



STATE OF TENNESSEE
 Department of Finance and Administration, Division of TennCare
 REQUEST FOR Application # 31865-00916
 AMENDMENT # 1
 FOR: RFA – Psychiatric Hospital Grant

DATE: October 7, 2024

RFA # 1 IS AMENDED AS FOLLOWS:

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

EVENT	TIME (Central Time)	DATE (all dates are state business days)
1. RFA Issued		September 11, 2024
2. Pre-response Teleconference	2:00 p.m.	September 18, 2024
3. Written "Questions & Comments" Deadline	2:00 p.m.	September 25, 2024
4. State Response to Written "Questions & Comments"		October 7, 2024
5. Deadline for Applications	2:00 p.m.	October 30, 2024
6. Evaluation Notice Released		December 6, 2024
7. Effective Start Date of Contract		January 1, 2025

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

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

No.	RFA SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
1.	V	Attachment 5	If applying for the grant and are not a non-profit entity, how does an applicant approach the non-profit attestation? (Competitive Requirements Form)	Attachment 5 (Competitive Requirements) is a standard form for RFA's. The form does have specific questions for non-profit

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				entities however, for-profit entities are allowed to apply. If not a non-profit, the applicant would mark 'No' for specific non-profit questions.
2.			Will the Psychiatric Hospital Grant application require grantees to comply with 2 CFR Part 200?	This grant only utilizes state funding. 2 CFR Part 200 only applies for federal funding.
3.	IV	Page 5	When TennCare publishes the Q&A document, will you also include the name of the requestor for each question or just the question and answer itself?	We do not publish the source of the question.
4.			Are the grant dollars federal dollars or state dollars? If state dollars, are applicants required to have a System of Award Management ("SAM") ID to apply?	This is all State dollars. Therefore, SAM registration or SAM ID is not a requirement.
5.			Are only acute psychiatric hospitals included or are specialty residential SUD and RTFs included?	Only Acute Psychiatric Hospitals are included.
6.	V	Attachment V	Can you clarify how to complete the non-profit components of Attachment 5 (questions 1 & 4) if we are a for-profit?	See Response to question #1 above.
7.			Do we need to have TN Secretary of State registration if we are a non-profit?	Yes.
8.	I	Page 2	Is the award amount of \$1.5 million per facility or \$1.5 million to be distributed across the 10 awardees?	The \$1.5 million is per facility.

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9.			Is a UEI number required?	A UEI number is not required applicants. However, if an applicant does have a UEI, please provide this number.
10.			Can the funds be used on a capital basis (renovation of pre-existing spaces for therapeutic need)?	Yes, this is an allowable expense.
11.			Can funds be used to update therapeutic space for team members?	No, this is a non-allowable expense.
12.	II	Page 2	In Section 2 of the RFA Overview "Grantee Eligibility and Requirements" there is no stated requirement that the psychiatric hospital applying for this grant be licensed as a Behavioral Health hospital. Will TennCare confirm that a psychiatric hospital licensed as a Med/Surg hospital is eligible to apply for this grant?	Confirmed. All psychiatric hospitals that meet the Section 2 RFA Grantee Eligibility and Requirements are eligible.
13.	II	Pages 2 and 3	Section 2 of the RFA Overview "Grantee Eligibility and Requirements" states that selection priority will be given to applicants whose proposed program focuses on "Children, ages 5-11; Child and/or Adolescent members with co-occurring SUD; Adult, Child, or Adolescent members with co-occurring IDD; Adult, Child, or Adolescent members with complex medical conditions." Will TennCare provide its definition of a "Child," "Adolescent," and "Adult" so that it is clear how an application	Please see Attachment 1 - Psychiatric Hospital Grant Application that provides an age breakdown of the respective member populations.

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			may be given priority in the selection process.	
14.	Sample Grant Attachment	(Grant Budget) Page 20	The Budget Summary says “Do not fill out the grant budget page within the Sample Grant Contract document. This will be filled out by the State after grants are awarded.” Will TennCare confirm that grant applicants’ applications will be deemed responsive and will be evaluated if their applications are submitted without a completed Attachment A Budget Summary.	Yes, the applicant is not expected to complete Attachment A from the Psychiatric Hospital Sample Grant Contract. Attachment 2, Psychiatric Hospital Budget narrative will be used in the evaluation of responses.
15.	Sample Grant Attachment	Page 1	Section A2 of the Sample Contract notes that the Grantee “shall improve access and care.” If the Grantee complies with the grant contract and, despite reasonable efforts, does not improve access and care, is that considered a breach? What would merit the State demanding repayment of advanced funds, outside of a failure to reconcile expenses appropriately?	Specific Grantee responsibilities are detailed in Grant Contract Sections A.4 and A.5. However, lack of improvements regarding access and care may impact the Grant Contract and the State’s decision to enter into another one-year grant contract as outlined in Grant Contract A.6.c.
16.	II	Page 3	If the grant funds are being used to fund new employee positions and the Grantee is unable to complete the job posting, interviewing, and on-boarding between the announcement of the grant award and January 1, 2025, how should the Grantee account for these anticipated new salaries in the budget narrative when the Grantee may not incur a full 12 months of those salaries during the first year of the grant?	The Grantee shall account for the full 12 months of salaries. An Amendment or Budget Revision can be implemented to reconcile line items where expenses may differ from the

