims that represent more than twenty percent (20%) of Member claims.

A.11. Data Integration and Technical Requirements

- a. The Contractor shall maintain an electronic data interface with the State's Enterprise Resource Planning application for the purpose of retrieving and processing eligibility and payroll records and any other files which may be identified and generated by the State. The Contractor shall be responsible for providing and installing the necessary hardware and software to maintain this interface. The State requires the use by the Contractor of second level authentication for the exchange of member personal information. This is accomplished using the State's standard software product, which supports Public Key Infrastructure (PKI). The Contractor shall design a solution, in coordination with the State, to connect to the State's Secure File Transfer Protocol (SFTP) server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor shall, with adequate notice, cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.
- b. Notwithstanding the requirement to maintain enrollment data, the Contractor shall not perform changes to enrollment data without the State's written request or approval. This prohibition shall include, but not be limited to, initiation, termination, and/or changes of coverage. The Contractor will accept an email from the State requesting an add, change, or termination of a Member in an urgent situation prior to the information being included in the State's Edison enrollment file.

- c. At least two (2) months prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the enrollment file from the State as specified in Contract Section A.15.e.21. The Contractor shall certify, in writing, to the State that the Contractor understands and can fully accept and utilize the enrollment files as provided by the State as specified in Contract Section A.15.e.21.
- d. Prior to the go-live date, the Contractor shall load, test, verify, and make available online for use the State's enrollment information by the date specified in Contract Section A.15.e.22.
- e. The Contractor shall maintain, in its systems, in-force enrollment records of all individuals covered by the Program.
 - (1) Weekly Enrollment Update: To ensure that the State's enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium, the weekly enrollment file from the State, in the State's Edison file format (see RFP # **31786-00137**, Appendix 7.9 for the current file format), which may be revised. Files will include full population records for all members and, unless otherwise approved by the State, will be in the format of ANSI ASC X12N, Benefit Enrollment and Maintenance 834 (5010), version 005010X220A1, with several fields customized by the State.
 - (2) The Contractor shall complete and submit to the State a Weekly File Transmission Statistics Report within one (1) business day of processing the Weekly Enrollment Update. The Contractor shall submit this report via email to designated State staff. (See Contract Attachment C # 11.)
 - (3) The Contractor and/or its subcontractors shall electronically process one hundred percent (100%) of electronically transmitted enrollment updates, including the resolution of any errors identified during processing, within four (4) business days of receipt of the weekly file. The State and the Contractor shall work to develop a process for responding to invalid or non-processed records.
 - (4) The Contractor and/or its subcontractors shall resolve all enrollment discrepancies as identified by the State or Contractor within one (1) business day of identification.
 - (5) The Contractor and/or its subcontractors, with collaboration from the State, shall resolve associated system errors, as identified through enrollment discrepancy resolution, in a timeframe mutually agreed upon with the State. The Contractor shall document in an enrollment system modification log, the system error details, the proposed solution, and the final solution as agreed upon by the State. The Contractor shall update and submit this log quarterly (refer also to Contract Attachment C, Reporting Requirements # 12.). Subsequent errors identical in nature may be subject to Liquidated Damages as specified in Attachment B.
 - (6) State Enrollment Data Match: Upon request by the State, not to exceed four (4) times annually, the Contractor shall submit to the State, in a secure manner, its full file of State Members, by which the State may conduct a data match against the State's Edison database. The purpose of this data match will be to determine the extent to which the Contractor is maintaining its database of State members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.
- f. The Contractor's systems shall conform to any future federal and state specific standards for data exchange by the standard's effective date.
- g. The Contractor shall partner with the State and member agencies in the management of current and future data exchange formats and methods and in the development and

implementation planning of future data exchange methods not specific to HIPAA or other federal effort.

- h. The Contractor's system(s) shall possess mailing address standardization functionality in accordance with U.S. Postal Service conventions.

A.12. Privacy & Confidentiality

The following privacy and confidentiality standards apply to all forms of assistance that the Contractor provides.

- a. The Contractor shall develop, adopt, and implement standards, which are, at a minimum, compliant with the HIPAA statute and the HIPAA privacy and security rules in Title 45, Part 164, Code of Federal Regulations to safeguard the privacy and confidentiality of all Protected Health Information (PHI) about Members. For example, the Contractor shall ensure that it does not have completed forms sitting in public view, left in unsecured boxes or files, or left unattended in any off-site location (e.g., in an automobile). The Contractor's procedures shall include but not be limited to safeguarding the identity of Members as plan members of the Program and preventing the unauthorized disclosure of PHI. The Contractor shall comply with the HIPAA amendments in the American Recovery and Reinvestment Act, Public Law 111-5, the HITECH Act, and any implementing regulations when they become effective.
- b. The Contractor shall not use or further disclose PHI other than as permitted or required by HIPAA and the Business Associate Agreement; or as required by law. Use of PHI for treatment, payment, or health care operations may include disclosure only as permitted by HIPAA, including HIPAA's "minimum necessary" standard. Contractor shall report to the State any unauthorized use or disclosure of PHI as soon as possible. Contractor shall comply with the HIPAA Breach Notification Rules as required by 45 CFR 164.400 et al, and shall cooperate with the State in responding to any unauthorized use or disclosure of PHI related to this contract.
- c. The Contractor shall use appropriate safeguards to prevent the unauthorized use or disclosure of the PHI. The Contractor shall report to the State any unauthorized use or disclosure of the PHI within twenty-four (24) hours of any Security Incident of which it becomes aware.
- d. The Contractor shall mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the Federal privacy rule.
- e. The Contractor shall provide access to PHI in a "designated record set" in order to meet the requirements under 45 CFR §164.524.
- f. The Contractor shall make any amendment(s) to PHI in a "designated record set" pursuant to 45 CFR §164.526.
- g. The Contractor shall document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.
- h. The Contractor shall (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits, (ii) report to the State any security incident (within the meaning of 45 CFR § 164.304) of which the Contractor becomes aware, and (iii) ensure that any agent of the Contractor, including any subcontractor, agrees to the same restrictions and conditions that apply to the Contractor with respect to such information.

- i. The Contractor shall not sell Public Sector Plan member information or use member information unless it is aggregated blinded data, which is not identifiable on a member basis.
- j. The Contractor shall not use Public Sector Plan member identified or non-aggregated information for advertising, marketing, promotion or any activity intended to influence sales or market share of any product or service except when permitted by the State, such as advertisements of the Program for enrollment purposes.
- k. The Contractor shall have full financial responsibility for any penalties, fines, or other payments imposed or required as a result of the Contractor's non-compliance with, or violation of, HIPAA or HITECH requirements, and the Contractor shall indemnify the State with respect to any such penalties, fines, or payments.
- l. The Contractor shall assure that all Contractor staff is trained in all HIPAA requirements, as applicable.
- m. At the request of the State, the Contractor shall offer credit protection for those times in which a Member's PHI is accidentally or inappropriately disclosed (See Section E.8).

A.13. Audits and Quality Assurance

- a. The Contractor shall cooperate fully with audits the State may conduct related to any aspect of the Program the State deems appropriate (at the Contractor's expense). The State may select any qualified persons or organization to conduct the audits. To the extent allowed by applicable law, the State agrees that persons or organizations conducting audits of the Contractor shall be prohibited from disclosing confidential patient records or proprietary or confidential information reasonably designated as such by the Contractor.
- b. The Contractor shall maintain an internal quality assurance plan. The Contractor shall provide by the date specified in Contract Section A.15.e.25. a summary of the internal quality assurance plan indicating areas addressed, established criteria and standards and those methods employed to evaluate results.
- c. The Contractor shall submit to the State by the date specified in Contract Section A.15.e.25. a summary of its methodology for conducting internal claims and operational audits, including audits to determine claims payment and processing accuracy and claims payment turnaround. The Contractor shall notify the State in writing at least thirty (30) calendar days in advance of any significant changes to its methodology. The State reserves the authority to review the change and require changes, where appropriate.
- d. Security Audit. The State may conduct audits of Contractor's compliance with the State's Enterprise Information Security Policy ("The Policy") or under this Contract, including those obligations imposed by Federal or State law, regulation or policy. The Policy, as may be periodically revised and will be provided to the Contractor by the State. The State's right to conduct security audits is independent of any other audit or monitoring required by this Contract. The timing and frequency of such audits shall be at the State's discretion and may, but not necessarily shall, be in response to a security incident.

A security audit may include the following: (i) review of access logs, screen shots and other paper or electronic documentation relating to Contractor's compliance with the Policy. This may include review of documentation relevant to subcontractors or suppliers of security equipment and services used with respect to State data; (ii) physical inspection of controls such as door locks, file storage, communications systems, and employee identification procedures; and (iii) interviews of responsible technical and management personnel regarding security procedures.

Contractor shall provide reports or additional information upon request of the state and access by the State or the State's designated staff to Contractor's facilities and/or any location involved with providing services to the State or involved with processing or storing State data, and Contractor shall cooperate with State staff and audit requests submitted under this Section. Any confidential information of either party accessed or disclosed during the course of the security audit shall be treated as set forth under this Contract or federal or state law or regulations. Each party shall bear its own expenses incurred in the course of conducting this security audit. Contractor shall at its own expense promptly rectify any non-compliance with the Policy or other requirements identified by this security audit and provide proof to the State thereof.

A.14. Reporting

- a. As required by this Contract, the Contractor shall submit reports to the State. Reports shall be submitted electronically, in the format specified by the State (e.g. Excel instead of PDF), and shall be of the type and at the frequency indicated in Contract Attachment C. The State reserves the right to modify reporting requirements as deemed necessary to monitor the Program. The State will provide the Contractor with at least ninety (90) days' notice prior to implementation of a report modification.
- b. Unless prior approved in writing by the State, each report required in Contract Attachment C shall be specific to the Program (not the Contractor's book of business).
- c. The Contractor shall ensure that reports submitted by the Contractor to the State shall meet the following standards:
 - (1) The Contractor shall verify the accuracy and completeness of data and other information in reports submitted.
 - (2) The Contractor shall ensure delivery of reports or other required data on or before scheduled due dates.
 - (3) Reports or other required data shall conform to the State's defined written standards.
 - (4) All required information shall be fully disclosed in a manner that is responsive and with no material omission.
 - (5) Each report shall be accompanied by a brief narrative that describes the content of the report and highlights salient findings of the report.
 - (6) As applicable, the Contractor shall analyze the reports for any early patterns of change, identified trend, or outliers and shall submit a written summary with the report including such analysis and interpretation of findings. At a minimum, such analysis shall include the identification of change(s), the potential reasons for change(s), and the proposed action(s).
 - (7) The Contractor shall notify the State regarding any significant changes in its ability to collect information relative to required data or reports.
 - (8) The submission of late, inaccurate or otherwise incomplete reports shall be considered failure to report within the specified timeframe (see Contract Attachment B.10.).
 - (9) State requirements regarding reports, report content and frequency of submission may change during the term of the Contract. The Contractor shall have at least forty-five (45) days to comply with changes specified in writing by the State.
- d. 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

or benefits. Failure to do so may result in Liquidated Damages as specified in Attachment B. The situation shall be researched and resolved in a timeframe mutually agreed upon with the State.

A.15. Implementation

- a. The Contractor shall provide to the State a comprehensive Implementation Plan no later than thirty (30) days after the Contract Award Date as specified in Contract Section A.15.e.1. or upon another date established by the State. The plan shall outline the steps necessary for the Contractor to submit deliverables by the dates specified in Contract Section A.15.e. for the Contractor to be fully operational by the go-live date of January 1, 2018. This plan shall include a detailed timeline description of all work to be performed both by the Contractor and the State. The implementation plan shall also provide specific details on the following:
 - (1) Identification, timing, and assignment of significant responsibilities and tasks;
 - (2) Names and titles of key implementation staff;
 - (3) Identification and timing of the State's responsibilities;
 - (4) Processing of test data for appropriate interpretation of data values;
 - (5) Identification and timing for the testing, acceptance and certification of exchange of data between the Contractor and Edison and other relevant information systems;
 - (6) Member communications and their timing (consistent with Benefits Administration's larger member communication strategy); and
 - (7) Schedule of in-person meetings and conference calls with the State.

- b. The Contractor shall have a designated full-time implementation team to service this account. All of the Contractor's implementation team members shall have participated, as team members, in the implementation of a vision insurance program for at least one other large client (i.e., a client plan with at least 5,000 members). The Contractor's implementation team shall include a full-time, designated project manager ready to begin work immediately following the contract signing until thirty (30) days after the go-live date. The team shall also include an Account Manager dedicated to this Contract, who will be the main contact with the State for all of the day-to-day matters relating to the implementation and ongoing operations of this Contract. Also, the Contractor shall assign a backup to the Account Manager. An Information Systems Project Manager shall be part of the implementation team. All implementation team members shall be available as needed during the implementation as well as thirty (30) days after the go-live date.

- c. Staffing Plan:
 - (1) As part of its Project Implementation Plan described above, the Contractor shall submit to the State for review and approval a detailed staffing plan. The Contractor shall submit to the State its Staffing Plan with its Project Implementation Plan by the date specified in Contract Section A.15.e.8.
 - (2) The staffing plan shall provide staffing estimates for all functions and requirements of the Contract, including:
 - i. Representatives/operators, serving in the Call Center
 - ii. Contractor supervisory/account management staff; and

- iii. Technical Staff, as required to process the State's Program enrollment files from the State's Edison system.
- d. The State may conduct a comprehensive readiness review of the Contractor at least sixty (60) days prior to January 1, 2018, per Contract Section A.15.e.5. in order to ensure that the Contractor is able and prepared to perform all functions required by this Contract and to provide high quality services to Members. Such review by the State may include an on-site review of the Contractor's customer service, claims adjudication, and operations facilities. Contractor shall participate in all readiness review activities conducted by the State staff and/or the State's benefit consultants to ensure the Contractor's operational readiness for all products and services (e.g. claims adjudication, enrollment, Member services, reporting requirements, Edison interface, etc.). The State will provide the Contractor with a summary of findings that may include areas requiring corrective action prior to January 1, 2018.
- e. Due Dates for Project Deliverables/Milestones

Unless otherwise specified in writing by the State, the Contractor shall adhere to the following schedule for the deliverables and milestones for which it is responsible under this Contract:

Deliverables/Milestones:	Contract Reference(s):	Deliverable Due Dates:
Implementation		
1. Provide Implementation plan with Timetable and Staffing Plan	A.15.a. and c.	Within 30 days post Contract Award Date or on a date determined by the State
2. Submit list of all Subcontractors for approval by State	A.3.i.	Within 45 days post Contract Award Date or on a date determined by the State
3. Go-Live	A.1.a.	January 1, 2018
4. Kick-off meeting for all key Contractor Staff	A.3.f	No later than 30 days after Contract Award Date or on a date determined by the State
5. State readiness review if requested by State	A.15.d.	November 1, 2017
Provider Network		
6. Vision Provider Network in place	A.2.a.	September 1, 2017
7. Vision Providers aware of plan provisions	A.2.e.	December 1, 2017
Staffing		
8. Staff identified and assigned responsibilities with Staffing Plan presented to State	A.3.a., A.15.c.	30 days post Contract Award Date or on a date determined by the State
9. Initial Account Team Satisfaction Survey	A.3.k.	Within 60 days after Go-Live
Call Center		

Deliverables/Milestones:	Contract Reference(s):	Deliverable Due Dates:
10. Call center open and accepting calls	A.3.a.	September 5, 2017
11. Call center statistics	A.3.d.	Weekly from, September 5, 2017 through March 2, 2018 and thereafter monthly
Member Communications/Materials		
12. Approved Member Handbook on website	A.7.a.	Annually by September 5
13. Member Handbook and identification cards mailed to Members unless otherwise approved by the State	A.5.b., A.6.a.	Annually by December 14
Website		
14. Web site go-live	A.8.d.	September 5, 2017
15. State access to website for review	A.8.g.	August 1, 2017
Administrative Services		
16. Grievance procedure description	A.9.g.	October 1, 2017
17. Transport Layer Security (TLS)	A.9.h.	December 1, 2017
18. First quarterly meeting with the State	A.9.i.	Between April 23, 2018 and May 18, 2018
19. Customer Satisfaction Survey template approved by State	A.9.j.	July 2, 2018
Information Systems		
20. Initial Business Continuity Disaster Recovery (BC/DR) Results Report	A.10.h.(4)	October 1, 2017
Data Integration & Technical Requirements		
21. Completion of enrollment file testing	A.11.c.	November 1, 2017
22. Edison System Interface/Enrollment file acceptance/Enrollment data online	A.11.d	December 11, 2017
23. Weekly File Transmission Statistics Report	A.11.e.(2)	Within 1 business day of processing the enrollment file
Reporting		
24. Confirm with State the format, data needed, and due dates for each required report	A.14. and Contract Attachment C	October 1, 2017
Quality Assurance		
25. Copy of internal quality assurance	A.13.b. and c.	October 1, 2017

Deliverables/Milestones:	Contract Reference(s):	Deliverable Due Dates:
plan and methodology for conducting internal claims and operational audits		
Regulatory Requirements		
26. Draft of Group Master Policy and/or Certificate of Coverage	A.16.a.	November 1, 2017
Security Reporting		
27. Provide the State a written copy of its most current FedRamp, ISO 27000 or SOC2 Type 2 report. The Contractor shall also provide a copy of the SOC2 Type 2 report for any subcontractor processing claims that represent more than twenty percent (20%) of Member claims.	A.10.k.	December 1, 2017 December 1, 2017

A.16. Regulatory Requirements

- a. The Contractor shall prepare and submit to the State for approval no later than sixty (60) days prior to Program go-live on January 1, 2018, the Group Master Policy and/or Certificate of Coverage for approval by the Division of Benefits Administration before submission to the State of Tennessee Department of Commerce and Insurance. Such final approved Group Master Policy and/or Certificate of Coverage shall be added as a Contract Attachment incorporated by reference once approved. The Certificate of Coverage shall include at a minimum the following:
 - (1) General Benefit and Eligibility Provisions;
 - (2) Description of Claims Process;
 - (3) General Limitations, Exclusions and Elimination Periods;
 - (4) Optional Services; and
 - (5) Schedule of Benefits
- b. The Contractor shall post the most current Certificate of Coverage on its State of Tennessee Member website and provide a copy of the Certificate for the State to post on its website.
- c. The Contractor shall submit to the State a revised Certificate within thirty (30) days of any changes to the benefits, limitations, exclusions or other provisions of the Program which are detailed in the Certificate.
- d. The Contractor shall immediately notify the State of any pending disciplinary action initiated by the State of Tennessee Department of Commerce and Insurance that may materially impact its ability to perform under this Contract.
- e. The Contractor shall perform, if applicable, the administration of tax calculations, payments, and filing of appropriate federal and/or state tax forms.