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				original line-item amounts.
17.			How much lead time does a Grantee have to ramp up operations of the programs specified in our grant applications?	While there is no specific lead time mandated due to the various ways the funds can be utilized, any necessary lead time should be included within responses to Question(s)#2 on page #4 of the Psychiatric Hospital Grant Application Form.
18.	Sample Grant Attachment	Page 5	As to Section D3 of the Sample Grant Contract, in the event the state terminates for convenience, what merits an authorized expenditure? Given the structure of this grant being an advance payment with reconciliation reports, it does not appear that expenditures will be approved in advance.	As outlined in Section 2 of the Request for Application Overview, all items for advance payment must be in direct alignment with the Grant Contract and approved by the State prior to the release of funding. In addition, any expenditures must meet Grant Section A.5. And A.6 requirements.
19.	Sample Grant Attachment	Pages 5 and 6	Will TennCare consider adding to Section D4 of the Sample Grant Contract an opportunity for the Grantee to cure the breach and continue the performance of the agreement?	The State will not entertain such change to Section D.4 of the Sample Grant Contract.
20.	Sample Grant Attachment	Page 6	If Grantee engages through a contractual relationship (rather than through an employment relationship) a healthcare provider or social worker for certain services related to the grant-funded program in the	Yes.

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			normal course of business, would that arrangement be considered a subcontract of services subject to Section D5 of the Sample Grant Contract?	
21.			Will reports made under this grant (annual, ad hoc, etc.) by Grantee or the state be made public?	Yes, under Tennessee Public Records Act requirements, reports may be made available upon request.
22.	II	Page 3	What standards (state, federal, etc.) will be used to determine what costs are reasonable and necessary?	Proposed response: The State, at its sole discretion, will determine whether potential Grantee proposed expenses are reasonable and necessary in achieving the stated purposes of this Grant as outlined in Section 1 of the Request for Application Overview.
23.	Sample Grant Attachment	Page 4	Will TennCare provide an example of a Disbursement Reconciliation report referenced in C7 of the Sample Grant Contract?	There is not a specific format for this report. Organizations should have internal accounting and reconciliation procedures as to produce a report showing the distribution of State funds for expenses and the reconciliation of said expenses.

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				The Grantee shall work with TennCare to determine an acceptable report format to meet the requirements of C.7
24.	Sample Grant Attachment	Page 4	Will TennCare include an example Disbursement Reconciliation report as an exhibit to the Sample Grant Contract?	See answer to Question #23.
25.			<p>Will information provided by Grantee to the state be subject to the local and state-level open records, Sunshine Laws, FOIA requests, or other requirements to publicly produce the documentation TennCare receives relating to this Grant (“Sunshine Law Requests”)?</p> <p>a. If yes, what information will be subject to these Sunshine Law Requests?</p> <p>b. Will the state notify the Grantee of such Sunshine Law Request and give the Grantee an opportunity to identify any proprietary or otherwise confidential information that should be withheld before fulfilling the Sunshine Law Request?</p> <p>c. If yes, what information will the state allow the Grantee to redact?</p>	<p>Under Tennessee Public Records Act requirements, reports may be made available upon request. In the event a public records request was received, the State will review any such reports for potential Tennessee Public Records Act exceptions, make those determinations, and fully comply with all statutory requirements.</p> <p>When submitting reports, Grantees may provide notice that the report(s) contain information that is confidential or proprietary. The State will review and determine if the information</p>