A.17. Definitions

- a. **Active Pay Status:** Means conditions under which an employee is eligible to receive pay, and includes, but is not limited to, vacation leave, sick leave, bereavement leave, administrative leave, compensatory time, holidays, and personal leave. For the purpose of determining overtime or compensatory time for an employee who is eligible for overtime compensation, active pay status does not include sick leave or leave used in lieu of sick leave.
- b. **Affiliate:** A business organization or entity that, directly or indirectly, is owned or controlled by the Contractor, or owns or controls the Contractor, or is under common ownership or control with the Contractor.
- c. **Agency Benefits Coordinator:** The individual within each agency or department who is the officially-designated liaison between Benefits Administration and employees.
- d. **Average Speed of Answer (ASA):** The mean time between (a) the moment at which a caller to the Contractor's call center first hears an introductory greeting and enters the queue and (b) the time at which a call center representative at the call center answers the call. For this definition, the term "answer" shall mean to begin an uninterrupted dialogue with the caller. If a call center representative asks the caller to hold during the first 60 seconds of the dialogue, the Contractor shall not consider the call to be "answered" for purposes of this definition until the call center representative returns to the caller and begins an uninterrupted dialogue.
- e. **BC/DR:** Business Continuity/Disaster Recovery. Disaster Recovery and its associated planning refer to specific steps that must be undertaken to resume operations in the aftermath of a catastrophic natural disaster or complete technology failure. Business Continuity describes the higher-level processes that must be put in place so that an organization's mission-critical functions can continue during and after a disaster.
- f. **Benefits:** The services available to members and the corresponding amounts that Members and the Program will pay for covered services under this contract.
- g. **Benefits Administration:** The division of the Tennessee Department of Finance & Administration that administers the Program on behalf of the State, Local Education and Local Government Insurance Committees.
- h. **Business Days:** Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Holidays are excluded.
- i. **Calendar Days:** All seven days of the week.
- j. **Claim:** Notification to an insurance company requesting payment of an amount due under the terms of the policy.
- k. **Claims Payment Accuracy:** The measurement of claims processed with an accurate payment of benefits divided by the total number of claims with payments in the audited population.
- l. **Claims Processing Accuracy:** The measurement of claims processed without any type of error divided by the total number of claims in the audited population.
- m. **Claims Processing Turnaround:** The time elapsed from the date all information necessary to process a claim is received to the date the claim is processed.
- n. **Clean Claim:** A claim received by the Contractor for adjudication that requires no further information, adjustment, or alteration by the provider in order to be processed by the Contractor. In addition to the provider, this includes information, adjustment, or alteration by the Member, the Subscriber, third-party payers, and/or Plan Sponsor.
- o. **Compliance with Section 508:** To ensure accessibility among persons with a disability, the Contractor's multimedia/video tools, website content shall substantially comply with Section

508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and implementing regulations at 36 CFR 1194 Parts A-D.

- p. **Contract Award Date:** The date on which the State, Local Education, and Local Government Insurance Committees approved entering into a contract with the best evaluated respondent on RFP 31786-00137.
- q. **Days:** Unless otherwise specified, refers to calendar days.
- r. **Deliverable:** A document, manual, or report (in hard copy, electronic format or specific medium as required) that the Contractor submits to the State to fulfill requirements of this Contract.
- s. **Denied Claim:** A claim that is not paid for reasons such as eligibility and coverage rules.
- t. **Dependent:** The child or spouse of an employee or retiree.
- u. **Edison:** The State's enterprise resource planning system, which supports human resources, payroll, employee benefits, contracting, procurement and other agency functions.
- v. **First Call Resolution:** A Member or employee's question(s) is answered during their first call eliminating the need for the Contractor to call back.
- w. **Health Insurance Portability and Accountability Act of 1996 (HIPAA):** Title I of HIPAA protects health insurance coverage for workers and their families when they change or lose their jobs. Title II, the Administrative Simplification (AS) provisions, requires the establishment of national standards for electronic healthcare transactions and national identifiers for providers, health insurance plans and employers. The HIPAA Administration Simplification provisions also address the security and privacy of health information.
- x. **Holidays:** Days on which official holidays and commemorations as defined in Tennessee Code Annotated § [15-1-101](#) *et seq.*, are observed.
- y. **Information Technology (IT):** A combination of computing hardware and software that is used in: (a) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of information, i.e. structured data (which may include digitized audio and video) and documents; and/or (b) the processing of such information for the purposes of enabling and/or facilitating a business process or related transaction.
- z. **Local Education Insurance Committee:** Policy making body for the State Group Insurance Plan for participating Local Education Agencies established under Tennessee Code Annotated Title 8, Chapter 27-301.
- aa. **Local Government Insurance Committee:** Policy making body for the State Group Insurance Plan for participating Local Government Agencies established under Tennessee Code Annotated Title 8, Chapter 27-701.
- bb. **Loss Ratio:** The percentage ratio derived from the sum of total claims dollars paid divided by the total collected premiums.
- cc. **Member(s):** Eligible dependents, employees, and retirees enrolled in the Program.
- dd. **Network Provider:** A provider that has an agreement with the Contractor to provide vision services and/or materials according to specific terms and rates.
- ee. **Open Call/Inquiry Closure:** The completion (responding with an answer to the appropriate caller or other identified entity) of calls which required additional handling beyond the initial call.
- ff. **Paid Claim:** A claim that meets all coverage criteria of the Program and is paid by the Contractor.
- gg. **Plan Sponsor:** The State, Local Education, and Local Government Insurance Committees.
- hh. **Plan Year:** January 1 through December 31 of the same calendar year.

- ii. **Processed Claim**: The action by the Contractor of adjudicating a claim which results in assigning a status to the claim of denied, paid, or externally pending for missing information needed to process a claim.
 - jj. **Protected Health Information (PHI)**: individually identifiable health information that is transmitted by electronic media, maintained in electronic media; or transmitted or maintained in any other form or medium.
 - kk. **Splash Page**: Dedicated and customized webpage for this Contract containing general program information, specific to the State program membership, which does not require a Member to login.
 - ll. **State Employee**: An employee of the State of Tennessee, including employees of one of the Tennessee Board of Regents schools and one of the University of Tennessee schools.
 - mm. **State Insurance Committee**: Policy making body for the State Group Insurance Plan established under Tennessee Code Annotated Title 8, Chapter 27-201.
 - nn. **State Plan**: Refers to all group insurance plan options sponsored by the State Insurance Committee.
 - oo. **Subcontractor**: Any organization or person who provides any function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract.
 - pp. **Subscriber**: An employee or retiree enrolled in the Vision Insurance Program.
 - qq. **Urgent Situation**: When a Member requires services prior to the next enrollment file being received by Contractor.
 - rr. **Week**: The traditional seven-day week, Sunday through Saturday.
- A.18. **Warranty**. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty general offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.
- Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.
- Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.
- If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.
- A.19. **Inspection and Acceptance**. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on August 1, 2017 (“Effective Date”) and extend for a period of sixty-five (65) months after the Effective Date (“Term”). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)** (“Maximum Liability”). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

a. The Contractor’s compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Contract Section A. Any implementation efforts and activities prior to services performed starting January 1, 2018, will be at no additional cost to the State.

b. The Contractor shall be compensated based upon the following payment methodology:

For service performed from January 1, 2018, through December 31, 2022, the following rates shall apply:

Basic Plan - Voluntary Vision Insurance Program Premium Rates					
Guaranteed Monthly Premiums for Subscribers	1/1/2018 - 12/31/2018	1/1/2019 - 12/31/2019	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022
Employee/Retiree	\$n.nn /Subscriber				
Employee/Retiree + Spouse	\$n.nn /Subscriber				
Employee/Retiree + Child(ren)	\$n.nn /Subscriber				
Employee/Retiree + Spouse + Child(ren)	\$n.nn /Subscriber				

Expanded Plan - Voluntary Vision Insurance Program Premium Rates					
Guaranteed Monthly Premiums for Subscribers	1/1/2018 - 12/31/2018	1/1/2019 - 12/31/2019	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022

Employee/Retiree	\$n.nn /Subscriber				
Employee/Retiree + Spouse	\$n.nn /Subscriber				
Employee/Retiree + Child(ren)	\$n.nn /Subscriber				
Employee/Retiree + Spouse + Child(ren)	\$n.nn /Subscriber				

Note: In some instances, dependents of retirees are allowed to continue enrollment in the vision insurance program when retirees are not enrolled (due to death, age maximum). The premium rates for dependent only coverage will be the rates shown above using the following cross-reference.

Spouse Only	=	Employee/Retiree
One Child Only	=	Employee/Retiree
Two or More Children	=	Employee/Retiree + Child(ren)
Spouse + Child(ren)	=	Employee/Retiree + Child(ren)

- c. If Member materials containing an error were approved by the State in writing and the error was detected after the materials were mailed, the State will reimburse the Contractor the production and postage cost of mailing the corrected version pursuant to Contract Section C.3.d.
- d. For mailings in addition to those identified in the contract, the State shall reimburse the Contractor for the following, selected actual costs in the performance of this Contract upon Contractor providing documentation of actual costs incurred.
- (1) Postage. The State shall reimburse the Contractor for the actual cost of postage for mailing materials produced under the terms of this Contract and as directed and authorized by the State.
 - (2) Printing/Production. The State shall reimburse the Contractor an amount equal to the actual cost of document printing/production as required and authorized by the State and as detailed by the Contract Scope of Services as referred to in A.5.e.
- Notwithstanding the foregoing, the State retains the option to authorize the Contractor to deliver a product to be printed. The State also retains the option to approve and accept the product but not use the Contractor to print the material. In those situations, the State shall have the discretion to use other printing and production services at its disposal.
- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
- C.5. Purchase Order in lieu of Invoice. The State will generate a monthly purchase order and initiate payment of the purchase order, based upon payroll deduction information provided by the State, utilizing the rates listed above.
- C.6. Reconciliation of Payment. The Contractor shall reconcile, within ten (10) business days of receipt, payment information provided by the State. Upon identification of any discrepancies, the Contractor shall immediately advise the State.
- C.7. Payment of Purchase Order. A payment by the State shall not prejudice the State's right to object to or question any payment, purchase order, 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 reflected on the purchase order.

- C.8. Payment Reductions. The Contractor's payment shall be subject to reduction for amounts included in any purchase order 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.9. 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.10. 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 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:

Seannalyn Brandmeir, Procurement and Contracting Manager
 Tennessee Department of Finance & Administration
 Division of Benefits Administration
 312 Rosa L. Parks Avenue, Suite 1900
 Nashville, Tennessee 37243
 Seannalyn.Brandmeir@tn.gov
 Telephone: 615.532.4598
 Fax: 615.253.8556

The Contractor:

Contractor Contact Name & Title

Contractor Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

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

- 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.
- 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 Contract 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 and security of protected health information (collectively the “Privacy & Security 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 & Security 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 HIPAA officials and other compliance officers required by the Privacy & Security Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy & Security 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 & Security 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 & Security 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, disqualified, or presently fall under any of the prohibitions of sections a-d.

- 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.
- 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
 - i. Contract Attachment A Attestation Re Personnel Used in Contract Performance
 - ii. Contract Attachment B Performance Guarantees and Liquidated Damages
 - iii. Contract Attachment C Reporting Requirements
 - iv. Contract Attachment D Vision Insurance Minimum Benefit Provisions
 - v. Contract Attachment E HIPAA Business Associate Agreement
 - 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.
- D.31. Insurance. Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insurance's expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

The COI shall be on a form approved by the Tennessee Department of Commerce and Insurance ("TDCI") and signed by an authorized representative of the insurer. The COI shall list each insurer's national association of insurance commissioners (also known as NAIC) number and list the State of Tennessee, Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 in the certificate holder section. At any time, the State may require the Contractor to provide a valid COI detailing coverage description; insurance company; policy number; exceptions; exclusions; policy effective date; policy expiration date; limits of liability; and the name and address of insured. The Contractor's failure to maintain or submit evidence of insurance coverage is considered a material breach of this Contract.

If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractor's letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to self-insure workers' compensation.

All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy.

The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workers' compensation (employer liability) and professional liability (errors and

omissions) (“Professional Liability”) insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.

The deductible and any premiums are the Contractor’s sole responsibility. Any deductible over fifty thousand dollars (\$50,000) must be approved by the State. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements. The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. 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 or its insurer, 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.

All coverage required shall be on a primary basis and noncontributory with any other insurance coverage or self-insurance carried by the State. The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on the nature of the work. Purchases or contracts involving any hazardous activity or equipment, tenant, concessionaire and lease agreements, alcohol sales, cyber-liability risks, environmental risks, special motorized equipment, or property may require customized insurance requirements (e.g. umbrella liability insurance) in addition to the general requirements listed below.

The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability Insurance

- 1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- 2) The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars (\$2,000,000).

b. Workers’ Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers’ compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers’ compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:

- i. The Contractor employees fewer than five (5) employees;
- ii. The Contractor is a sole proprietor;
- iii. The Contractor is in the construction business or trades with no employees;
- iv. The Contractor is in the coal mining industry with no employees;
- v. The Contractor is a state or local government; or
- vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

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

E.3. 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.4. 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.5. 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-31786-00137 (RFP 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.

E.6. Liquidated Damages. If the Contractor fails to perform in accordance with any term or provision of this contract, only provides partial performance of any term or provision of the Contract, violates any warranty, or any act prohibited or restricted by the Contract occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("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 Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in 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, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and 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 before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.

- E.7. 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. 8. 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.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

STATE INSURANCE COMMITTEE,
LOCAL EDUCATION INSURANCE COMMITTEE,
LOCAL GOVERNMENT INSURANCE COMMITTEE:

LARRY B. MARTIN, CHAIRMAN

DATE

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

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
EDISON VENDOR IDENTIFICATION NUMBER:	

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

CONTRACTOR SIGNATURE

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

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

CONTRACT ATTACHMENT B**PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES**

To effectively manage contractual performance, the State has established performance guarantees to evaluate the Contractor's obligations with respect to the Contract. The Contractor is expected to perform according to a certain level of standards. If these standards are not met, the State is entitled to impose liquidated damage assessments. The list of Performance Guarantees and associated Liquidated Damages are included in this Attachment.

1. **Performance Reporting:** The Contractor shall develop a Performance Report Card as a means to measure compliance on a quarterly basis. The Contractor shall provide the quarterly performance report card in a manner acceptable to the State, on or before the 20th day of the month following the reporting quarter unless approved otherwise in writing by the State. Supporting documentation used to calculate the performance guarantees shall be provided with the Performance Report Card. The Performance Report Card shall include cumulative data over the life of the contract.
2. **Payment of Liquidated Damages:** It is agreed by the State and the Contractor that any liquidated damages 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 liquidated damages. If payment is not made by the due date, said liquidated damages may be withheld from future payments by the State without further notice.
3. **Maximum Assessment:** The maximum amount of Liquidated Damages payable over any twelve (12) month period shall not exceed five percent (5%) of the annual maximum liability in the Contract at the beginning of the calendar year during which the assessments occurred. In the event that a single occurrence subjects the Contractor to Liquidated Damages in multiple subsections of this provision, the State is entitled to assess a single Liquidated Damage selected at the discretion of the State.
4. **Waiver of Liquidated Damages:** The State, in its sole discretion, may elect not to assess Liquidated Damages against the Contractor in certain instances, including but not limited to the following:
 - a. Where the State determines that only inconsequential damage has occurred, unless the deficiency is part of a recurring or frequent pattern of deficiency, with regard to one (1) or more Contract deliverables or requirements
 - b. For performance measures that are resolved based on the Contractor's corrective action plan
 - c. If the failure is not due to Contractor fault (i.e. caused by factors beyond the reasonable control and without any material error or negligence of the Contractor, its staff or subcontractors)
 - d. Where no damage or injury has been sustained by the State or its Members
 - e. Where the failure does not result in increased Contract management time or expense
 - f. Where the failure results from the State's failure to perform
 - g. For other reasons at the State's sole discretion
5. **General Liquidated Damages:** In the event that the Contractor has failed to meet a performance guarantee that is set out in the Contract, but for which the Liquidated Damage standards are not spelled out in this Attachment, the State may assess liquidated damages under this General Liquidated Damages provision. The liquidated damages may be assessed at the rate of five hundred dollars (\$500.00) per business day or percentage point missed until the guarantee has been met.
6. The Contractor shall pay to the State the indicated total dollar assessment upon notification by the State that an amount is due, through the term of this Contract.
7. As prior approved by the State in writing, performance guarantees shall be measured specific to the Program.

This section does not prohibit or restrict the State's right to claim actual damages pursuant to the Contract.