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				should be redacted.
26.	Sample Grant Attachment	Pages 7 and 8	Will TennCare consider adding to the indemnification language in Section D11 of the Sample Grant Contract that indemnification is limited to the reasonable and actual costs incurred?	The State will not entertain such change to Section D.11 of the Sample Grant Contract.
27.	Sample Grant Attachment	Pages 8 and 9	In Section D15 of the Sample Grant Contract, Grantees are required to main books, records, and documents related to work performed under the contract for 10 years from the date of final payment and are subject to audit at any reasonable time and upon reasonable notice during that period. This is double the time that was required in the TN records provision in grants issued earlier this year (see the Opioid Abatement Council sample grant contract). Would the state consider reducing the 10-year retention period to a 5-year retention period?	No, TennCare is subject to federal requirements and policies which require 10-year retention.
28.	Sample Grant Attachment	Pages 9 and 10	With respect to Section D19 of the Sample Grant Contract, given that these grants are state (and not federal) dollars, will the state confirm that this section and audit requirements are not applicable to Grantees? If the audit requirements in Section D19 of the Sample Grant Contract are required, would TennCare consider removing the requirement to use the State-provided form contract for this audit? If not, will TennCare consider sharing the required form contract as an exhibit to the grant contract.	Section D.19 of the Sample Grant Contract applies as Grantees will be expected to expend more than one million dollars (\$1,000,000.00) or more in state funds from the State during the Grantee's fiscal year. The State will not entertain changes to Section D.19 of the Sample Grant Contract.

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				<p>Regarding the Edison and Comptroller requirements, TennCare does not have the authority to waive this requirement or provide a copy of the grant contract.</p> <p>FAQ and job aids for the forms are at the following link: Grantee</p>
29.	Sample Grant Attachment	Pages 9 and 10	<p>In Section D19 of the Sample Grant Contract, the Grantee is required to get approval from the State Comptroller before engaging an independent auditor if audit is required. Additionally, this section mandates the Grantee to use a state-provided form contract for the audit. Will TennCare waive these requirements for Grantees who are subject to federal publicly traded company audit requirements and who already have independent auditors engaged to comply with these federal requirements?</p>	<p>See response to Question #28.</p>
30.	Sample Grant Attachment	Page 10	<p>Given that these grants are state (and not federal) dollars, will TennCare confirm that the procurement requirements of 2 CFR 200.317 through 200.326, which are noted in Section D20 of the Sample Grant Contract, are not applicable to Grantees?</p> <p>a. Will the Grantees be required to submit documentation of</p>	<p>See response to Question #2.</p> <p>Grantees are required to submit an implementation plan and annual</p>

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			<p>the procurement process in any reporting materials?</p> <p>b. If yes to 18(a), as procurement processes may be proprietary, will TennCare describe what protections are in place to maintain confidentiality of the associated procurement documentation for each Grantee?</p> <p>c. Can TennCare clarify when it will consider a procurement process to be practical versus when it is not practical?</p>	<p>report in accordance with Section A.5.</p> <p>See response to Question #25.</p> <p>TennCare requires the Grantee to be able to provide details pertaining to utilization of funds as part of the reporting requirements and if requested by TennCare pursuant to A.5.b, c, and d.</p>
31.	Sample Grant Attachment	Page 10 and 11 (I think the question is referring to D.27, not D.26)	Section D20 of the Sample Contract appears to contemplate Grantees having the opportunity to purchase equipment with a portion of the grant funds, and the Budget Example in Attachment A shows an "Equipment" line item. However, Section D26 of the Sample Contract appears to prohibit the use of grant funds to purchase equipment. Can TennCare confirm (i) whether equipment is allowed to be purchased with grant funds and, if so, (ii) how Section D26 of the Sample Contract operates?	<p>It appears your reference to Section D.26 was intended for Section D.27.</p> <p>If so, Section D.20 does allow for the purchase of equipment relative to the fulfillment of services under the Grant as long as a Grantee receives prior approval pursuant to A.5 (see item #2 below) and D.20.</p>
32.	Sample Grant Attachment	Page 10 and 11	If equipment can be purchased with grant funds, can TennCare clarify what – if any – prior approval	See item #2 below.

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			process is required by the Grantees before expending the grant funds on equipment?	
33.	Sample Grant Attachment	Page 11	Will TennCare consider making the State's Limitation of Liability provision found in Section D23 of the Sample Grant Contract mutual for the Grantee?	No.
34.	Sample Grant Attachment	Page 11	In Section D26 of the Sample Grant Contract, the Grantee is prohibited from collecting any amount in the form of fees or reimbursements from the recipients of any services provided pursuant to the Grant Contract. Can TennCare clarify for Grantees and add such clarifying language to the Sample Grant Contract as to what healthcare services provided by Grantees under the Grant Contract are billable and to whom? For example, does this D26 language simply prohibit Grantee from billing a recipient of services for co-pays or does it prevent billing for services performed under this Grant altogether? If grant funds are used to expand capacity to provide services but not pay for the provision of those services, would Grantees be allowed to bill for the services provided in this new grant-funded expansion capacity?	Grantees will be able to bill for services performed under the Grant Contract if they are covered TennCare services, but they cannot bill a member/recipient or require co-pay.
35.	Sample Grant Attachment	Page 11	Section D27 of the Sample Grant Contract prohibits the use of grant funds to purchase a motor vehicle. Can TennCare provide its definition of a motor vehicle for the purposes of this Section D27 language? Would purchasing or otherwise paying for the cost of a bus or van to transport patients from a psychiatric hospital to community resources be prohibited by this Section D27 language? Would payment for the use of rented or leased vans or buses to transport	The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann.