Performance Guarantees:

1. Program Start-up (see Contract Section A.15.)	
Guarantee	All services required by this contract between the “contract start date” and the “go-live” date as specified in contract section A.15. shall be completed as specified.
Assessment	One thousand dollars (\$1,000.00) for each day beyond the deadline that any service deliverable is not completed.
Measurement	Measured, reported, reconciled, and paid no later than three (3) months after the go-live date.
2. Enrollment Posting (see Contract Section A.11.e.)	
Guarantee	One hundred percent (100%) of electronically transmitted enrollment updates, including the resolution of any errors identified during processing, shall be processed within four (4) business days of receipt of the weekly file as required in Contract Section A.11.e.(3).
Assessment	One hundred dollars (\$100) per day for the first (1 st) and second (2 nd) business days out of compliance; five hundred dollars (\$500) per business day thereafter.
Measurement	Measured and reported weekly; reconciled and paid quarterly.
3. Enrollment Discrepancies (see Contract A.11.e.)	
Guarantee	Resolve all enrollment discrepancies (any difference of values between the State’s database and the Contractor’s database) as identified within one (1) business day of notification by the State or identification by the Contractor, as required in Contract Section A.11.e.(4).
Assessment	Per discrepancy, one hundred (\$100) per day for the first (1 st) and second (2 nd) business days out of compliance; five hundred (\$500) per business day thereafter.
Measurement	Measured and reported quarterly; reconciled and paid quarterly.
4. Program Go-Live (see Contract Section A.)	
Guarantee	All services required by this contract shall take effect (i.e. “go-live”) and be fully operational on January 1, 2018.
Assessment	One thousand dollars (\$1,000.00) for each day beyond the deadline that all services are not fully operational.
Measurement	Measured, reported, reconciled, and paid no later than four (4) months after the go-live date.
5. Approval of Communication Materials (see Contract Section A.5.)	
Guarantee	All materials, including but not limited to: brochures, handbooks, ID cards and letters, produced by the Contractor shall be provided to the State for review and prior to planned printing, assembly, and/or distribution, as required in Contract Section A.5.f.
Assessment	One thousand dollars (\$1,000.00) for each occurrence the standard is not met. An occurrence is defined as per mailing and not per mail piece.
Measurement	Reported, reconciled, and paid per occurrence through the duration of the Contract.
6. Tennessee Edison System Interface (see Contract Section A.11.)	

Guarantee	Contractor's interface with the Edison System shall be fully operational by the date specified in Contract Sections A.15.e.21., and the contractor shall maintain, from December 1, 2017 through the term of the contract, a valid interface with the Edison System.
Assessment	One thousand dollars (\$1,000.00) per day for every day out of compliance.
Measurement	Fully operational shall mean the Edison Certification of Interface Acceptance has been executed and that weekly files obtained by the Contractor from the State's Edison system will be timely and accurately processed and the data loaded directly into the Contractor's production database. Ongoing measurement, reconciled quarterly, and quarterly assessment paid annually.
7. Average Speed of Answer (see Contract Section A.4.)	
Guarantee	The Contractor's call center shall maintain a monthly average speed of answer (ASA) of thirty (30) seconds or less, as required in Contract Section A.4.c.(1).
Assessment	One thousand dollars (\$1,000) for each calendar month that the average speed of answer exceeds the threshold above.
Measurement	The Contractor shall calculate the number of instances during each day during which a caller's time-to-answer exceeds this threshold (based on Contractor's internal telephone support system reports) compared to the total number of calls per day. Measured and reported on a weekly basis from September 5, 2017 through March 2, 2018. Thereafter, measured and reported monthly. Reconciliation shall be quarterly and quarterly assessment paid annually.
8. First Call Resolution (see Contract Section A.4.)	
Guarantee	The Contractor's call center shall maintain a monthly average rate of ninety percent (90%) for first call resolution, as required in Contract Section A.4.c.(2).
Assessment	One thousand dollars (\$1,000) for each calendar month that the average first call resolution rate exceeds the threshold above.
Measurement	The Contractor shall calculate the number of instances during each day during which a caller's initial call was answered without requiring a call back from the Contractor (based on Contractor's internal telephone support system reports) compared to the total number of calls. Measured and reported on a weekly basis from September 5, 2017 through March 2, 2018. Thereafter, measured and reported monthly. Reconciliation shall be quarterly and quarterly assessment paid annually.
9. Management Reporting (see Contract Section A.14.)	
Guarantee	All reports shall be delivered as specified in Section A.14 and Contract Attachment C, unless otherwise directed by the state.
Assessment	One hundred dollars (\$100.00) for each report not delivered within the time frame specified in the contract.
Measurement	Measured based on report due date (weekly, monthly, quarterly, semi-annually, and annually); Reconciled quarterly and quarterly assessment paid annually.
10. Provider Network Accessibility (see Contract Section A.2.b)	

Guarantee	As measured by the GeoNetworks [®] Provider & Facility Network Accessibility Analysis, the Contractor's provider (optometrist and ophthalmologist) network will assure that 95% of all members residing in Tennessee will have the following Access.	
	Provider Type	Access Standard
	Vision Provider	2 providers within 10 miles for urban; 2 providers within 15 miles for suburban 1 provider within 20 miles for rural
Assessment	Fifty thousand dollars (\$50,000.00) if <u>ANY</u> of the above standards is not met.	
Measurement	Annual guarantee: Measured, reported and reconciled annually.	
11. Provider Turnover Rate (see Contract Section A.2.a.)		
Guarantee	Total Vision Providers leaving the network, regardless if the action is voluntary or involuntary, will not exceed 15% in any plan year.	
Assessment	Twenty-five thousand dollars (\$25,000.00) if Vision Provider turnover rate exceeds 15%.	
Measurement	Calculated by dividing the number of Vision Providers leaving the network, (regardless if the action is voluntary or non-voluntary) by the Total number of Vision Providers at the beginning of the period. Measured, reported and reconciled annually through the duration of the contract.	
13. Member Satisfaction (see Contract Section A.9.j.)		
Guarantee	The level of overall customer satisfaction, which is measured annually by a State-approved Member Satisfaction Survey, will be eighty-five percent (85%) or greater in the first year of the contract and equal to, or greater than, ninety percent (90%) in all subsequent years of the contract term.	
Assessment	Ten thousand dollars (\$10,000.00) for failure to reach the guarantee.	
Measurement	Measured, reported, reconciled and paid annually.	
14. Claims Payment Accuracy (see Contract Section A.1.b.)		
Guarantee	Claims payment accuracy (see Contract Section A.17.k.) shall be ninety-eight percent (98%) or higher.	
Assessment	One thousand dollars (\$1,000) for each full percentage point below ninety-eight percent (98%) for each contracted quarter.	
Measurement	Quarterly internal audit performed by the Contractor on a statistically valid sample. Measured and reported on a calendar quarter basis; reconciled annually on a calendar year basis.	
15. Claims Processing Accuracy (see Contract Section A.1.b.)		
Guarantee	Claims processing accuracy (see Contract Section A.1.) shall be ninety-seven percent (97%) or higher.	
Assessment	One thousand dollars (\$1,000) for each full percentage point below ninety-seven percent (97%), for each contracted quarter.	
Measurement	Quarterly internal audit performed by the Contractor on a statistically valid sample. Measured and reported on a calendar quarter basis; reconciled annually on a calendar year basis.	
16. Claims Processing Turnaround (see Contract Section A.1.b.)		

Guarantee	The Contractor shall process within twenty-one (21) calendar days ninety-eight percent (98%) or higher of clean claims. (See Contract Section A.17.m.)
Assessment	Five thousand dollars (\$5,000) for each full percentage point below the required minimum standard of ninety-eight percent (98%) within twenty-one (21) days.
Measurement	Quarterly internal audit performed by the Contractor on a statistically valid sample. Measured and reported on a calendar quarter basis; reconciled annually on a calendar year basis.
17. Unauthorized Usage of Information (see Contract Section A.9.m.)	
Guarantee	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.
Assessment	One hundred dollars (\$100) per impacted member per instance unless that cannot be determined in which case the assessment shall be one hundred dollars per enrollee per instance.
Measurement	Measured, reported, reconciled upon identification of occurrence.
18. Member Out-of-Pocket (see Contract Section A.1.i.)	
Guarantee	The member's weighted aggregate average out-of-pocket costs shall not exceed the maximum amount specified for each calendar year of the contract for the items specified in Contract Section A.1.i.
Assessment	\$5,000 when weighted aggregate average annual member out-of-pocket exceeds guarantee by 1% - 5%. \$10,000 when weighted aggregate average annual member out-of-pocket exceeds guarantee by 5.1% - 10%. \$15,000 when weighted aggregate average annual member out-of-pocket exceeds guarantee by more than 10%.
Measurement	The Contractor's weighted aggregate average annual member out-of-pocket costs for contact lenses, frames, single vision lenses, and premium progressive lens for the Basic Plan and contact lenses, frames, and single vision lenses for the Expanded Plan. Measured, reported, and reconciled on an annual calendar year basis.

Liquidated Damages:

1. Privacy and Security of Member Information (see Contract Section A.12.)	
Guarantee	The Contractor shall not release, intentionally or unintentionally, members' personal information, enrollment information, or claims information to unauthorized parties.
Liquidated Damages Assessment	For releases affecting fewer than five hundred (500) members: Two thousand five hundred dollars (\$2,500) for the first violation, five thousand dollars (\$5,000) for the second violation and ten thousand dollars (\$10,000) for the third and any additional violations. For releases affecting five hundred (500) or more members: Twenty-five thousand dollars (\$25,000) per violation. The assessment will be imposed on a per incident basis and the assessment will be

	levied on the graduated basis detailed above. ***In the event Contractor is responsible for any Federal or State Penalties related to a privacy violation, the State may, at its discretion waive any Liquidated Damages due the State in association with the same violation.***
Measurement	Measured, reported, reconciled, and paid per occurrence.

CONTRACT ATTACHMENT C**REPORTING REQUIREMENTS**

As required by Contract Section A.14., the Contractor shall submit Management Reports to the State. The reports shall be used by the State to assess the Vision Insurance Program costs and utilization as well as reconcile the Liquidated Damages. All reports shall be submitted in Microsoft Excel format, unless otherwise specified by the State, and shall be sent to the State via secure email.

Unless otherwise directed by the State, the Contractor shall submit reports as follows:

- 1) Weekly reports shall be submitted by Tuesday of the following week;
- 2) Monthly reports shall be submitted by the 15th of the following month;
- 3) Quarterly reports shall be submitted by the 20th of the following month;
- 4) Semi-Annual Reports shall be submitted by the 20th of the following month;
- 5) Annual reports shall be submitted within sixty (60) days after the end of the calendar year.

Reports shall include:

- 1) **Performance Guarantees and Liquidated Damages Tracking**, as detailed in Contract Attachment B, each component to be listed with guarantee and actual results, submitted quarterly and annually using the template prior approved in writing by the State; the report shall also include a narrative statement regarding the status of each item
- 2) **GeoAccess Provider & Facility Network Accessibility Analysis**, submitted annually
- 3) **Summary Plan Information**: submitted quarterly and annually.

Premium Level	Subscribers	Premium	Claims Paid
Employee/Retiree			
Employee/Retiree + Spouse			
Employee/Retiree + Child(ren)			
Employee/Retiree + Spouse + Child(ren)			
Total			

- 4) **In Network and Out-of-Network Utilization by:**
 - a. Submitted charges
 - b. Benefits Paid
 - c. Member Utilization
- 5) **Vision Program Loss Ratio**
As defined by Contract Sections A.17.bb. Contractor shall quarterly and annually calculate its Vision Loss Ratio (VLR) and submit such calculation and any necessary supporting data to the State.
- 6) **Network Changes Update Report submitted quarterly, displaying the following:**
 - a. Present Network of Participating Providers by Service Offered
 - b. Additions to the Network by Name, Specialty and Location
 - c. Terminations to the Network by Name, Specialty and Location
 - d. Targeted areas for recruitment
 - e. Provider turnover ratio (quarterly and annually)

- 7) **Call Center Activity Reports**, as detailed in Contract Section A.4.d, submitted weekly, then monthly.
 - a. Average Speed of Answer – statistics to support an average speed of answer (ASA) of thirty (30) seconds or less during each month
 - b. First Call Resolution – statistics to support a monthly average rate of ninety percent (90%) for first call resolution
- 8) **Member Satisfaction Survey Report**, submitted annually by agreed upon date by secure email using the template prior approved in writing by the State.
- 9) **Account Team Satisfaction Survey Report**, submitted annually using the template prior approved in writing by the State
- 10) **BC/DR Test Results Report**, submitted annually by email using the template prior approved in writing by the State.
- 11) **Weekly File Transmission Statistics Report**, submitted by secure email within one (1) business day of processing the weekly enrollment update file using the template prior approved in writing by the State.
- 12) **Enrollment System Modification Log**, submitted quarterly by secure email using the template prior approved in writing by the State.
- 13) **Claims Experience Report**, submitted upon request by the State to summarize claims experience for Members by employing agency for a specific time period.
- 14) **AdHoc Reports**, The Contractor shall submit such ad hoc reports as are deemed by the State to be necessary to analyze the Vision Insurance Program. The exact format, frequency and due dates for such reports shall be mutually agreed upon with the Contractor and shall be submitted at no cost to the State.
- 15) **FedRamp, ISO 27000 or SOC2 Type 2 report**, submitted annually as required in A.10.k.

CONTRACT ATTACHMENT D**VISION INSURANCE MINIMUM BENEFIT PLAN PROVISIONS**

Unless otherwise approved by the State, the Contractor shall provide the following benefits as of the benefit go-live date specified in Contract Section A.1. Enhanced, additional, or subsequently modified benefits may be provided by the Contractor for the Members upon approval by the State with no premium costs other than those specified in Contract Section C.3. Complete benefit details shall be described in the Contractor's Certificate of Coverage as approved by the State.

Frequency plan design:

Vision Exam	Once every calendar year
Eyeglass Lenses	Once every calendar year
Frames	Once every two (2) calendar years
Contact Lenses	Once every calendar year (in lieu of eyeglass lenses and/or frames)

BASIC PLAN BENEFITS	In-network Member Pays	Out-of-Network Member Pays
<i>Exam with Dilation as Necessary</i>	\$0.00 copay	100% of balance over \$35
<i>Contact Lens Fit and Follow-up:</i>		
Standard	Up to 80% of charge	100% of charge
Premium	Up to 80% of charge	100% of charge
<i>Frames</i>	80% of balance over \$55	100% of charge over \$55 for frames and lenses combined
<i>Standard Lenses:</i>		
Single Vision	80% of balance over \$55	See above
Bifocal	80% of balance over \$55	See above
Trifocal	80% of balance over \$55	See above
Lenticular	80% of balance over \$55	See above
Standard Progressive	80% of balance over \$55	See above
Premium Progressive	80% of balance over \$55	See above
<i>Lens Options:</i>		
UV Treatment	80% of Charge	100% of charge
Tint (Solid and Gradient)	80% of Charge	100% of charge
Standard Plastic Scratch Coating	80% of Charge	100% of charge
Standard Polycarbonate-Adults	80% of Charge	100% of charge
Standard Polycarbonate-Kids under 19	80% of Charge	100% of charge
Standard Anti-Reflective Coating	80% of Charge	100% of charge
Polarized	80% of Charge	100% of charge
Other Add-Ons and Services	80% of Charge	100% of charge

<i>Contact Lenses:</i>		
Conventional	80% of balance over \$55	100% of charge over \$30
Disposable	80% of balance over \$55	100% of charge over \$30
Medically Necessary*	Balance over \$155	100% of charge over \$80
<i>Laser Vision Correction (for select providers)</i>	85% of retail price; 95% of promotional price	100% of charge
EXPANDED PLAN BENEFITS	In-network Member Pays	Out-of-Network Member Pays
<i>Exam with Dilation as Necessary</i>	\$10.00 copay	100% of balance over \$50
<i>Retinal Imaging</i>	As proposed by Contractor in response to RFP 31786-00137	100% of charge
<i>Contact Lens Fit and Follow-up:</i>		
Standard	Up to \$50 copay	100% of charge
Premium	Up to \$60 copay	100% of charge
<i>Frames</i>	80% of balance over \$150	100% of balance over \$75
<i>Standard Lenses:</i>		
Single Vision	Up to \$15 copay	100% of balance over \$35
Bifocal	Up to \$20 copay	100% of balance over \$55
Trifocal	Up to \$20 copay	100% of balance over \$70
Lenticular	Up to \$25 copay	100% of balance over \$70
Standard Progressive	Up to \$55 copay	100% of balance over \$55
<i>Premium Progressive:</i>		
Tier 1	As proposed by Contractor in response to RFP 31786-00137	100% of balance over \$55
Tier 2	As proposed by Contractor in response to RFP 31786-00137	100% of balance over \$55
Tier 3	As proposed by Contractor in response to RFP 31786-00137	100% of balance over \$55
Tier 4	As proposed by Contractor in response to RFP 31786-00137	100% of balance over \$55
<i>Lens Options:</i>		
UV Treatment	Up to \$10 copay	100% of balance over \$10
Tint (Solid and Gradient)	Up to \$25 copay	100% of charge over \$10
Standard Plastic Scratch	Up to \$15 copay	100% of charge over \$10

Coating		
Standard Polycarbonate-Adults	Up to \$30 copay	100% of balance over \$10
Standard Polycarbonate-Kids under 19	\$0.00 copay	100% of balance over \$10
Standard Anti-Reflective Coating	Up to \$45 copay	100% of charge over \$10
Premium Anti-Reflective Coating		
Tier 1	As proposed by Contractor in response to RFP 31786-00137	100% of charge
Tier 2	As proposed by Contractor in response to RFP 31786-00137	100% of charge
Tier 3	As proposed by Contractor in response to RFP 31786-00137	100% of charge
Polarized	Up to 80% of charge	100% of charge
Other Add-Ons and Services	Up to 80% of charge	100% of charge
<i>Contact Lenses:</i>		
Conventional	80% of balance over \$140	100% of charge over \$55
Disposable	80% of balance over \$140	100% of charge over \$55
Medically Necessary*	\$0.00 copay	100% of charge over \$200
<i>Laser Vision Correction (for select providers)</i>	85% of retail price; 95% of promotional price	100% of charge

*If medically necessary as first contact lenses following cataract surgery, or multiple pairs of rigid contact lenses for treatment of keratoconus.