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			psychiatric hospital patients to community resources be prohibited by this Section D27 language?	<p>Title 55, Chapters 1-6.</p> <p>While Grantees cannot utilize funds to purchase a motor vehicle, the State supports utilizing these funds for other methods of enhancing patient transportation.</p>
36.	Sample Grant Attachment	Page 13	In Section E2 of the Sample Grant Contract, will TennCare consider removing the sentence "All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State." This statement should be removed given it would only be allocated for an additional insured entity, which given the state is tort-immune, should not apply here.	<p>Grant Contract Section E.2 has been revised accordingly.</p> <p>Please see item #4 below.</p>
37.	Sample Grant Attachment	Page 13	In Section E2 of the Sample Grant Contract, will TennCare clarify what the reference to self-insurance means when an entity has no excess commercial (3rd party) coverage applicable?	<p>The first paragraph in Section E.2 is saying that if the grantee elects not to use insurance coverage purchased from an insurance company for one or more of the required policies, it must meet the insurance requirement with a combination of self-insurance (SIR) and stop-loss (or excess) insurance. The ratio of SIR: excess is not specified.</p>

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38.	Sample Grant Attachment	Page 13	In Section E2 of the Sample Grant Contract, will TennCare consider removing the sentence “The COI must be on a form approved by the TDCI (standard ACORD form preferred).” and instead indicate acceptance of common industry forms?	No, ACORD 25 forms are used by a large majority of insurance companies and simplify data transfer between companies.
39.	Sample Grant Attachment	Page 13 and 14	In Section E2 of the Sample Grant Contract, will TennCare consider changing the requirement to provide the COI “30 calendar days before renewal” to “upon” renewal? If not, will TennCare consider changing the requirement to “ten (10) business days prior to the Effective Date”?	Yes, please see Grant Contract Section E.2 as revised below in item #4.
40.	Sample Grant Attachment	Page 13 and 14	In Section E2 of the Sample Grant Contract, will TennCare consider removing the language that the insurance obligations under this contract be “all the insurance coverage and policy limits carried by the Grantee” and change these requirements to the minimum insurance coverage requirements shown in this contract. Please also consider removing the sentence following the above-referenced language, which reads: “Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State.” This current language and associated requirements are highly unusual and imply the state is an additional insured with access to full policy limits.	Agreed. Please see Grant Contract Section E.2 as revised below in item #4.
41.	Sample Grant Attachment	Page 13 and 14	In Section E2(a)(1) of the Sample Grant Contract, will TennCare consider removing the language that reads “and liability assumed under an insured contract (including the tort liability of another assumed in a business contract)”?	No, the CGL policy should not exclude liability assumed by Grant Contract from coverage.

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42.	Sample Grant Attachment	Page 14 and 15	In Section E2(b) of the Sample Grant Contract, as Worker's Compensation cannot be expressed as a dollar amount, will TennCare consider changing the minimum to be "at statutory limits"?	Please see Grant Contract Section E.2(b) as revised below in item #4.
43.	Sample Grant Attachment	Page 15	In Section E4 of the Sample Grant Contract, Grantee's are required to make "all audit, accounting, or financial analysis work papers, notes, and other documents" available for review by the Comptroller of the Treasury or his representatives upon request. This applies both "while the analysis is in progress" and following the completion of the contract, which would be extremely burdensome on Grantee, especially during the process of an audit. Further it is not clear why notes, work papers, and other documents would be required since they are reflected in the final audits. Finally, we are concerned that the Grantee's accounting firm may not accept these onerous requirements. Therefore, would TennCare consider revising this section to say, "The Grantee shall make all relevant audit determinations available upon reasonable request"?	Please see item #5 below.
44.	Sample Grant Attachment	Sample Grant Attachment In its entirety	Will TennCare provide guidance to Applicants on how to properly submit proposed changes to the Sample Grant Contract within its grant application? For example, should the Applicants submit as an attachment to the application a redlined Sample Grant Contract showing all of their proposed changes, or should they simply provide a document with the proposed changes listed with the relevant contract section referenced?	As stated in Section 7 of the RFA overview, it was imperative that each applicant review the entire Sample Grant Contract with their legal counsel prior to the Questions & Comments Period and ask the State

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				<p>during the Questions & Comments Period about any potential changes to specific terms or conditions. The State will not entertain any additional contract language changes to the Sample Grant Contract after the Questions & Comments Period. Therefore, no redlines will be entertained to the Sample Grant Contract besides any that were asked during the Questions & Comment Period.</p>

3. Section A.5 of Psychiatric Hospital Sample Grant is deleted in its entirety and replaced with the following:

A.5. Service Reporting: The Grantee shall submit the following:

- a. Within one hundred (100) days after the Grant Contract Effective Date, submit to TennCare a grant strategy and implementation report that shall include a brief description of the following key sections:
 1. Strategic goals of grant funding initiatives;
 2. Outline of key action steps anticipated for investments;
 3. Targeted outcomes for improvement;
 4. Budget on how funds will be allocated (including any prior approval of equipment if applicable);
 5. Primary point of contact for grant activities: and
 6. Completed invoice template.
- b. An annual report shall be submitted to TennCare within thirty (30) days prior to the end of each contract year in a format provided by TennCare. The annual report shall include updates on the utilization of funds for all services provided in accordance with Grant Contract Section A.4.
- c. Ad hoc reports and updates, if deemed necessary at TennCare's discretion for purposes of public reporting, may be requested of the Grantee. If ad hoc reports are

requested, TennCare will provide clear instructions on information and format needed. The Grantee will have twenty-one (21) calendar days to provide requested information unless mutually agreed upon.

d. All reports requested shall be submitted by email to TennCare's designated point of contact unless otherwise instructed by TennCare.

4. Section E.2 of Psychiatric Hospital Sample Grant is deleted in its entirety and replaced with the following:

E.2. Insurance. As an alternative to any below required insurance, Grantee shall meet the obligations through a program or combination of self-insurance and excess insurance. The State hereby approves the Grantee's use of deductible or self-insured retention ("SIR") above \$50,000.00.

Grantee shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Grantee's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Grantee loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Grantee shall immediately notify the State. All policies in which the State is named as an additional insured must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Any deductible or self-insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Grantee's sole responsibility. The Grantee agrees that the insurance requirements specified in this Section do not reduce any liability the Grantee has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Grantee shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Grantee shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Grantee shall provide the COI ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverage. Grantee shall provide the State evidence that all subgrantees maintain the required insurance or that subgrantees are included under the Grantee's policy. At any time, the State may require Grantee to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Grantee self-insures, then a COI will not be required to prove coverage. Instead Grantee shall provide

a certificate of self-insurance or a letter, on Grantee's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses.

The State agrees that it shall give written notice to the Grantee 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 Grantee of its obligations under this Section to the extent that the Grantee can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Grantee 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.

The insurance obligations under this Contract shall be: (1) - the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Grantee arising under this Contract. The Grantee shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability ("CGL") Insurance

- 1) The Grantee shall maintain CGL insurance, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations, products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

The Grantee shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

- 1) For Grantees statutorily required to carry workers' compensation and employer liability insurance, the Grantee shall maintain **workers compensation and employer liability in an amount no less than the statutory limits.**
- 2) If the Grantee certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Grantee shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Grantee employs fewer than five (5) employees;
 - ii. The Grantee is a sole proprietor;
 - iii. The Grantee is in the construction business or trades with no employees;
 - iv. The Grantee is in the coal mining industry with no employees;
 - v. The Grantee is a state or local government; or
 - vi. The Grantee self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Automobile Liability Insurance

- 1) The Grantee shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).
- 2) The Grantee shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.

d. Professional Liability Insurance

- i. Professional liability insurance shall be written on an occurrence basis or on a claims-made basis. If this coverage is written on a claims-made basis, then:
 1. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services;
 2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) full years from the date of the final Contract payment; and
 3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date on or prior to the Contract Effective Date, the Grantee must purchase "extended reporting" or "tail coverage" for a minimum of five (5) full years from the date of the final Contract payment.
- ii. Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and
- iii. If the Contract involves the provision of services by medical professionals, a policy limit not less than three million (\$3,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.

5. Section E.4 of Psychiatric Hospital Sample Grant is deleted in its entirety and replaced with the following:

E.4. **Reserved.**

6. **RFA Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFA not expressly amended herein shall remain in full force and effect.