I. Benefits

The Schedule of Benefits in this document reflects, unless otherwise approved by the State, the procedures that vision will cover as well as certain limitations and exclusions for these covered benefits. These services will be covered when a vision provider provides them. These services must be necessary and must be provided in accordance with generally accepted vision practice standards. If the total benefit charge for a Member is less than the benefit cost-sharing, the Member shall pay the lesser charge.

In addition to the limitations and exclusions shown in the Schedule of Benefits section, the Vision Plan does not pay for the following unless otherwise approved by the State:

General Limitations and Exclusions

- A. Treatment of injury or illness covered by Workers' Compensation or Employer's Liability Laws.
- B. Services received without cost from any federal, state or local agency. This exclusion will not apply if prohibited by law.

- C. Cosmetic surgery or procedures for purely cosmetic reasons.
- D. Charges by any hospital or other surgical or treatment facility and any additional fees charged by the vision for treatment in any such facility.
- E. Services by a vision provider beyond the scope of his or her license.
- F. Vision services for which the patient incurs no charge.
- G. Vision services where charges for such services exceed the charge that would have been made and actually collected if no coverage existed.
- H. Orthoptic or vision training, subnormal vision aids and any associated supplemental testing; Aniseikonic lenses.
- I. Any eye or Vision Examination, or any corrective eyewear required by a Policyholder as a condition of employment; Safety eyewear.
- J. Lost or broken lenses, frames, glasses, or contact lenses will not be replaced except in the next Benefit Frequency when Vision Materials would next become available.

II. Optional Materials and Services

If the materials and services rendered exceed the covered benefit, the difference for the actual materials or services rendered is due from the member.

CONTRACT ATTACHMENT E

**HIPAA BUSINESS ASSOCIATE AGREEMENT
COMPLIANCE WITH PRIVACY AND SECURITY RULES**

THIS BUSINESS ASSOCIATE AGREEMENT (hereinafter "Agreement") is between **The State of Tennessee, Finance and Administration, Division of Benefits Administration** (hereinafter "Covered Entity") and XXXXXXXX (hereinafter "Business Associate"). Covered Entity and Business Associate may be referred to herein individually as "Party" or collectively as "Parties."

BACKGROUND

Parties acknowledge that they are subject to the Privacy and Security Rules (45 CFR Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 as amended by Public Law 111-5, Division A, Title XIII (the HITECH Act), in certain aspects of its operations.

Business Associate provides services to Covered Entity pursuant to one or more contractual relationships detailed below and hereinafter referred to as "Service Contracts."

LIST OF AGREEMENTS AFFECTED BY THIS BUSINESS ASSOCIATE AGREEMENT:

Contract Name:

Execution Date:

Voluntary Vision Insurance Program

XXXXXXX

In the course of executing Service Contracts, Business Associate may come into contact with, use, or disclose Protected Health Information ("PHI"). Said Service Contract(s) are hereby incorporated by reference and shall be taken and considered as a part of this document the same as if fully set out herein.

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

1. DEFINITIONS

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 CFR §§ 160.103, 164.103, 164.304, 164.402, 164.501, and 164.504.

- 1.1 "Breach of the Security of the [Business Associate's Information] System" shall have the meaning set out in its definition at T.C.A. § 47-18-2107
- 1.2 "Business Associate" shall have the meaning set out in its definition at 45 C.F.R. § 160.103.
- 1.3 "Covered Entity" shall have the meaning set out in its definition at 45 C.F.R. § 160.103.
- 1.4 "Designated Record Set" shall have the meaning set out in its definition at 45 C.F.R. § 164.501.
- 1.5 "Electronic Protected Health Information" shall have the meaning set out in its definition at 45 C.F.R. § 160.103.
- 1.6 "Genetic Information" shall have the meaning set out in its definition at 45 C.F.R. § 160.103.
- 1.7 "Health Care Operations" shall have the meaning set out in its definition at 45 C.F.R. § 164.501.

- 1.8 "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- 1.9 "Information Holder" shall have the meaning set out in its definition at T.C.A. § 47-18-2107
- 1.10 "Marketing" shall have the meaning set out in its definition at 45 C.F.R. § 164.501.
- 1.11 "Personal information" shall have the meaning set out in its definition at T.C.A. § 47-18-2107
- 1.12 "Privacy Official" shall have the meaning as set out in its definition at 45 C.F.R. § 164.530(a)(1).
- 1.13 "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, subparts A, and E.
- 1.14 "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- 1.15 "Required by Law" shall have the meaning set forth in 45 CFR § 164.512.
- 1.16 "Security Incident" shall have the meaning set out in its definition at 45 C.F.R. § 164.304.
- 1.17 "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Parts 160 and 164, Subparts A and C.

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

2.1 Business Associate is authorized to use PHI for the purposes of carrying out its duties under the Services Contract. In the course of carrying out these duties, including but not limited to carrying out the Covered Entity's duties under HIPAA, Business Associate shall fully comply with the requirements under the Privacy Rule applicable to "business associates," as that term is defined in the Privacy Rule and not use or further disclose PHI other than as permitted or required by this Agreement, the Service Contracts, or as Required By Law. Business Associate is subject to requirements of the Privacy Rule as required by Public Law 111-5, Section 13404 [designated as 42 U.S.C. 17934] In case of any conflict between this Agreement and the Service Contracts, this Agreement shall govern.

2.2 The Health Information Technology for Economic and Clinical Health Act (HITECH) was adopted as part of the American Recovery and Reinvestment Act of 2009. HITECH and its implementing regulations impose new requirements on Business Associates with respect to privacy, security, and breach notification. Business Associate hereby acknowledges and agrees that to the extent it is functioning as a Business Associate of Covered Entity, Business Associate shall comply with HITECH. Business Associate and the Covered Entity further agree that the provisions of HIPAA and HITECH that apply to business associates and that are required to be incorporated by reference in a business associate agreement have been incorporated into this Agreement between Business Associate and Covered Entity. Should any provision not be set forth specifically, it is as if set forth in this Agreement in its entirety and is effective as of the Applicable Effective Date, and as amended.

2.3 Business Associate shall use appropriate administrative, physical, and technical safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement, Services Contract(s), or as Required By Law. This includes the implementation of Administrative, Physical, and Technical Safeguards to reasonably and appropriately protect the Covered Entity's PHI against any reasonably anticipated threats or hazards, utilizing the technology commercially available to the Business Associate. The Business Associate shall maintain appropriate documentation of its compliance with the Privacy Rule, including, but not limited to, its policies, procedures, records of training and sanctions of members of its Workforce.

2.4 Business Associate shall require any agent, including a subcontractor, to whom it provides PHI received from, maintained, created or received by Business Associate on behalf of Covered Entity or that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of, or access to PHI or other confidential information, to agree, by written contract with Business Associate, to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

2.5 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.6 Business Associate shall require its employees, agents, and subcontractors to promptly report, to Business Associate, immediately upon becoming aware of any use or disclosure of PHI in violation of this Agreement. Business Associate shall report to Covered Entity any use or disclosure of the PHI not provided for by this Agreement. Business Associate will also provide additional information reasonably requested by the Covered Entity related to the breach.

2.7 As required by the Breach Notification Rule, Business Associate shall, and shall require its subcontractor(s) to, maintain systems to monitor and detect a Breach of Unsecured PHI, whether in paper or electronic form.

2.7.1 Business Associate shall provide to Covered Entity notice of a Potential or Actual Breach of Unsecured PHI immediately upon becoming aware of the Breach.

2.7.2 Business Associate shall cooperate with Covered Entity in timely providing the appropriate and necessary information to Covered Entity.

2.7.3 Covered Entity shall make the final determination whether the Breach requires notification and whether the notification shall be made by Covered Entity or Business Associate.

2.8 If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate shall provide access, at the request of Covered Entity, to PHI in a Designated Record Set to Covered Entity, in order to meet the requirements under 45 CFR § 164.524, provided that Business Associate shall have at least 30 business days from Covered Entity notice to provide access to, or deliver such information.

2.9 If Business Associate receives PHI from Covered Entity in a Designated Record Set, then Business Associate shall make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to the 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity, provided that Business Associate shall have at least 30 business days from Covered Entity notice to make an amendment.

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

2.11 Business Associate shall document disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosure of PHI in accordance with 45 CFR § 164.528.

2.12 Business Associate shall provide Covered Entity or an Individual, in time and manner designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an Individual for and accounting of disclosures of PHI in accordance with 45 CFR § 164.528, provided that Business Associate shall have at least 30 business days from Covered Entity notice to provide access to, or deliver such information which shall include, at minimum, (a) date of the disclosure; (b) name of the third party to whom the PHI was disclosed and, if known, the address of the

third party; (c) brief description of the disclosed information; and (d) brief explanation of the purpose and basis for such disclosure. Business Associate shall provide an accounting of disclosures directly to an individual when required by section 13405(c) of Public Law 111-5 [designated as 42 U.S.C. 17935(c)].

2.13 Business Associate agrees it must limit any use, disclosure, or request for use or disclosure of PHI to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request in accordance with the requirements of the Privacy Rule.

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

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

2.13.3 Business Associate acknowledges that if Business Associate is also a covered entity, as defined by the Privacy Rule, Business Associate is required, independent of Business Associate's obligations under this Memorandum, to comply with the Privacy Rule's minimum necessary requirements when making any request for PHI from Covered Entity.

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

2.15 If Business Associate receives a request from an Individual for a copy of the individual's PHI, and the PHI is in the sole possession of the Business Associate, Business Associate will provide the requested copies to the individual and notify the Covered Entity of such action. If Business Associate receives a request for PHI in the possession of the Covered Entity, or receives a request to exercise other individual rights as set forth in the Privacy Rule, Business Associate shall notify Covered Entity of such request and forward the request to Covered Entity. Business Associate shall then assist Covered Entity in responding to the request.

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

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

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

3.2 Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the covered entity as required by the Security Rule and Public Law 111-5. This includes specifically, but is not limited to, the utilization of technology commercially available at the time to the Business Associate to protect the Covered Entity's PHI against any reasonably anticipated threats or hazards. The Business Associate understands that it has an affirmative duty to perform a regular review or assessment of security risks, conduct active risk management and supply best efforts to assure that only authorized persons and devices access its computing systems and information storage, and that only authorized transactions are allowed. The Business Associate will maintain appropriate documentation to certify its compliance with the Security Rule.

3.3 Business Associate shall ensure that any agent, including a subcontractor, to whom it provides electronic PHI received from or created for Covered Entity or that carries out any duties for the Business

Associate involving the use, custody, disclosure, creation of, or access to PHI supplied by Covered Entity, to agree, by written contract (or the appropriate equivalent if the agent is a government entity) with Business Associate, to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

3.4 Business Associate shall require its employees, agents, and subcontractors to report to Business Associate within five (5) business days, any Security Incident (as that term is defined in 45 CFR § 164.304) of which it becomes aware. 45 CFR 164.314(a)(2)(C) requires that business associate shall report to the covered entity any security incident of which is becomes aware, including breaches of unsecured protected health information as required by 164.410. Business Associate shall promptly report any Security Incident of which it becomes aware to Covered Entity. Provided however, that such reports are not required for attempted, unsuccessful Security Incidents, including trivial and routine incidents such as port scans, attempts to log-in with an invalid password or user name, denial of service attacks that do not result in a server being taken off-line, malware, and pings or other similar types of events.

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

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

3.7 Notification for the purposes of Sections 2.8 and 3.4 shall be in writing made by email/fax, certified mail or overnight parcel immediately upon becoming aware of the event, with supplemental notification by facsimile and/or telephone as soon as practicable, to:

State of Tennessee
Benefits Administration
HIPAA Privacy & Security Officer
312 Rosa L. Parks Avenue
1900 W.R.S. Tennessee Towers
Nashville, TN 37243-1102
Phone: (615) 770-6949
Facsimile: (615) 253-8556

With a copy to:

State of Tennessee
Benefits Administration
Contracting and Procurement Manager
312 Rosa L. Parks Avenue
1900 W.R.S. Tennessee Towers
Nashville, TN 37243-1102
Phone: (615) 532-4598
Facsimile: (615) 253-8556

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

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

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

4. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

4.1 Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in Service Contract(s), provided that such use or disclosure would not violate the Privacy and Security Rule, if done by Covered Entity. Business Associate's disclosure of PHI shall be subject to the limited data set and minimum necessary requirements of Section 13405(b) of Public Law 111-5, [designated as 42 U.S.C. 13735(b)]

4.2 Except as otherwise limited in this Agreement, Business Associate may use PHI as required for Business Associate's proper management and administration or to carry out the legal responsibilities of the Business Associate.

4.3 Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or provided that, if Business Associate discloses any PHI to a third party for such a purpose, Business Associate shall enter into a written agreement with such third party requiring the third party to: (a) maintain the confidentiality, integrity, and availability of PHI and not to use or further disclose such information except as Required By Law or for the purpose for which it was disclosed, and (b) notify Business Associate of any instances in which it becomes aware in which the confidentiality, integrity, and/or availability of the PHI is breached immediately upon becoming aware.

4.4 Except as otherwise limited in this Agreement, Business Associate may use PHI to provide data aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B).

4.5 Business Associate may use PHI to report violations of law to appropriate Federal and State Authorities consistent with 45 CFR 164.502(j)(1).

4.6 Business Associate shall not use or disclose PHI that is Genetic Information for underwriting purposes. Moreover, the sale, marketing or the sharing for commercial use or any purpose construed by Covered Entity as the sale, marketing or commercial use of member's personal or financial information with affiliates, even if such sharing would be permitted by federal or state laws, is prohibited.

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

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

5. OBLIGATIONS OF COVERED ENTITY

5.1 Covered Entity shall provide Business Associate with the Notice of Privacy Practices that Covered Entity produces in accordance with 45 CFR § 164.520, as well as any changes to such notice. Covered Entity shall notify Business Associate of any limitations in its notice that affect Business Associate's use or disclosure of PHI.

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

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

6. PERMISSIBLE REQUESTS BY COVERED ENTITY

6.1 Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy or Security Rule, if done by Covered Entity.

7. TERM AND TERMINATION

7.1 Term. This Agreement shall be effective as of the date on which it is signed by both parties and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, Section 7.3. below shall apply.

7.2 Termination for Cause.

7.2.1. This Agreement authorizes and Business Associate acknowledges and agrees Covered Entity shall have the right to immediately terminate this Agreement and Service Contracts in the event Business Associate fails to comply with, or violates a material provision of, requirements of the Privacy and/or Security Rule or this Memorandum.

7.2.2. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

7.2.2.1. Provide a reasonable opportunity for Business Associate to cure the breach or end the violation, or

7.2.2.2. If Business Associate has breached a material term of this Agreement and cure is not possible or if Business Associate does not cure a curable breach or end the violation within a reasonable time as specified by, and at the sole discretion of, Covered Entity, Covered Entity may immediately terminate this Agreement and the Service Agreement.

7.2.2.3. If neither cure nor termination is feasible, Covered Entity shall report the violation to the Secretary of the United States Department of Health in Human Services or the Secretary's designee.

7.3 Effect of Termination.

7.3.1. Except as provided in Section 7.3.2. below, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of, Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

7.3.2. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction unfeasible. Upon mutual agreement of the

Parties that return or destruction of PHI is unfeasible, Business Associate shall extend the protections of this Memorandum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction unfeasible, for so long as Business Associate maintains such PHI.

8. MISCELLANEOUS

- 8.1 Regulatory Reference. A reference in this Agreement to a section in the Privacy and or Security Rule means the section as in effect or as amended.
- 8.2 Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act, Public Law 104-191, including any amendments required by the United States Department of Health and Human Services to implement the Health Information Technology for Economic and Clinical Health and related regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended, including, but not limited to changes required by the American Recovery and Reinvestment Act of 2009, Public Law 111-5.
- 8.3 Survival. The respective rights and obligations of Business Associate under Section 7.3. of this Memorandum shall survive the termination of this Agreement.
- 8.4 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and the Business Associate to comply with the Privacy and Security Rules.
- 8.5 Notices and Communications. All instructions, notices, consents, demands, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below, or to such other party, facsimile number, or address as may be hereafter specified by written notice.

COVERED ENTITY:
 State of Tennessee
 Department of Finance and Administration
 Benefits Administration
 ATTN: Chanda Rainey
 HIPAA Privacy & Security Officer
 312 Rosa L. Parks Avenue
 1900 W.R.S. Tennessee Towers
 Nashville, TN 37243-1102
 Phone: (615) 770-6949
 Facsimile: (615) 253-8556
 E-Mail: benefits.privacy@tn.gov

BUSINESS ASSOCIATE:

With a copy to:
 ATTN: Seannalyn Brandmeir, Esq.
 Procurements & Contracting Manager
 At the address listed above
 Phone: (615) 532-4598
 Facsimile: (615) 253-8556
 E-Mail: seannalyn.brandmeir@tn.gov

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the date of hand delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received

mechanically by the facsimile machine at the receiving location and receipt is verbally confirmed by the sender.

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

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

8.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee except to the extent that Tennessee law has been pre-empted by HIPAA.

8.9 Compensation. There shall be **no** remuneration for performance under this Agreement except as specifically provided by, in, and through, existing administrative requirements of Tennessee State government and services contracts referenced herein.

8.10 Security Breach A violation of HIPAA or the Privacy or Security Rules constitutes a breach of this Business Associate Agreement and a breach of the Service Contract(s) listed on page one of this agreement, and shall be subject to all available remedies for such breach.

IN WITNESS WHEREOF,

CONTRACTOR SIGNATURE

Date:

Larry B. Martin, Commissioner of Finance & Administration

Date: