



CONTRACT

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

Begin Date September 1, 2025	End Date August 31, 2030	Agency Tracking # 31865-00647	Edison Record ID 87305
Contractor Legal Entity Name McKinsey & Company, Inc.			Edison Vendor ID 0000164023

Goods or Services Caption (one line only)
Value-Based Payment (VBP) Program Consulting Services

Contractor <input checked="" type="checkbox"/> Contractor	Assistance Listing Number#
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2026	\$2,681,250.00	\$2,681,250.00			\$5,362,500.00
2027	\$3,217,500.00	\$3,217,500.00			\$6,435,000.00
2028	\$3,217,500.00	\$3,217,500.00			\$6,435,000.00
2029	\$3,217,500.00	\$3,217,500.00			\$6,435,000.00
2030	\$3,217,500.00	\$3,217,500.00			\$6,435,000.00
2031	\$536,250.00	\$536,250.00			\$1,072,500.00
TOTAL:	\$16,087,500.00	\$16,087,500.00			\$32,175,000.00

Contractor Ownership Characteristics:

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

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

Disabled Owned Business (DSBE)

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

Government Non-Minority/Disadvantaged Other: For Profit

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

Competitive Selection Competitively bid via RFP 31865-00647

Other N/A

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

Crystal Allen Digitally signed by: Crystal Allen
 DN: CN = Crystal Allen email = crystal.g.allen@tn.gov C = US O = TennCare OU = Fiscal
 Date: 2025.08.07 10:01:15 -05'00'

Speed Chart (optional)	Account Code (optional)
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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION,
DIVISION OF TENNCARE
AND
MCKINSEY & COMPANY, INC.**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of TennCare (“State” or “TennCare”) and McKinsey & Company, Inc. Washington D.C. (“Contractor”), is for the provision of Value-Based Payment (VBP) Program Consulting Services (“Service” or “Services”), as further defined in the “SCOPE.” State and Contractor may be referred to individually as a “Party” or collectively as the “Parties” to this Contract.

The Contractor is a For-Profit Corporation
Contractor Place of Incorporation or Organization: Washington D.C.
Contractor Edison Registration ID # 0000164023

A. SCOPE

- A.1. The Contractor shall provide all goods or Services and Deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Definitions. For the purposes of this Contract, definitions and abbreviations shall be as set forth in Attachment A, Definitions and Abbreviations.
- A.3. The Contractor shall provide TennCare with:
 - A.3.1. a formal evaluation of TennCare’s current VBP Programs;
 - A.3.2. a VBP review inclusive of VBP Program Enhancement (Enhancements) recommendations of TennCare’s current Value-Based Payment (VBP) Programs and recommendations for a New VBP Program in line with TennCare’s existing VBP approach;
 - A.3.3. the design and implementation of Enhancements TennCare selects to pursue;
 - A.3.4. the design, implementation, and support in operations of the New VBP Program TennCare selects to pursue;
 - A.3.5. the design and implementation of a monitoring plan for the New VBP Program TennCare selects to pursue;
 - A.3.6. the design of evaluation criteria for the New VBP Program TennCare selects to pursue; and
 - A.3.7. Hospital VBP support inclusive of program oversight and hospital compliance for a state-wide Hospital Quality Program and program improvement for hospital VBP efforts.
 - A.3.8. The services shall incorporate current industry standard tools and technology and shall be adaptable to accommodate Centers for Medicare and Medicaid Services (CMS), federal, and State regulatory requirements and technological advances.
- A.4. Value-Based Payment (VBP) Program Consulting Services
 - A.4.1. Planning Requirements
 - A.4.1.1. General
 - A.4.1.1.1. The Contractor shall have discussions regarding the project schedule and planning activities as described in Section A.4.1 and A.4.2 with TennCare immediately following project kickoff.

- A.4.1.1.2. The Contractor shall, at a minimum, develop a Project Management Plan (PMP) and Project Schedule, as defined in Table 3: Table of Deliverables in Section A.10, including timelines and milestones, project goals, planned deliverable dates, objectives, scope, and the resources required to support the following in alignment with the 2023 Quality Assessment and Performance Improvement Strategy (Quality Improvement Strategy) and VBP mission statement and goal:
 - A.4.1.1.2.1. The Evaluation of the four existing VBP Programs as outlined in Section A.4.3.2;
 - A.4.1.1.2.2. the VBP Review and Recommendations Report (VBP Report) as outlined in Section A.4.4.3;
 - A.4.1.1.2.3. the Design and Implementation of Enhancement of the existing VBP Program(s) as outlined in Section A.4.5.1;
 - A.4.1.1.2.4. the Design and Implementation of a New VBP Program as outlined in Section A.4.6.1.;
 - A.4.1.1.2.5. the Design and Implementation of the VBP Performance Monitoring Management Plan as outlined in Section A.4.6.4.1;
 - A.4.1.1.2.6. the Design of the VBP Evaluation Plan and Criteria as outlined in Section A.4.6.4.5; and
 - A.4.1.1.2.7. the oversight of the Hospital Quality Program and performance improvement for Hospital VBP efforts.
- A.4.1.1.3. The Contractor shall hold review meetings with TennCare approved stakeholders upon submission of the PMP following the Project Kickoff.
- A.4.1.1.4. The Contractor shall coordinate with identified TennCare stakeholders on project governance, communication, and coordination activities to help ensure consistent understanding of the objectives and status of project activities.
- A.4.1.1.5. The Contractor shall collaborate with TennCare identified partners and stakeholders, including designated representative enterprise vendors and actuarial service vendor, as directed by TennCare, for agreement on the scope, objectives, and timelines of the VBP Program projects with the ultimate objectives of evaluating and identifying opportunities for Enhancement of TennCare VBP Programs, implementation of those Enhancements, and development of a new, Tennessee-specific VBP Program.
- A.4.1.1.6. The Contractor shall expect to use state systems for VBP analytics and work with the Integration Services Layer (ISL) Vendor, Data Ecosystem (DE) Vendor, Managed Care Organizations (MCOs), and other Medicaid Modernization Program Vendors and Partners (MMPVPs) as directed by TennCare to establish the necessary technical environments and data integrations to support analytical activities including State security standards listed in Section A.7.
 - A.4.1.1.6.1. The Contractor shall propose for TennCare use and approval additional data sets to supplement existing TennCare and MCO data sources in support of analytical activities (e.g., Academic, federal, Industry data sets).
 - A.4.1.1.6.2. The Contractor shall support the development of technology specifications and supporting documentation (i.e., interface control documentation, technology-related deliverables) by TennCare technology vendors as applicable to allow for integration of various data sources with State systems.
 - A.4.1.1.6.3. The Contractor shall maintain awareness and expertise on national benchmark data for use in VBP Program evaluation, design, and implementation during the Term.

- A.4.1.1.7. The Contractor shall plan and attend kickoff meeting(s) and key stakeholder planning meetings as defined in the approved Project Management Plan and Project Schedule to complete development of Deliverables and Artifacts required for execution of activities.
- A.4.1.1.7.1. The Contractor shall identify key in-person meetings and in-person attendees, subject to TennCare approval. Staff not identified as key staff for attending select meetings in-person shall support meetings remotely.
- A.4.1.1.8. The Contractor shall provide flexibility in project planning and execution to align Contractor resource levels as directed by the TennCare Project Manager for VBP Program project activities. TennCare may require accelerated task accomplishment or reduction in Contractor activity based on program constraints.
- A.4.1.1.8.1. TennCare shall provide advanced notice, in accordance with the agreed upon process and timeline for notification of acceleration or reduction in planned activities, as defined in the approved Project Management Plan located in Attachment C, Procurement Library. Project changes will be communicated using the process defined in the Project Change Management Standard located in Attachment C, Procurement Library. This approach will apply to any such project planning and execution adjustments.
- A.4.1.1.8.2. The Contractor shall accommodate such requests and make necessary adjustments to the task or activity and the project schedule to allow for the involvement of key internal or external participants as determined by TennCare.
- A.4.1.1.8.3. The Contractor shall work with TennCare to assess the impact of such adjustments on the project timeline and develop a plan to mitigate any negative impact arising from those adjustments.
- A.4.1.1.9. The Contractor shall complete ad-hoc requests related to the scope of the procurement, as directed and within the timeline defined by TennCare.

A.4.2. Communications

A.4.2.1. General

- A.4.2.1.1. The Contractor shall conduct a stakeholder identification process that identifies all relevant stakeholders, including healthcare Providers, healthcare Members, healthcare administrators, payors, policymakers, and all MCO representatives, including PCMH and THL coaches.
- A.4.2.1.2. The Contractor shall develop all communications of purpose, benefits, and expectation of VBP Program projects to all TennCare-identified stakeholders for TennCare's utilization and dissemination. TennCare will be the primary communicator to external stakeholders during project activities (inclusive of ad-hoc information requests from internal and external project stakeholders), with Contractor assistance and support.
- A.4.2.1.3. The Contractor shall develop communication in a manner that allows the Contractor to tailor messages to the specific stakeholder group(s).
- A.4.2.1.4. The Contractor shall develop and deliver Project Status Reports to communicate progress, changes, challenges, successes, and any other relevant updates of the VBP Program projects to TennCare and identified project stakeholders, as defined in Table 3: Table of Deliverables in Section A.10., at a cadence determined by TennCare.
- A.4.2.1.5. The Contractor shall establish mechanisms to receive and incorporate feedback from stakeholders throughout the VBP Program project activities outlined in section A.4 of this Contract. Established mechanisms shall:

- A.4.2.1.5.1. Be designed and implemented within the first sixty (60) calendar days following the Effective Date to incorporate improvement opportunities into subsequent VBP Program project activities;
- A.4.2.1.5.2. Include a communication channel (e.g., email, phone, web conference) through which stakeholder feedback and questions related to the VBP Program project activities can be collected and addressed. This channel shall be available 24/7/365, and all inquiries shall be directed to Contractor's designated Point of Contact (POC);
- A.4.2.1.5.3. Track all feedback and questions received and progress in addressing them, including a clear process of resolution and response timelines;
- A.4.2.1.5.4. Make available, at a cadence agreed upon by TennCare, scheduled reports on the feedback received, summarized general feedback themes, identified areas for improvement, the Contractor's response, and the Contractor's communication plan recommendations.
- A.4.2.1.6. The Contractor shall create internal and external materials, to be approved by TennCare upon completion, for socialization and onboarding of project objectives and activities and materials for status reports including, but not limited to:
 - A.4.2.1.6.1. Fact/cheat sheet(s);
 - A.4.2.1.6.2. FAQs;
 - A.4.2.1.6.3. Readiness assessments;
 - A.4.2.1.6.4. Key opportunities;
 - A.4.2.1.6.5. Subsequent steps needed for engagement;
 - A.4.2.1.6.6. Comprehensive payment methodology explanation(s);
 - A.4.2.1.6.7. Webinar(s) conducted with Contractor support;
 - A.4.2.1.6.8. Office hours;
 - A.4.2.1.6.9. Availability to help educate the Provider group;
 - A.4.2.1.6.10. Progress Reports, as defined in Section D.3;
 - A.4.2.1.6.11. Preliminary results;
 - A.4.2.1.6.12. Full evaluation methodology, results, and recommendations report;
 - A.4.2.1.6.13. Evaluation summaries; and
 - A.4.2.1.6.14. Public reporting.
- A.4.2.1.7. The Contractor shall provide onboarding materials to representatives of the MCOs, including PCMH and THL coaches, as defined by TennCare, at a cadence determined by TennCare. Onboarding materials shall reiterate the VBP Program, VBP Program objectives, and Provider instructions for the VBP Program as part of the VBP Stakeholder Engagement Plan in Table 3: Table of Deliverables in Section A.10.
- A.4.2.1.8. The Contractor shall establish communication methods and frequency for project team meetings, status updates, and report generation associated with VBP Program project activities and subsequent follow-on activities as defined in the approved VBP Stakeholder Engagement Plan defined in Table 3: Table of Deliverables in Section A.10.

- A.4.2.1.9. The Contractor shall begin stakeholder engagement and feedback requests early in design activities to ensure all perspectives are accounted for in development and implementation of VBP Program project activities.
- A.4.2.1.10. The Contractor shall document stakeholder engagement discussions and key decisions in a clear and consistent manner as approved by TennCare.

A.4.2.2. VBP Transition Plan

The Contractor shall develop and deliver, the VBP Transition Plan, with TennCare input and approvals, as defined in Table 3: Table of Deliverables in Section A.10. This plan shall support capacity building and knowledge transfer.

A.4.2.3. New Program - TAG Engagement

The Contractor shall design, plan, and participate in Technical Advisory Group (TAG) Sessions to discuss findings and recommendations of Section A.4.4.3 VBP Report, Section A.4.5 Existing VBP Program Enhancements: Design and Implementation, and Section A.4.6 New VBP Program: Design and Implementation activities.

- A.4.2.3.1. The Contractor shall assist the State in the planning and implementation of TAG sessions with select Tennessee clinicians on their VBP Program experience, lessons learned, and improvement opportunities. The State shall gather nominations for TAGs, select the members of the TAG, schedule all TAG meetings, provide introductory information to TAG members, and chair all TAG meetings, while the Contractor shall support operations for these activities.
- A.4.2.3.2. The Contractor shall be responsible for the following activities during TAG sessions:
 - A.4.2.3.2.1. At least one (1) month prior to the first TAG session, the Contractor shall use findings of Section A.4.4.3 VBP Report to create presentations on national trends, lessons learned, and improvement opportunities to TennCare for Member and Providers for use during the TAG sessions.
 - A.4.2.3.2.2. At least one (1) month prior to the first TAG session, the Contractor shall create a set of draft recommendations for consideration during the TAG session and for TennCare's approval. The Contractor shall advise TennCare where there are multiple recommended options on design decisions and incorporate TennCare's selected options into the draft in an iterative process in the month prior to the start for the TAG session.
 - A.4.2.3.2.3. Additional activities in support of all subsequent TAG sessions, for which TennCare will provide notice of detailed responsibilities, milestones, and timelines.
 - A.4.2.3.2.4. TAG session Contractor responsibilities shall include, but are not limited to: preparing agendas, presentations, handouts, or other supporting documentation for each TAG session; support meeting facilitation including planning logistics, technology setup, capturing meeting minutes, and supporting meeting follow-up such as action items and next steps. TennCare, in its sole discretion, will determine Contractor's responsibilities for each TAG session.
 - A.4.2.3.2.5. TAG session Contractor responsibilities shall apply to both Enhancement and/or New Program design needs unless TennCare, in its sole discretion, determines otherwise.

A.4.3. Existing VBP Program Evaluations

- A.4.3.1. The Contractor shall enter program evaluation activities as described below with TennCare immediately following Project Kickoff and the Contract Effective Date.

- A.4.3.2. The Contractor shall conduct a comprehensive evaluation of TennCare's existing VBP Program portfolio consisting of four individual programs, including Episodes of Care (EoC), Tennessee HealthLink (THL), Patient Centered Medical Home (PCMH), and Long Term Services and Support VBP (LTSS VBP).
 - A.4.3.2.1. The Contractor shall conduct the four (4) program evaluations over the span of the Contract Term and occur as a stand-alone activity without relationship to other Contractor activities outlined in this Contract.
 - A.4.3.2.2. The Contractor shall conduct program evaluations based on Contractor-derived criteria, TennCare expertise, and collaboration with MCOs, that has been prior approved by TennCare.
 - A.4.3.2.3. The Contractor shall evaluate costs, quality outcomes/measures, target populations/Providers, and other topics as directed by TennCare.
 - A.4.3.2.4. The Contractor shall determine the program impact, effectiveness, and alignment with the intended goals of the programs' target population(s).
 - A.4.3.2.5. The Contractor shall perform stakeholder analysis to gather input from VBP Program participants and the wider stakeholder network to help ensure appropriate coverage of stakeholder perspectives for evaluation purposes, including the following:
 - A.4.3.2.5.1. Types of reports and data deemed most important by Providers;
 - A.4.3.2.5.2. Gap analysis on what data is available through MCO portals and what is missing from current data platforms;
 - A.4.3.2.5.3. Recommendations to enhance user experience when accessing VBP performance data; and
 - A.4.3.2.5.4. Provide any extra costs associated with engaging outside stakeholders (e.g., travel, meeting fees).
 - A.4.3.2.6. The Contractor shall conduct evaluation activities with consideration to alignment of activities across programs, such as related and overlapping subject matter, activities, data, and outcomes.
 - A.4.3.2.7. The Contractor shall coordinate with the existing vendor responsible for PCMH and THL VBP Programs' analysis activities. This shall include:
 - A.4.3.2.7.1. At minimum, knowledge transfer and methodology carryover of current and historical analyses; and
 - A.4.3.2.7.2. Annual updates made to datasets and analysis attributes due to ongoing changes resulting from parallel enterprise projects.
 - A.4.3.2.8. The Contractor shall identify and analyze TennCare-approved internal and external data sources in support of VBP Program project activities.
 - A.4.3.2.9. The Contractor shall perform financial and cost-benefit analysis to support evaluation activities.
 - A.4.3.2.10. The Contractor shall undertake additional evaluation activities as directed by TennCare.
- A.4.3.3. The Contractor shall create four (4) VBP Program Evaluation Reports as a result of the comprehensive evaluations, as defined in Table 3: Table of Deliverables in Section A.10.
 - A.4.3.3.1. The Contractor shall incorporate lessons learned, best practices, and evaluation results into each report that identifies objectives and support initiatives that will

have the most impact toward achievement of TennCare Quality Improvement (QI) objectives.

A.4.3.3.2. The reports shall incorporate information on all categories described in the VBP Program Evaluation Report as described in Table 3: Table of Deliverables in Section A.10.

A.4.3.3.3. At the conclusion of the evaluation, the Contractor shall provide TennCare with all relevant field notes, transcripts, SQL queries, analytic code, results, and related materials used in its evaluation to enable TennCare to replicate, validate, and expand the analyses conducted as part of the evaluation.

A.4.4. VBP Program Review and Recommendations

A.4.4.1. The Contractor shall enter VBP Program review and recommendations activities with TennCare immediately following Project Kickoff (as defined in Section A.4.1.1.2 Planning) and the Contract Effective Date. These activities will include a review of the relevant marketplace and recommendations for existing Enhancements and New VBP Program options.

A.4.4.2. The Contractor shall conduct a review and comprehensive analysis of the relevant healthcare market to identify VBP innovation opportunities for the VBP Program in alignment with TennCare's annual Quality Improvement Strategy and TennCare's VBP mission statement and goal.

A.4.4.2.1. The Contractor shall analyze national and state level market trends to identify growth areas and opportunities to lower costs and improve quality for TennCare's VBP Program portfolio.

A.4.4.2.2. The Contractor shall obtain and review applicable MCO policies in place or planned for analysis of potential impacts.

A.4.4.2.3. The Contractor shall evaluate regulatory and compliance considerations for Tennessee-specific VBP innovation opportunities obtaining input from appropriate staff to help ensure alignment with applicable laws and regulations.

A.4.4.2.4. The Contractor shall identify internal and external data sources regarding the performance of existing TennCare VBP Programs and TennCare stakeholder insights as a part of their analysis, for TennCare approval.

A.4.4.2.5. Before proceeding with formal analysis, the Contractor shall receive approval from TennCare on the data sources that will be used to perform VBP design analysis.

A.4.4.2.6. The Contractor shall incorporate payer types outside of Medicaid for analysis and consideration in the VBP Program design recommendations to include commercial, state employee benefits, and public payers (i.e., Medicare).

A.4.4.2.7. The Contractor shall perform analysis with reference to TennCare programs and populations and TennCare approved data sources to inform VBP recommendations and VBP design.

A.4.4.2.8. The Contractor shall include assessment of risk adjustment methodologies and models.

A.4.4.2.9. The Contractor shall include a feasibility study as part of the VBP Report.

A.4.4.2.10. After initial implementation of any Enhancements, New VBP Program, or initiatives contemplated as a result of this Contract, the Contractor shall provide ongoing financial cost-benefit projections using assumptions and models consistent with those used by TennCare actuaries including, but not limited to, ensuring that baselines and thresholds are updated at a recommended cadence but to be determined by TennCare.

- A.4.4.3. The Contractor shall create a VBP Review and Recommendations Report (VBP Report) as a result of the VBP review activities, as defined in Table 3: Table of Deliverables in Section A.10.
- A.4.4.3.1. The Contractor shall use the VBP review activities to inform the recommendation of Enhancements for existing TennCare VBP Programs. Recommendations for Enhancements will take into account VBP effectiveness as well as applicability and feasibility in Tennessee.
- A.4.4.3.2. The Contractor shall use the VBP review activities to inform the recommendation of a New VBP Program. Recommendations for a New VBP Program will take into account TennCare's existing VBP portfolio and focus areas, VBP effectiveness as well as applicability and feasibility in Tennessee.
- A.4.4.3.3. The Contractor shall identify the strengths, weaknesses, and opportunities for improvement of the existing VBP Programs for inclusion in the VBP Report in alignment with TennCare defined criteria and the approved Project Schedule.
- A.4.4.3.4. The Contractor shall include a prioritized list of potential Tennessee-specific VBP innovation opportunities in alignment with TennCare's annual Quality Improvement Strategy and TennCare's VBP mission statement and goal considering factors such as program alignment with strategic goals, potential impact on costs and quality outcomes/measures, target populations/Providers, and financial considerations in the VBP Report for TennCare approval.
- A.4.4.4. The Contractor shall support TennCare with additional analysis of Enhancement recommendations upon request to help inform TennCare's decision making process on final Enhancements to existing VBP Programs.
- A.4.5. Existing VBP Program Enhancements: Design and Implementation
- A.4.5.1. After completion of and TennCare Acceptance of the VBP Report, the Contractor shall complete design and implementation of VBP Program Enhancements (Enhancements), as specified by TennCare. The timing and order of individual program Enhancements will be determined in consultation with TennCare. Transition to the design phase for VBP Program Enhancements shall occur within one year or less after the Effective Date of the Contract.
- A.4.5.2. VBP Program Enhancements Design
- A.4.5.2.1. The Contractor shall develop the VBP Implementation Roadmap, as defined in Table 3: Table of Deliverables in Section A.10, for the Enhancement recommendations, including timelines, milestones, and resource requirements.
- A.4.5.2.1.1. The Contractor shall include standard VBP Program roll-out approaches for recommended Enhancements, (e.g., Pilot testing, Phased Implementation). Upon review and at the direction of TennCare, the roll-out approaches can be tailored to fit the needs of the specific VBP Program(s).
- A.4.5.2.1.2. The Contractor shall collaborate with the MCOs, partner stakeholders, including designated representative enterprise vendors as directed by TennCare to develop the VBP Implementation Roadmap, along with subsequent updates as defined in the approved Project Schedule.
- A.4.5.2.2. The Contractor shall identify technical and infrastructure changes needed to operationalize the Enhancements and communicate the needed changes in a manner specified by TennCare.
- A.4.5.2.3. The Contractor shall develop the VBP Data Analysis and Reporting Plan to support Enhancements as defined in Table 3: Table of Deliverables in Section A.10.

- A.4.5.2.3.1. The Contractor shall identify and analyze TennCare-approved internal and external data sources in support of VBP Program project activities.
- A.4.5.2.4. The Contractor shall develop the VBP Financial Sustainability Assessment as defined in Table 3: Table of Deliverables in Section A.10.
 - A.4.5.2.4.1. The Contractor shall perform financial projections and cost-benefit analysis to support Enhancement activities. Such activities shall use assumptions and models consistent with those used by TennCare actuaries.
 - A.4.5.2.4.1.1 The Contractor shall provide financial projections and cost-benefit analysis capabilities and staff either in-house or through a third-party contractor. Should the Contractor utilize a subcontractor to complete these analyses, the Contractor must disclose details as requested by TennCare pursuant to Section D.7.
 - A.4.5.2.4.1.2 The Contractor shall detail the implementation of financial projections and cost-benefit analyses to estimate the potential Return on Investment (ROI) for the state and impact to participating Providers' revenue/bottom line (e.g., health care cost, administrative cost).
 - A.4.5.2.4.1.3 The Contractor shall provide recommendations based on financial projections and cost-benefit analysis and for multi-year baselines and produce a clear perspective on impacts of coronavirus disease (COVID-19) on utilization as a factor for baseline development.
 - A.4.5.2.4.1.4 The Contractor shall coordinate with the official State actuarial contractor to ensure accuracy of any actuarial analyses. The Contractor shall not provide actuarial services that impact TennCare's managed care program capitation rate.
 - A.4.5.2.4.1.5 As directed by TennCare to protect the discussion or transmittal of confidential/proprietary information, the Contractor shall be required to complete non-disclosure agreements when directed to perform VBP design activities in coordination with the official state actuarial contractor.
 - A.4.5.2.5. The Contractor shall work with TennCare to develop Model Artifacts in coordination with MCOs, such as model VBP participation terms for provider agreements, data definitions and calculation rules for performance metrics and other vendor-developed content that will be useful for increasing the efficiency and adoption of Enhancements. The Model Artifacts developed in coordination with TennCare are not intended to be a legal opinion or constitute legal or tax advice. Any Model Artifact developed solely by the Contractor and/or in collaboration with other stakeholders is considered the property of TennCare.
 - A.4.5.2.6. The Contractor shall identify the required training for Providers, MCOs, State, and other stakeholders as identified by the project team and document in the VBP Training Plan as defined in Table 3: Table of Deliverables in Section A.10.
 - A.4.5.2.6.1. The Contractor shall develop training materials to ensure Providers, MCOs, State, and other stakeholders can operationalize the Enhancement recommendations to existing VBP Program(s) within TennCare's specified timeline. All training materials will be developed in accordance with Section A.10.1.
- A.4.5.3. VBP Program Enhancement Implementation
 - A.4.5.3.1. The Contractor shall support TennCare with the implementation of identified Enhancements to existing VPB Programs, as defined by TennCare.

- A.4.5.3.2. The Contractor shall implement the VBP Implementation Roadmap, including a roll-out plan of the program, as approved by TennCare.
- A.4.5.3.3. The Contractor shall coordinate with TennCare MCOs to ensure successful implementation of the program Enhancements.
- A.4.5.3.4. The Contractor shall implement the VBP Training Plan as defined in Table 3: Table of Deliverables in Section A.10.
- A.4.5.3.5. The Contractor shall produce regular reports on post-implementation performance of the Enhancements with content and at a cadence determined by TennCare in accordance with Attachment B, Service Level Agreements and Liquidated Damages.
 - A.4.5.3.5.1. The Contractor shall include assessment factors to account for unintended consequences resulting from the Enhancement implementation(s).
 - A.4.5.3.5.2. The Contractor shall monitor for unintended consequences and provide support to address any identified.
 - A.4.5.3.5.3. The Contractor shall work with TennCare on efforts to implement corrective actions and programmatic adjustments to continuously optimize VBP Program performance throughout the Term.

A.4.6. New VBP Program: Design and Implementation

- A.4.6.1. After completion of and TennCare Acceptance of the VBP Report, the Contractor shall provide design and implementation services for the New VBP Program, as specified by TennCare. Transition to the design phase for New VBP Program shall occur within one year or less after the Effective Date of the Contract.
- A.4.6.2. New VBP Program Design
 - A.4.6.2.1. The Contractor shall develop the VBP Program Design Deliverable as defined in Table 3: Table of Deliverables in Section A.10. to drive the development of the New VBP Program that provides a comprehensive framework including costs and quality performance, financial sustainability, data analysis, and technical considerations as directed by TennCare.
 - A.4.6.2.1.1. The Contractor shall develop a tailored VBP Program roll-out approach (e.g., Pilot testing, Phased Implementation) for TennCare approval, which fits the needs of the specific VBP Program(s).
 - A.4.6.2.2. The Contractor shall collaborate with the MCOs, partner stakeholders, including designated representative enterprise vendors as directed by TennCare to develop the VBP Program Design Deliverable and the VBP Implementation Roadmap, along with subsequent updates as defined in the approved Project Schedule.
 - A.4.6.2.3. The Contractor shall establish, with TennCare and MCO direction, an approach for real-time or near real-time collection of Provider reporting information related to the VBP Program for TennCare and partners' analytical activities.
 - A.4.6.2.4. The Contractor shall account for the scalability of the VBP Program in the design phase. Scalability might be considered for size, designated population, geographic coverage, or other categories as defined by TennCare.
 - A.4.6.2.5. The Contractor shall identify technical and infrastructure changes needed to operationalize the New VBP Program and communicate the needed changes in a manner specified by TennCare.

- A.4.6.2.6. The Contractor shall develop the VBP Data Analysis and Reporting Plan to support the New VBP Program as defined in Table 3: Table of Deliverables in Section A.10.
 - A.4.6.2.6.1. The Contractor shall identify and analyze TennCare-approved internal and external data sources in support of VBP Program project activities.
 - A.4.6.2.6.2. The Contractor shall be expected to utilize the State's existing sources of data for Member program attribution and Provider performance.
 - A.4.6.2.6.3. The Contractor shall have quantitative modeling/analytic projections capabilities to model sets of data including, but not limited to, total cost of care, quality of care, and impact on Long-Term Services and Supports.
 - A.4.6.2.7. The Contractor shall develop the VBP Financial Sustainability Assessment as defined in Table 3: Table of Deliverables in Section A.10.
 - A.4.6.2.7.1. The Contractor shall provide financial projections and cost-benefit analysis to support VBP assessment, design, and evaluation activities. Such activities shall use assumptions and models consistent with those used by TennCare actuaries.
 - A.4.6.2.7.1.1 The Contractor shall provide financial projection and cost-benefit analysis capabilities and staff either in-house or through a third-party contractor. Should the Contractor utilize a subcontractor to complete these analyses, the Contractor must disclose details as requested by TennCare pursuant to Section D.7.
 - A.4.6.2.7.1.2 The Contractor shall detail the implementation of financial cost-benefit analyses and projections to estimate the potential Return on Investment (ROI) for the State and impact to participating Providers' revenue/bottom line (e.g., health care cost, administrative cost).
 - A.4.6.2.7.1.3 The Contractor shall provide recommendations based on financial and cost-benefit analysis and projections for multi-year baselines and produce a clear perspective on impacts of COVID-19 on utilization as a factor for baseline development.
 - A.4.6.2.7.1.4 The Contractor shall not provide actuarial services that impact TennCare's managed care program capitation rate. The Contractor shall coordinate with the official State actuarial contractor to ensure accuracy of any actuarial analyses.
 - A.4.6.2.7.1.5 As directed by TennCare to protect the discussion or transmittal of confidential/proprietary information, the Contractor shall be required to complete non-disclosure agreements when directed to perform VBP design activities in coordination with the official state actuarial contractor.
 - A.4.6.2.8. The Contractor shall develop and provide a reporting mechanism on State technology platform(s) to inform TennCare leadership of progress related to New Program design, implementation, and recent post-implementation performance (e.g., status reports). Such mechanism(s) shall be used on a consistent basis and tailored as defined by TennCare.
 - A.4.6.2.9. The Contractor shall identify the required training for Providers, MCOs, State, and other stakeholders as identified by the project team and document in the VBP Training Plan as defined in Table 3: Table of Deliverables in Section A.10.
 - A.4.6.2.9.1. The Contractor shall develop training materials to validate that Providers, MCOs, State, and other stakeholders can operationalize the New VBP Program

within TennCare's specified timeline. All training materials will be developed in accordance with Section A.9.1.

A.4.6.2.9.2. The Contractor shall train and develop materials to train key TennCare and MCO Provider relations and medical staff on VBP payment mechanics, design rationale and value, and TennCare's strategy for shifting health care to Value-Based Payment.

A.4.6.2.9.3. The Contractor shall develop Artifacts to support understanding of payment methodologies and impacts developed for consideration and selection by TennCare during VBP Program implementation and operational activities, including, but not limited to, Frequently Asked Questions (FAQ), webinars, templates, financial performance measures, and payment modeling tools.

A.4.6.2.9.3.1 The Contractor shall develop a tool to assist Providers with the ability to estimate/model incentive payments and financial business impacts earned through participation in the program.

A.4.6.3. New VBP Program Implementation

A.4.6.3.1. The Contractor shall support TennCare and coordinate with the MCOs on the successful implementation and operation of the New VBP Program as defined by TennCare, including performance monitoring.

A.4.6.3.2. The Contractor shall implement the VBP Program Design Deliverable, as approved by TennCare.

A.4.6.3.3. The Contractor shall implement the VBP Implementation Roadmap, including a roll-out plan of the program, as approved by TennCare.

A.4.6.3.4. The Contractor shall coordinate with State-led efforts to share protected clinical and other Protected Health Information to enhance the Provider performance data that the Contractor receives as feedback for their participation in the VBP Program(s).

A.4.6.3.5. The Contractor shall advise TennCare on its needs for personnel to maintain the accepted recommendations for VBP Program designs and implementation, including suggesting elements of job descriptions.

A.4.6.3.6. The Contractor shall implement the VBP Training Plan as defined in Table 3: Table of Deliverables in Section A.10.

A.4.6.3.7. The Contractor shall account for the scalability of the VBP Program in the implementation phase. Scalability might be considered for size, designated population, geographic coverage, or other categories as defined by TennCare.

A.4.6.3.8. The Contractor shall produce regular reports on post-implementation performance of the New VBP Program with content and at a cadence determined by TennCare in accordance with Attachment B, Service Level Agreements and Liquidated Damages.

A.4.6.3.8.1. The Contractor shall include assessment factors to account for unintended consequences resulting from the New VBP Program implementation.

A.4.6.3.8.2. The Contractor shall monitor for unintended consequences and provide support to address any identified.

A.4.6.3.8.3. The Contractor shall work with TennCare on efforts to implement corrective actions and programmatic adjustments to continuously optimize VBP Program performance until the end of Term.

A.4.6.4. New VBP Program Monitoring and Evaluation

- A.4.6.4.1. The Contractor shall develop a VBP Performance Monitoring Management Plan, as defined in Table 3: Table of Deliverables in Section A.10, defining metrics to be monitored during and post-implementation of the New VBP Program, including program operations, accuracy of payments and data collection, unintended consequences, and other determined performance measures. The VBP Performance Monitoring Management Plan shall identify objectives and support initiatives that will have the most impact toward achievement of TennCare QI objectives.
- A.4.6.4.1.1. The Contractor shall incorporate lessons learned and best practices into a comprehensive VBP Performance Monitoring Management Plan that identifies objectives and support initiatives that will have the most impact toward achievement of TennCare QI objectives.
- A.4.6.4.1.2. The Contractor shall include content in the VBP Performance Monitoring Management Plan for TennCare's approval to build TennCare's expertise and technical ability (i.e., program and evaluation capabilities and considerations for future evolutions).
- A.4.6.4.1.3. The Contractor shall perform a Data Quality review and mitigate any Data Quality issues of the VBP Program by reviewing available quality measure data and total cost of care data during the pre- and post-implementation stages.
 - A.4.6.4.1.3.1 Quality measure data includes, but is not limited to, number of observations, Provider performance, associated benchmarks, comparison data, and historical data.
 - A.4.6.4.1.3.2 Total cost of care data includes, but is not limited to, total costs for different care categories (e.g., as inpatient, emergency department, outpatient facility, inpatient professional, and outpatient professional), associated benchmarks, comparison data, and historical data.
 - A.4.6.4.1.3.3 The Contractor shall monitor and trend the quality and total cost of care data on a monthly, quarterly, and annual basis to provide insights into the impacts of the VBP Programs via ongoing reporting or dashboards to review how specific Providers and MCOs are performing in the VBP Program.
- A.4.6.4.1.4. The Contractor shall ensure that the VBP Performance Monitoring Management Plan includes assessment factors to account for unintended consequences resulting from the VBP Program's implementation.
- A.4.6.4.2. The Contractor shall produce regular reports on post-implementation performance of the New VBP Program with content and at a cadence determined by TennCare in accordance with Attachment B, Service Level Agreements and Liquidated Damages.
 - A.4.6.4.2.1. The Contractor shall include assessment factors to account for unintended consequences resulting from the New VBP Program implementation.
 - A.4.6.4.2.2. The Contractor shall monitor for unintended consequences and provide support to address any identified.
 - A.4.6.4.2.3. The Contractor shall work with TennCare on efforts to implement corrective actions and programmatic adjustments to continuously optimize VBP Program performance throughout the Term.
- A.4.6.4.3. The Contractor shall produce ad hoc reports related to post-implementation performance of the New VBP Program at TennCare's request in accordance with Attachment B, Service Level Agreements and Liquidated Damages.

- A.4.6.4.4. The Contractor shall establish a Continuous Improvement Process (CIP) based on the approved VBP Performance Monitoring Management Plan that incorporates ongoing stakeholder feedback and lessons learned to drive innovation in the VBP Program design and delivery.
- A.4.6.4.4.1. The Contractor shall update all public and internal materials impacted by the CIP or other operational decisions.
- A.4.6.4.5. The Contractor shall develop a VBP Evaluation Plan and Criteria with metrics and methodologies for TennCare's future use in evaluating performance of the new VBP program post-implementation, as defined in Table 3: Table of Deliverables in Section A.10.

A.4.7. Hospital VBP

- A.4.7.1. Program Oversight: The Contractor shall provide TennCare with program oversight activities for a statewide Hospital Quality Program in collaboration with the Tennessee Hospital Association. Activities shall include but are not limited to the following:
 - A.4.7.1.1. Hospital Compliance Support
 - A.4.7.1.1.1. The Contractor shall provide support to participating hospitals of the Hospital Quality Program to assist in compliance with TennCare program requirements and reporting expectations.
 - A.4.7.1.1.2. The Contractor shall create a Program Guide as defined in Table 3: Table of Deliverables for all participating hospitals detailing the program requirements and expectations.
 - A.4.7.1.1.3. The Contractor shall provide yearly updates to the Program Guide based on needed modifications related to but not limited to, program changes and quality measure changes.
 - A.4.7.1.1.4. The Contractor shall provide targeted onsite visits to hospitals, on an as-needed basis as determined by TennCare.
 - A.4.7.1.1.5. The Contractor shall provide ongoing review and analysis of hospital-submitted reports and Deliverables. This includes reporting back to hospitals with targeted feedback on Deliverables and recommended remediation plans as necessary.
 - A.4.7.1.1.6. The Contractor shall provide technical assistance to participating hospitals on reports and Deliverables such as, but not limited to, regularly scheduled webinars, one-on-one virtual assistance as requested, and development of Best Practice documents that guide hospitals on how to submit reports and Deliverables.
 - A.4.7.1.2. Program Oversight Support
 - A.4.7.1.2.1. The Contractor shall provide support to TennCare for oversight of hospital compliance in the Hospital Quality Program, including operational requirements, reporting expectations, overall program performance, and performance improvement.
 - A.4.7.1.2.2. The Contractor shall utilize evidence-based resources such as, but not limited to, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and National Committee for Quality Assurance (NCQA) to develop Quality Metric calculations and thresholds for metrics in collaboration with TennCare and the Tennessee Hospital Association.

- A.4.7.1.2.3. The Contractor shall create and provide an executive summary to TennCare leadership on quality initiative progress delivered on a quarterly cadence at minimum, or as mutually agreed upon by TennCare and the Contractor.
- A.4.7.2. Program Improvement: The Contractor shall provide TennCare with Program Improvement activities for hospital value-based payment efforts. Activities shall include but are not limited to the following:
 - A.4.7.2.1. The Contractor shall create and review deliverables that support hospital value-based payment efforts.
 - A.4.7.2.2. The Contractor shall develop risk stratification methodologies for hospitals and other coordinating provider groups to enhance quality measurement and performance for Care Coordination and Care Management.
 - A.4.7.2.3. The Contractor shall develop member attribution methodologies centered on hospital utilization that support the integration of primary care, behavioral health, and social determinants of health with acute care services.
 - A.4.7.2.4. The Contractor shall propose the most suitable Quality Metrics for use with quality and value-based efforts ranging from broad domains such as prevention and effectiveness of care, access to care, utilization, and whole person care to more focused domains such as maternal health, opioid and substance abuse, and health equity.
 - A.4.7.2.5. The Contractor shall present evidence-based resources and strategies on how to improve quality domain performance.
 - A.4.7.2.6. The Contractor shall develop the Hospital Quality Improvement Strategy as a result of Hospital VBP program improvement activities, as defined in Table 3: Table of Deliverables in Section A.10.
- A.4.8. VBP Stakeholder Engagement Plan
 - A.4.8.1. The Contractor shall develop the VBP Stakeholder Engagement Plan as defined in Table 3: Table of Deliverables in Section A.10.
- A.4.9. VBP Organizational Change Management Plan
 - A.4.9.1. The Contractor shall develop and deliver the VBP Organizational Change Management Plan, as defined in Table 3: Table of Deliverables in Section A.10, to account for organizational impacts within TennCare and between stakeholders.
- A.4.10. Accountability Metric, Member Attribution, and Risk Adjustment
 - A.4.10.1. Accountability Metrics
 - A.4.10.1.1. The Contractor shall utilize quality and improvement Subject Matter Experts (SMEs) to ensure these metrics, standardized and tracked over time, reflect the best practices in assessing Provider performance.
 - A.4.10.1.2. The Contractor shall incorporate quality measures that reflect industry standard practices, data sources, benchmarks, scoring and reporting mechanisms, subject to TennCare approval.
 - A.4.10.1.2.1. The Contractor shall incorporate both process measures and outcome measures within their selected Quality Metrics.
 - A.4.10.1.2.2. The Contractor shall incorporate quality measures used and endorsed by CMS, such as but not limited to, Healthcare Effectiveness Data and Information Set (HEDIS) and Core measures.

- A.4.10.1.2.3. The Contractor shall incorporate measures that align with other existing TennCare VBP Programs (i.e., PCMH, THL) and the Quality Improvement Strategy.
- A.4.10.1.2.4. The Contractor shall incorporate claims-based measures to account for administrative and reporting burden on Providers.
- A.4.10.1.2.5. The Contractor shall incorporate Social Determinants of Health (SDOH) metrics, subject to TennCare approval, (e.g., race/ ethnicity, veteran status, crime levels, ZIP codes, unemployment rate) to account for non-medical related health indicators (e.g., social context, economic context, education, physical infrastructure, healthcare context). Additionally, the Contractor shall consider SDOH metrics already in use in the existing VBP programs as well as *Health Starts*, a TennCare lead approach to improving lives by focusing on SDOH.
- A.4.10.1.2.6. For proposed measures that do not align with existing VBP Programs, Health Starts, or Industry standard practices, the Contractor shall provide Peer State Analysis to illustrate examples of the measures used in practice with details of context used and reasons for why it is a better measure than Industry standards.
- A.4.10.1.3. The Contractor shall recommend an appropriate frequency for tracking and assessing Provider performance on these metrics over time.
- A.4.10.1.4. The Contractor shall develop a centralized Provider reporting mechanism in collaboration with MCOs and TennCare-identified stakeholders that includes the capability to consolidate Provider data related to VBP Program performance and accountability metrics for reporting purposes.
- A.4.10.1.5. The Contractor shall provide metric thresholds and corresponding documentation of thresholding processes and recommendations to be established and re-evaluated at a cadence defined by TennCare.
- A.4.10.1.6. The Contractor shall recommend additional accountability metrics to assist TennCare in identifying effective methods to track and improve Health Outcome Metrics.
- A.4.10.1.7. The Contractor shall provide recommendations on effective cost control measures and advise TennCare on the best strategies for cost-efficient care delivery.
- A.4.10.1.8. The Contractor shall advise TennCare on the utilization metrics that best align with the goals of the VBP Program, based on Industry Standards and the Contractor's expertise.
- A.4.10.1.9. Pre- and post-implementation support shall include gap analysis and feasibility studies to assist with design, monitoring during implementation, and evaluation and re-design, as needed and defined by TennCare.
- A.4.10.1.10. The Contractor shall analyze member populations and provide member profiles related to race, gender, region, rural/urban, assigned MCO, disease sates (e.g., sickle cell) as determined by TennCare.
- A.4.10.2. Member Attribution and Risk Adjustment Approach
 - A.4.10.2.1. The Contractor shall develop and recommend a tailored Member Attribution Approach for the VBP Program(s), that will attribute a Member to participating Providers through the usage of attribution methodologies including, but not limited to, utilization-based attribution, primary care Provider attribution, and voluntary attribution based on member choice. The VBP Program(s) selected attribution methodology shall align with existing TennCare VBP Program goals as defined by TennCare, available data, and feasibility within the Provider environment.

- A.4.10.2.1.1. The Contractor shall use the analysis of member populations described in Section A.4.10.1.10 to inform development of the Member Attribution Approach methodology.
- A.4.10.2.1.2. Should the Contractor's selected methodology include voluntary attribution, the Contractor shall partner with the MCOs and work with resulting MCO data.
- A.4.10.2.1.3. The tailored Member Attribution Approach shall be subject to review and approved by TennCare.
- A.4.10.2.2. The Contractor shall establish mechanisms to monitor and measure Providers' comprehension and address any queries or concerns to enhance Provider's engagement in the VBP Program.
- A.4.10.2.3. The Contractor's attribution methodology, as approved by TennCare, shall have a set duration for which the attribution results apply, a lookback period, and a review period to ensure accurate results prior to program implementation.
- A.4.10.2.4. The Contractor's attribution methodology shall be reviewed annually by the Contractor, in collaboration with MCOs and TennCare to assess appropriateness and alignment with VBP Program goals and Provider environment.
- A.4.10.2.5. The Contractor shall establish an adjudication process for Providers to review attribution results.
- A.4.10.2.6. The Contractor's attribution methodology shall be transparent, incorporate Provider buy-in at the beginning, exhibit high quality assurance in implementation, and allow for auditability at the end.
- A.4.10.2.7. The Contractor shall train MCOs in the attribution methodology so that MCOs can independently replicate attribution activities and help Provider representative understand the methodology for Provider dissemination.
- A.4.10.2.8. The Contractor shall use risk adjustment methodologies and models to determine risk related to Member Attribution, cost of care thresholds, and VBP payment calculations.
- A.4.10.2.9. The Contractor shall train MCOs in the use of methodologies and models for risk adjustment so that MCOs can independently replicate and modify risk scoring.
- A.4.11. The Contractor shall, as directed by the State and at no additional cost to the State, coordinate with, facilitate the prompt exchange of information between, and work collaboratively with any and all other State contractors and State agencies for the purpose of fulfilling the obligations set forth in this Contract. If required in order for the Contractor to proceed with any part of the Scope of Services which involves sharing or obtaining information of a confidential, proprietary, or otherwise valuable nature with or from another State contractor or State agency, the Contractor may be requested to sign mutually agreeable documents, including but not limited to Non-Disclosure Agreements (Non-Disclosure Documents), which are reasonably necessary to maintain cooperation and collaboration among and with any and all other State contractors and State agencies in the performance of the Contract.

All information the Contractor may receive, have disclosed to it, or otherwise becomes known to Contractor during the performance of this Contract from any other State contractor or State agency, that the State contractor or State agency considers to be proprietary or confidential in nature pursuant to a Non-Disclosure Document entered into by the Contractor and another State contractor or State agency, shall be governed by such Non-Disclosure Document.

Nothing in this Section, including failure to negotiate and enter into a Non-Disclosure Document acceptable to Contactor with another State contractor or State agency, shall be construed to relieve the Contractor of its duty to perform any requirements or Deliverables under this Contract. Other than as permitted in Section C. of this Contract, Payment Terms and Conditions, the Contractor shall not invoice the State for any such coordination services, and the State shall not be liable to the Contractor for payment of any such coordination services.

A.5. Data Governance

- A.5.1. The Contractor shall work in accordance with TennCare's policies and procedures to promote data documentation, development, and management of defined data entities, attributes, Data Models, and relationships to convey the overall meaning and use of data and information in accordance with the TennCare Data Governance standards, as defined by TennCare Data Policies and Standards located in Attachment C, Procurement Library.
- A.5.2. The Contractor shall ensure project staff have the ability, at a minimum, to store, archive, retrieve, and purge data according to the applicable TennCare Records Retention Policy and Records Disposition Authorization (RDA) List located in Attachment C, Procurement Library, and as defined by TennCare Data Policies and Standards or agreed upon by TennCare.
- A.5.3. The contractor shall retain all VBP related application, network, system, and perimeter data including logs, files, and records as required by TennCare policies. The Contractor shall maintain logs that are readily accessible to TennCare staff at no cost for one hundred eighty (180) days and retain in accordance with the TennCare Enterprise Security Policy, TennCare Data Policies and Standards, and TennCare Record Retention Policy in accordance with the SLAs in Attachment B, Service Level Agreements and Liquidated Damages.
- A.5.4. The Contractor shall comply with the most recent TennCare Data Policies and Standards document, as it is periodically updated by TennCare. This ongoing compliance shall be performed at no additional cost to TennCare.
- A.5.5. The Contractor shall utilize all governance capabilities in accordance with the TennCare Data Governance standards as defined by TennCare Data Policies and Standards.
- A.5.6. The Contractor shall utilize TennCare Enterprise Tools and System (e.g., Tableau, Azure etc.) to perform the analytical tasks and required analysis activities included in the scope of services.
- A.5.7. The Contractor shall utilize State data sources (e.g., Medicaid Management Information System (MMIS), TEDS, PDMS, etc.) as the primary data sources for use during analytical activities.
- A.5.8. The Contractor shall utilize the Enterprise Data Warehouse (EDW), Master Data Management (MDM), and Decision Support System (DSS) DE components to perform the analytical tasks and required analysis activities included in the scope of services.
- A.5.9. The Contractor shall interface with the TennCare's Integrated Service Layer (ISL) to propose and utilize with TennCare approval additional data sources which will enhance the goals and outcomes of the VBP Programs.
- A.5.10. The Contractor shall access standard data sets including but not limited to, aggregated financial, encounter, fee-for-service claims, enrollment data, etc., available via state data sources or proposed for inclusion by the vendor and approved by TennCare.

- A.5.11. The Contractor shall utilize clinical-related data including, but not limited to, race and gender data, birth and death data, vaccine data, ADT, CCD, CCW, available via State data sources or proposed for inclusion by the vendor and approved by TennCare.
- A.5.12. The Contractor shall utilize non-claims-based sources including, but not limited to, metrics and payment data from LTSS, MCO Operations, and Chief Medical Office (CMO), SDOH data from census or other sources, available via State data sources or proposed for inclusion by the vendor and approved by TennCare.

A.6. Technical Requirements

A.6.1. Technology Standards

- A.6.1.1. The Contractor shall ensure that the VBP Program(s) complies with current and future standards and requirements including, but not limited to: International Classification of Diseases, Tenth Revision (ICD-10) codes including any future versions, Health Insurance Portability and Accountability Act (HIPAA), the Patient Protection and Affordable Care Act (PPACA), and the Health Information Technology for Economic and Clinical Health Act (HITECH).
- A.6.1.2. Any Contractor recommendations, approved by TennCare in writing, shall support the exchange of data or files via batches, web-services, queues, or other common message brokering protocols.
- A.6.1.3. The Contractor shall comply with the most recent TennCare governance framework. The current version is outlined in the VBP RACI, Required Tasks, and Deliverables Attachment located included in Attachment C, Procurement Library.
- A.6.1.4. The Contractor, as applicable and based on proposed Technology Matrix component(s), shall comply with Section E.11 and the following requirements:
 - A.6.1.4.1. Tools required for data storage shall ensure that data can be stored in active, infrequent, or archive storage spaces;
 - A.6.1.4.2. Tools required for data archive shall ensure that data can be archived and accessible at TennCare's request;
 - A.6.1.4.3. Tools required to restore data from archive shall ensure that data can be restored and accessible at TennCare's request;
 - A.6.1.4.4. Compliance with Industry standards including, but not limited to, EDI/X12, NIEM, CAQH-CORE, HL7/FHIR, NCPDP, and HIPAA for data interchange; and
 - A.6.1.4.5. Activities required for data transfer shall use TennCare enterprise tools (e.g., Integration Service Layer or DE components).
- A.6.1.5. The Contractor shall ensure and demonstrate that the technology used by the Contractor runs on software/hardware vendor supported release levels (N-1) at all times or (N-2) with exceptions/approval from TennCare
- A.6.1.6. The Contractor shall use State technology to implement and support integration for functions including, but not limited to, Problem, Incident Management, and Event Management between the TennCare ITSM and the Contractor-managed security, governance, and monitoring tools. The tools shall include, but are not limited to, Network Operations Center (NOC), antivirus, vulnerability, software licensing, Governance, Risk, and Compliance (GRC), penetration testing, code scanning and quality database auditing, cloud cost, backups, and CMS account transfer. The Contractor shall identify the integration data points, thresholds, and/or format for TennCare's approval.

A.6.2. Manageability/Reporting

- A.6.2.1. The Contractor shall capture all statistics required to measure the contractual SLAs defined in Attachment B, Service Level Agreements and Liquidated Damages, and provide reports to TennCare upon request or at a frequency determined by TennCare.
- A.6.2.2. The Contractor shall include ongoing performance monitoring and remediation.
- A.6.2.3. The Contractor shall provide TennCare access and complete visibility into the Contractor's tool(s) for reporting Key Performance Indicators (KPIs) for validation by TennCare upon request.
- A.6.2.4. The Contractor shall deliver all reporting and analytical requests on a TennCare-approved schedule.
- A.6.2.5. The Contractor shall automate routine reports as required by TennCare on a daily, weekly, monthly, or annual basis, or other frequency as required by TennCare. These routine reports will be generated and transported without manual intervention and include notifications to Authorized Users upon completion.
- A.6.2.6. The Contractor shall provide a performance dashboard(s) using Industry Standard data analytics platforms (e.g., Tableau, Power BI, Python) with suggested metrics for monitoring project progress and evaluation results as approved by TennCare, providing the ability to drill down to a level where the observations provide useful information and both real-time and snapshot views, as applicable.

A.6.3. Audit/Audit Support

- A.6.3.1. The Contractor shall establish procedures and best practices, in accordance with the audit requirements of this Contract, to ensure there is appropriate, internal monitoring of the audit logs, as determined by TennCare and the established process produces documentation to evidence the monitoring effort.
- A.6.3.2. The Contractor shall provide a centralized log of prescribed system events, and provide correlated logs for ingestion by log aggregation software, if the logs are produced by multiple system components.
- A.6.3.3. The Contractor shall ensure all incoming and outgoing transaction data is logged, archived in Human-Readable formats, and made available as needed by TennCare to support auditing, reporting, and other business needs in accordance with the SLAs in Attachment B, Service Level Agreements and Liquidated Damages.
- A.6.3.4. The Contractor shall implement database auditing tool(s) as required by TennCare, State, and federal regulations and provide TennCare with the ability to review any and all audit data, as applicable.
- A.6.3.5. The Contractor shall maintain an audit trail of all actions related to data/content in accordance with the TennCare Enterprise Security Policy and CMS Volume II: ACA Administering Entity System Security and Privacy Plan, located in Attachment C, Procurement Library, controls which include, but are not limited to:
 - A.6.3.5.1. Date and time data/content entered in the VBP Program;
 - A.6.3.5.2. Any actions taken on the data/content, including the date and time of the edits/modification;
 - A.6.3.5.3. Record the user responsible for the changes; and

A.6.3.5.4. Record all user inquiries even if no action was taken by the user.

A.6.3.6. The Contractor shall support TennCare during all internal and/or external audits, reviews, and collaborations, such as CMS, PERM, T-MSIS, OIG, SSA, and MIC, which includes capturing and providing all data required to comply with such audits as defined by TennCare within the required time frames.

A.6.3.7. The Contractor shall within thirty (30) days, provide TennCare with the results of any third-party audit conducted, including, but not limited to, the Service Organization Control 2 and Network Organization Control (NOC), on the Contractor's organization services within the scope of this Contract.

A.6.4. MyTN.gov Interface

A.6.4.1. TennCare may require the software developed or provided by the Contractor under this Contract to interface with the State's customer-facing portal, MyTN.gov. This may occur at any time during the Term of the Contract. If so, the Contractor shall comply with one, or more, of the following requirements:

A.6.4.1.1. All web applications must be Responsive.

A.6.4.1.2. All web applications must have the capability to use a Single-Sign On (SSO) server utilizing the following Industry standard protocols: Security Assertion Markup Language ("SAML") or minimum of OAuth 2.0.

A.6.4.2. Any of the obligations in Section A.6.4. that were known and required prior to the Effective Date will be specified herein, including necessary compensation methods and amounts.

A.6.4.3. For any of the obligations in Section A.6.4 that were unknown or not required at Contract Effective Date, it will be necessary to add lines, items, or options to the Contract to accommodate one or more of the new interface requirements. The State shall add these lines, items, or options in accordance with the MOU process described in Section E.4, below. If the Contractor requires additional compensation for the interface tasks, such compensation shall be negotiated and specified through this same MOU process.

A.7. Security and Privacy

A.7.1. The Contractor shall comply with the most recent TennCare Data Policies and Standards document located in Attachment C, Procurement Library, as it is periodically updated by TennCare. This ongoing compliance shall be performed at no additional cost to TennCare.

A.7.2. The Contractor and all subcontractors shall complete the TennCare information security and privacy training program and submit compliance reports to the TennCare Privacy Officer prior to their accessing TennCare information systems.

A.7.3. The Contractor shall notify the TennCare Security and Privacy office within ten (10) Business Days of any material changes contained in Control Directive via a Control Memorandum related to key deliverables within the Security and Privacy development cycles. The Contractor shall provide the notification in a written email format to the TennCare Security and Privacy office.

A.7.4. The Contractor shall be responsible for establishing, controlling, maintaining, and ensuring data privacy and an information security program for the VBP Program in coordination with the TennCare Security and Privacy Office.

A.7.5. The Contractor and all subcontractors shall review and sign the current version of the TennCare Acceptable Use Policy (AUP) prior to accessing TennCare's network and/or data and annually thereafter.

- A.7.6. The Contractor shall protect access to Sensitive Data, such as Protected Health Information (PHI), Personally Identifiable Information (PII), and Federal Tax Information (FTI) through the design, documentation, development, implementation, operation, and maintenance of security controls in accordance with MARS-E (current version) and IRS Pub 1075 (current version).
- A.7.7. The Contractor shall comply with MARS-E (current version), IRS Pub 1075 (current version), HIPAA, 42 U.S.C. § 1320d and all other applicable State and federal confidentiality requirements and standards regarding the collection, maintenance, use, and protection from data loss of Sensitive Data.
- A.7.8. The Contractor shall not use, receive, or host FTI.
- A.7.9. The Contractor shall ensure all Contractor created policies and procedures adhere to MARS-E (current version) and IRS Pub 1075 (current version) controls for the use of Sensitive Data and separation of duties and shall ensure these documents are made reasonably available for review by TennCare.
- A.7.10. The Contractor shall maintain and make available at the request of TennCare, policies and procedures for the use of Sensitive Data and separation of duties.
- A.7.11. The Contractor shall be responsible for identifying and notifying TennCare, within a timeframe that meets TennCare and Federal Regulatory Requirements, of any Sensitive Data being stored, processed, viewed, or used by the Contractor and all subcontractors that are in violation of MARS-E (current version) and the TennCare AUP (current version).
- A.7.12. The Solution or Contractor shall implement a point of contact or responsible party for all activities related to the use of any automation, which includes, but is not limited to the following: Artificial Intelligence (AI), machine learning, or chat bots.
- A.7.13. The Contractor shall enable logging mechanisms on systems and applications to monitor all user access activities, authorized and failed access attempts, system exceptions, and critical information security events in accordance with MARS-E (current version) and IRS Pub 1075 (current version).
 - A.7.13.1. The Solution or Contractor shall ensure that all activity of a chat bot or other automation is properly logged and monitored. The Solution or Contractor must provide those logged activities to TennCare at TennCare's request.
- A.7.14. The Contractor shall ensure the configuration of secure log data and event collection mechanisms is in accordance with MARS-E (current version) and IRS Pub 1075 (current version) and deliver to TennCare for indexing and analysis at a frequency determined by TennCare. This includes, at a minimum, the end-to-end process from log data collection, event generation, transmission, storage, and disposal.
- A.7.15. The Contractor shall review security and application logs on a regular interval approved by TennCare and no less than as required by MARS-E (current version) and IRS Pub 1075 (current version), to identify suspicious or questionable activity, including Fraud and Abuse cases, for investigation and documentation as to their cause and remediation.
- A.7.16. The Contractor shall ensure the VBP Program retains security, application, system audit, and event logs per MARS-E (current version) and TennCare retention requirements (current version) and in a format and structure that is approved by TennCare.
- A.7.17. The Contractor shall provide TennCare access to the VBP Program log and event data for review or extraction 24/7/365. The VBP Program shall be capable of creating a digital, reusable copy of TennCare's data, in whole or in parts in common and current machine-readable files. TennCare shall be able to extract TennCare's data from the VBP Program On-Demand but no greater than within twenty-four (24) hours of TennCare's request, without charge and without condition or contingencies.

- A.7.18. The Contractor shall integrate with TennCare's SIEM VBP Program in accordance with the IRS SIEM tool standards. This standard is to be used for all data classifications.
- A.7.19. The Contractor shall work with TennCare in developing security monitoring use cases, participating in use case testing, and granting access to the SIEM configuration data and active security analytics when requested by TennCare.
- A.7.20. The Contractor shall prepare and complete a TennCare System Security Plan (SSP) for the VBP Program in a format approved by TennCare or directly entered by the Contractor into the TennCare GRC system as directed by TennCare.
- A.7.21. The Contractor shall ensure access to information systems is authorized based on the least privilege principle.
- A.7.22. The Contractor shall ensure data will be provided on a need-to-know basis and will protect data from being accessed by unauthorized individuals.
- A.7.23. The Contractor shall track disclosures of PHI and PII and provide Authorized Users access to reports on the disclosures, giving the name of the persons involved, the date and time, and the information disclosed. These disclosure report shall be provided to TennCare within the time limits mandated per the TennCare Privacy Program Policy and Plan.
- A.7.24. The Contractor shall employ a risk management framework in accordance with NIST SP 800-37, and NIST SP 800-39 security requirements.
- A.7.25. The Contractor shall develop written policies, procedures, and standards of conduct that articulate the Contractor's commitment to comply with all applicable TennCare and federal standards for the prevention, detection, and reporting of incidents of potentially suspicious or questionable activity, Fraud, and Abuse by Members, Providers, subcontractors, the Contractor, or external entities.
- A.7.26. The Contractor tools shall meet password-based authentication and identity requirements in accordance with MARS-E (current version), IRS Pub 1075 (current version), and NIST 800-63-3 (current version).
 - A.7.26.1. The Solution shall adhere to all applicable authentication and authorization requirements, in accordance with all MARS-E (current version) and TennCare requirements for any chat bot or automation activity.
- A.7.27. The Contractor shall use a security architecture based on the current version of Medicaid Information Technology Architecture (MITA) and Security and Privacy model and Cloud Security Alliance (CSA).
- A.7.28. The Contractor shall establish secure connection mechanisms that encrypt data exchanges to access information systems compliant with NIST 800-52 (current version), Federal Information Processing Standard (FIPS) 140-3 (or higher), MARS-E (current version), and IRS Pub 1075 (current version).
- A.7.29. At the sole discretion of TennCare, the Contractor shall integrate with any existing enterprise Cloud Access Security Broker (CASB) to ensure that TennCare security policies are enforced and in-synch between on premise and/or cloud systems.
- A.7.30. The Contractor shall develop, maintain, and test and submit to TennCare an Incident Response Plan (IRP) with key partner roles both internal and external on an annual basis in accordance with NIST 800-61 (current version) and comply with all applicable federal, State and TennCare breach notification laws and policies. The Contractor shall create and submit compliance and regulatory reports in accordance with federal, State, and TennCare requirements regarding security-related events and incidents while working with TennCare towards security recovery actions.

- A.7.31. The Contractor shall ensure Incident response roles and responsibilities are clearly defined and a Responsible, Accountable, Consulted, and Informed (RACI) is developed between the Cloud Service Provider (CSP), TennCare and the Contractor for at minimum event and security incident triage, analysis, containment, mitigation, response, and recovery.
- A.7.32. The Contractor shall ensure that all TennCare data is always transmitted and stored within secured cloud regions and zones that are within the continental United States (CONUS) as defined in Section E.11.
- A.7.33. The Contractor shall perform the installation, operations and management of hardware, application, and operating system level hardening of the VBP Program in accordance with FedRAMP Moderate and Center for Internet Security (CIS) Level 1.
- A.7.34. The Contractor shall employ a data management and data classification strategy and operational policies and procedures that meet HIPAA, MARS-E (current version), IRS Pub 1075 (current version), TennCare policies and procedures and federal standards for security categorization (FIPS 199) (current version).
- A.7.35. The Contractor shall ensure data loss prevention and Data Mining activities are in accordance with MARS-E (current version) and IRS Pub 1075 (current version).
- A.7.36. The Contractor shall ensure VBP Program components run from a service account with access at the level of least privilege. The Contractor shall not run service accounts from a system-level account with unlimited privileges such as "root" or "administrator."
- A.7.37. The Contractor shall have the automated capability for role-based access, to terminate access and generate alerts for conditions which violate security rules, unauthorized attempts to access data and system functions, and system activity based on MARS-E (current version) and IRS Pub 1075 (current version) requirements.
- A.7.38. Data processed, stored, transmitted and or transported either physically or electronically, within the VBP Programs database, shall be encrypted as required by MARS-E (current version), IRS Pub 1075 (current version), TennCare policies and State and federal regulations.
- A.7.39. The Contractor shall implement and manage technical safeguards and physical controls that prevent the unauthorized access to, use of, or tampering with TennCare computer, data, or information systems in accordance with MARS-E (current version) and IRS Pub 1075 requirements (current version).
- A.7.40. The Contractor shall implement audit mechanisms to generate findings and reports across different layers of the VBP Program in accordance with FedRAMP (current version), MARS-E (current version) and IRS Pub 1075 (current version).
- A.7.41. Where applicable, the Contractor shall natively integrate with TennCare's (Identity and Access Management (IAM)/Single Sign-On (SSO) and provide a mechanism for Multi-Factor Authentication (MFA).
- A.7.42. The Contractor shall establish and manage cryptographic keys employed within the VBP Program for key generation, distribution, storage, access, and destruction in accordance with NIST SP 800-175 (current version) and FIPS 140-3 (current version).
- A.7.43. The Contractor shall provide a central repository and management platform for security certificates and server host keys.
- A.7.44. The Contractor shall provide full redundancy and recovery to ensure uninterrupted access to the certificates and keys.

- A.7.45. The Contractor shall employ application security analysis and testing in accordance with the Open Web Application Security Project (OWASP) Application Security Verification Standard (ASVS).
- A.7.46. The Contractor shall 24/7/365, detect and monitor for security and privacy incidents, detect configuration weaknesses, vulnerabilities open to exploitation, and integrate relevant threat intelligence, including externally and internally derived Indicators of Compromise (IOCs) information.
- A.7.47. The Contractor shall notify the TennCare Privacy and Security Offices in the event of a Security or Privacy Incident or breach immediately upon recognition in accordance with the Contract including Attachment B, Service Level Agreements and Liquidated Damages.
- A.7.47.1. Such events might include an incident or breach that compromises or is suspected to compromise the confidentiality, integrity, or availability of TennCare data in the VBP Program.
- A.7.47.2. In addition to notification, the Contractor shall collaborate with the TennCare Privacy and Security Offices to identify the cause of the breach, take appropriate action to prevent such breaches, and repair and restore the proper functionality of the Program.
- A.7.47.3. Notification shall be in writing made by email/fax, certified mail, or overnight parcel upon becoming aware of the event, with supplemental notification by facsimile and/or telephone as soon as practicable, to:

TennCare Privacy Office
 310 Great Circle Rd.
 Nashville, Tennessee 37243
 Phone: 615-806-6559
 Facsimile: 615-734-5289
 Email: Privacy.TennCare@tn.gov

TennCare Security Office
 310 Great Circle Rd.
 Nashville, Tennessee 37243
 Phone: 615-806-6559
 Facsimile: 615-734-5289
 Email: TennCare.Security@tn.gov

- A.7.48. The Contractor shall coordinate with TennCare to perform security vulnerability scanning and reporting on the VBP Program and report results through the TennCare ITSM, to include Application Programming Interfaces (APIs).
- A.7.49. The Contractor shall, within a timeframe as requested by TennCare, provide TennCare and federal regulators the raw, un-redacted results of vulnerability scans, compliance scans, code scans, and any penetration test on demand for any systems, applications and processing environments supporting the Scope and containing confidential State data.
- A.7.50. The Contractor shall co-manage with TennCare the implementation of a TennCare-owned File Integrity Management (FIM) VBP Program. The Contractor shall be responsible for installing FIM agents across all servers, provide the infrastructure to install FIM collectors in the same network as the VBP Program, implement capabilities and setup network connectivity to synchronize FIM reports from collector servers to

TennCare's centralized FIM. The Contractor shall be responsible for ensuring all affiliated servers' availability meets the SLAs defined in the contract.

- A.7.51. The Contractor, on approval by TennCare, shall configure, develop, implement, operate, and manage endpoint security capabilities in accordance with MARS-E (current version) and IRS Pub 1075 (current version) and shall schedule scans to continuously protect TennCare information systems from malware, ransomware, persistent threats, and data-loss attack activities monitored in real-time.
- A.7.52. The Contractor shall provide TennCare with all endpoint protection security enforcement rules and policy definitions upon request and grant Read-Only access to the endpoint protection manager portal at all times.
- A.7.53. The Contractor shall participate in audit activities and risk assessments and provide TennCare with or assist in the preparation of any the documentation required by TennCare and/or any regulatory bodies.
- A.7.54. The Contractor shall have an annual audit performed by a qualified, third-party, independent audit Assessor (Assessor), approved by TennCare, who shall conduct an assessment of the security and privacy controls in the VBP Program. A Security Assessment Plan (SAP) shall be jointly completed and agreed to prior to the start of the assessment by the Contractor, the Assessor, and TennCare. The Assessor shall use the methodology described in the template provided by TennCare to complete the SAP. A completed SAP shall be submitted to TennCare seventy (70) days prior to the security assessment kick-off date. The full un-redacted third-party independent assessment shall be delivered to TennCare on demand within ten (10) Business Days upon receipt of the report from the Assessor.
- A.7.55. The Contractor shall provide TennCare with written evidence of findings (defects, vulnerabilities, errors, gaps, weaknesses, and omissions) and their planned remediation in a Plan of Action and Milestone (POA&M), maintained monthly, until all findings are resolved.
- A.7.56. The Contractor shall track all Change Management and request activities for the VBP Program beginning with pre-production through production. The Contractor shall provide a written report to TennCare, the frequency to be determined by TennCare, which at a minimum shall include the TennCare ITSM Change State Model and Change Request Reports (CRR). TennCare shall determine additional content, as necessary.
- A.7.57. The Contractor shall be responsible for the continuity of all security and privacy protocols for all Solution or operational enhancements, Control Directive via Control Memorandums, or changes agreed to with TennCare which develops a new system or significant change/enhancement to an existing system or Solution. Any Solution or operation enhancement, Control Directive via Control Memorandum, or changes shall be agreed upon, in writing, with the TennCare Security and Privacy office in advance of any change.
- A.7.58. The Contractor shall disable, through software or physical disconnection, all unneeded communication ports and removable media drives, or provide engineered barriers, and provide TennCare with documentation of the results.
- A.7.59. The Contractor shall implement a patch management program approved by TennCare.
- A.7.60. The Contractor shall not permit user credentials to be transmitted in clear text.
- A.7.61. The Contractor shall not allow multiple concurrent logins, applications to retain login information between sessions, provide any auto-fill functionality during login, or allow anonymous logins.

- A.7.62. The Contractor shall conduct static application security testing prior to any software release, any significant changes, once every one hundred and eighty (180) days or more frequently as requested by TennCare.
- A.7.63. Upon request by TennCare, the Contractor shall provide TennCare the dynamic application security testing results in a format defined by TennCare for any systems, applications and processing environments supporting the Scope and containing confidential State data.
- A.7.64. The Contractor shall maintain a list of all employees who have access to Social Security Administration (SSA) data. The Contractor shall ensure that a current list of all employees who have access to SSA data is provided to TennCare on a weekly basis.
- A.8. Program and Service Implementation Requirements
- A.8.1. The Contractor shall follow TennCare's VBP RACI, Required Tasks, and Deliverables Attachment located in Attachment C, Procurement Library. The VBP RACI, Required Tasks, and Deliverables Attachment defines TennCare's phased approach to the VBP project, details the TennCare Gate Review Process, outlines the requirement exit criteria, and aligns the associated Deliverable for each Gate in the lifecycle for contractors partnering with TennCare.
- A.8.2. The Contractor shall complete the required Deliverables as described in the VBP RACI, Required Tasks, and Deliverables Attachment located in Attachment C, Procurement Library. The VBP RACI, Required Tasks, and Deliverables Attachment defines the activities and Deliverables the Contractor is required to submit to TennCare for approval in order to pass the associated Gate Review.
- A.8.3. The Contractor shall integrate the approved project schedule within the Integrated Master Schedule managed by the Strategic Project Management Office (SPMO) in accordance with the TennCare Project Management Plan Standard located in Attachment C, Procurement Library.
- A.8.4. Design and Implementation Phase
- A.8.4.1. The Contractor shall complete the activities and Deliverables in the "Activities Overview" tab of the VBP RACI, Required Tasks, and Deliverables Attachment (refer to Appendix B of the VBP RACI, Required Tasks, and Deliverables Attachment for role definitions) for the Design and Implementation of the Solution.
- A.8.4.2. All required Deliverables must be submitted to TennCare and approved according to the Deliverable's Business Review Cycle defined in the "Deliverable Definition" tab of the VBP RACI, Required Tasks, and Deliverables Attachment (refer to Appendix B of the VBP RACI, Required Tasks, and Deliverables Attachment for role definitions). If the Deliverable does not have a defined Business Review Cycle in column H of the "Deliverable Definition" tab, TennCare shall designate each Deliverable(s) classification at the start of the phase in which the Deliverable is to be completed.
- A.8.4.3. The Contractor shall provide code sets, configuration files, and level of support and maintenance of these files.
- A.8.5. Project Document Management
- A.8.5.1. The Contractor shall store project documents in an online document library identified by TennCare. Project documentation includes, but is not limited to, Deliverables and Artifacts such as work plan, status reports, status meeting agenda, and minutes.

- A.8.5.2. The Contractor shall provide an electronic documentation format that facilitates efficient, effective, and expedited updating and dissemination of new or modified data.
 - A.8.5.3. The Contractor shall provide, at a minimum, a process to update the electronic versions of project documentation. Each version shall have:
 - A.8.5.3.1. All pages numbered within each section;
 - A.8.5.3.2. A new revision date on each page; and
 - A.8.5.3.3. All revisions clearly identified.
 - A.8.5.4. The Contractor shall provide online hyperlinks with references to Medicaid and non-Medicaid policy origination documents managed by TennCare and the Contractor within the project document library.
 - A.8.5.5. The Contractor shall adhere to the principle of least privileges and limit access to documentation that contains specific IP addresses, server names, node IDs, or other technical information that could compromise the security of technology components, to the level required for performance of necessary activities.
 - A.8.5.6. The Contractor shall categorize documentation by data classification, as defined by TennCare, and securely store sensitive technical documentation as approved by TennCare.
 - A.8.5.7. The Contractor shall include a reference to Tenn. Code Ann. §10-7-504 where appropriate for sensitive and confidential technical documentation.
- A.8.6. Deliverable Management
- A.8.6.1. The Contractor shall adhere to all Quality Management Standards provided in the TennCare Project Management Plan Standard located in the Attachment C, Procurement Library.
 - A.8.6.2. The Contractor shall ensure that documentation does not contain any protected Sensitive Data.
 - A.8.6.3. The Contractor shall handle identified Deliverables that require ad hoc updates or are updated periodically during the course of the implementation as follows:
 - A.8.6.3.1. The Contractor shall update content in the original Deliverable. Updated content provided in a deliverable amendment, and not integrated into the original deliverable, requires prior authorization by TennCare.
 - A.8.6.3.2. The Contractor's completion of, and TennCare's Acceptance of, a Deliverable during one (1) Gate Review shall be subject to the approval of TennCare and shall not constitute Acceptance of that Deliverable by TennCare for any subsequent Gate Review.
 - A.8.6.4. At a minimum, the Contractor shall submit a Deliverable Expectation Document (DED) to TennCare for each Deliverable at least twenty (20) Business Days prior to the submission of the original Deliverable or a timeline approved by TennCare.
 - A.8.6.5. The Contractor shall create Deliverables as defined in each approved Deliverable's DED.
 - A.8.6.6. The Contractor shall facilitate, for each Deliverable, a minimum of one (1) walkthrough with TennCare one (1) week prior to the Deliverable submission date or on a TennCare-approved timeline.

- A.8.6.7. The Contractor shall submit, for each Deliverable, a first submission on the agreed submission date, and the Contractor shall allow TennCare to review and provide responses.
- A.8.6.8. The Contractor shall submit, for each Deliverable, a subsequent submission, as specified in Table 1: Deliverable Review Cycles, resolving comments received from TennCare on the previous submission and allowing TennCare to review and provide responses based on the project schedule.
- A.8.6.9. The Contractor shall resolve all outstanding responses from TennCare prior to each Deliverable's final submission based on the project schedule.
- A.8.6.10. The Contractor shall establish and maintain data integration, exchange, and interface documentation in alignment with TennCare Enterprise Architecture Framework Standard located in Attachment C, Procurement Library.
- A.8.6.11. The Contractor shall ensure user interfaces are non-configurable to avoid potential for complications in program processes and system functionality.
- A.8.6.12. The Contractor shall follow the review and response times based on the complexity level assigned to the Deliverable in the Table of Deliverables (Section A.10.), as follows:

Table 1: Deliverable Review Cycles

Deliverable Classification	Length of State Review Period for each Review Cycle	Length of Contractor Update Period after Receiving State Updates
Type A	Seven (7) Business Days	Seven (7) Business Days
Type B	Ten (10) Business Days	Ten (10) Business Days
Type C	Twenty (20) Business Days	Twenty (20) Business Days
Type D	Forty-Five (45) Business Days	Forty-Five (45) Business Days

A.8.7. Integration Services

- A.8.7.1. The Contractor shall be solely responsible for obtaining, maintaining, and renewing all permits, approvals, licenses, certifications, and similar authorizations, including, but not limited to, SSA certification, FedRAMP certification, and CMS Certification, as required by any local, State, or federal entities for the program throughout the duration of the Contract.
- A.8.7.2. The Contractor shall be responsible for adherence to the established TennCare Integration Standards during implementation of the VBP Program.
- A.8.7.3. The Contractor shall develop appropriate architectural models of VBP Program design, selected with TennCare's approval, modeled in accordance with the TennCare Enterprise Architecture Modeling Standard, prior to the Solution Architecture Review. The Contractor shall load Artifacts into the TennCare architecture repository tool, Sparx Enterprise Architecture.
- A.8.7.3.1. If there are significant changes made to the architecture before Go-Live, the Contractor shall update the VBP Program design models and present them for an as-built review, in accordance with the TennCare Enterprise Architecture Framework Standard.

A.8.8. VBP Program(s) Testing

A.8.8.1. Integration and Connectivity Testing

- A.8.8.1.1. The Contractor shall perform integration and connectivity testing to verify that contractor tools and services are appropriately integrated with TennCare systems, networks, and protocols to perform the required contractual activities.
- A.8.8.1.2. The Contractor shall complete integration and connectivity testing in accordance with the TennCare Test Management standard and the approved project schedule.
- A.8.8.1.3. The Contractor shall coordinate all testing activity with the TennCare Enterprise Test Management Office.
- A.8.8.1.4. The Contractor shall not use live member data for mockups, wireframes, and Business Review Documents (BRDs), nor in any built testing or training environment/s.
- A.8.8.1.5. The Contractor shall include a sandbox environment for learning new tools and testing potential scenarios internally prior to live environments.
- A.8.8.2. Test Case Development
 - A.8.8.2.1. The Contractor shall develop a suite of test cases that demonstrate the processing outputs to be used for VBP Program evaluations.
 - A.8.8.2.2. The Contractor shall present this suite of test cases to TennCare for approval before the start of VBP Program(s) design activities and make any revisions and updates required by TennCare for all VBP Program evaluations.
- A.8.8.3. Comparative Analysis
 - A.8.8.3.1. The Contractor shall perform a comparative analysis of existing TN VBP Programs' performance to national best practices and industry standards.
 - A.8.8.3.2. The Contractor shall use appropriate benchmarks, market research, and peer-to-peer comparisons to measure the VBP Program(s)'s performance against similar programs.
 - A.8.8.3.2.1. The comparative analysis shall include a detailed evaluation of key performance indicators and alignment to TennCare Quality Improvement Strategy.
- A.8.8.4. VBP Design Performance Testing
 - A.8.8.4.1. The Contractor shall use analytics and actuarial support to predict expected performance of the VBP Program designs recommendations proposed for the New VBP Program.
 - A.8.8.4.2. The Contract shall use analytics and actuarial support to predict expected performance of the Enhancement recommendations proposed for existing VBP Programs.
 - A.8.8.4.3. The Contractor shall develop analytics based on established baselines, historical performance, and best practices for VBP Programs with TennCare approval.
 - A.8.8.4.4. The Contractor shall provide granular detail to support the performance metrics and make recommendations to TennCare regarding process improvements where identified.
 - A.8.8.4.5. The Contractor shall work with TennCare analytical staff to support development of analytical models and knowledge transfer of technical capabilities as directed by TennCare.
 - A.8.8.4.6. The Contractor shall work with TennCare identified external partners to support development and refinement of analytical models as directed by TennCare.

A.8.9. Turnover

- A.8.9.1. If applicable, the Contractor shall cooperate with TennCare in transitioning the Services and responsibilities of this Contract to TennCare, its authorized representative, and/or successor contractor upon termination, expiration, or partial takeover of this Contract. This may result in a period of transition during which the Contractor continues to provide services while the successor contractor prepares to assume those services, with a switch over from the Contractor to the successor contractor occurring on an implementation date (Implementation Date) specified by the State. The Implementation Date will typically coincide with the successor contractor's Go-Live Date pursuant to its contract with the State. However, the State may elect, in its sole discretion, to have the Contractor continue some portion of its services and systems after the successor contractor's Implementation Date, in which case, unless otherwise agreed to in writing by the State and Contractor, the Contractor shall be compensated for such services and systems in accordance with the provisions of Contract Section C. The transitioning of Services and responsibilities shall include, but is not limited to, knowledge transfer, operating processes and procedures, all documents, and playbooks relevant to Services provided to TennCare.
- A.8.9.2. All documentation, service processes, data and methodologies developed for the services delivered to TennCare will become the property of TennCare in accordance with Contract Sections E.3 and E.9.
- A.8.9.3. The Contractor shall develop a Turnover Plan transitioning work from a prior vendor and to a successor vendor as required by TennCare.
- A.8.9.4. The Contractor shall actively participate in transition planning & management.
- A.8.9.5. The Contractor shall deliver to TennCare, or its authorized representative, all Contract-related records and data in a format specified by TennCare, thirty (30) calendar days prior to Contract expiration or thirty (30) calendar days after TennCare's request.
- A.8.9.6. The Contractor shall ensure that a Turnover Plan, as defined in Attachment A, Definitions is delivered and approved by TennCare. The Contractor shall provide to the State a Turnover Plan no later one hundred eighty (180) days prior to the Contract end date. The Turnover Plan shall include:
- A.8.9.6.1. A timeline with milestones for the Transition to include planning, execution, and implementation approval;
 - A.8.9.6.2. Description of maintenance process for Transition documentation and Artifacts (e.g., design documents, DBRs, technical specifications) throughout the life of the Contract;
 - A.8.9.6.3. Final updates and addendums to the required Deliverables and Artifacts;
 - A.8.9.6.4. Transition and handoff activities with internal and external staff identified by TennCare;
 - A.8.9.6.5. Approach for document handover before contract terminations; and
 - A.8.9.6.6. Any additional information requested by TennCare in a Control Memorandum as described in Section A.9.6.
- A.8.9.7. The Contractor shall, always, act in good faith toward the State and/or successor contractor to facilitate as seamless a transition as possible. The State will use the Control Memorandum process to specify Turnover deliverables, services, and support required of the Contractor in aid of the transition process, including but not limited to:

- A.8.9.7.1. Security profiles of the platform Authorized Users and service accounts in a Microsoft Word document or Microsoft Excel spreadsheet format; and
- A.8.9.7.2. Transition Deliverables that are considered TennCare customizations, data, and assets that are non-proprietary aspects of the Commercial Off-the-Shelf (COTS) Solution as requested by TennCare and in a format acceptable to TennCare.
- A.8.9.8. Failure to fully and timely cooperate with the State's request or provide requested Turnover deliverables may result in liquidated damages as specified in this Contract or in the applicable Control Memorandum. The State shall not be liable to the Contractor for any costs and expenses relating to these deliverables or to the services provided by the Contractor during the transition period, other than as set forth in Contract Section C.
- A.8.9.9. The Contractor shall provide post-transition support for up to one hundred twenty (120) days, including Deliverables and associated activities specified in a Control Memorandum and agreed to by TennCare.
- A.8.9.10. The Contractor shall complete financial reconciliation of this Contract, including liquidated or financial consequences, if applicable.
- A.8.9.11. The Contractor's obligations under this section shall be at no additional cost to TennCare and shall survive the termination of this Contract.

A.9. Administrative Requirements

A.9.1. Training

A.9.1.1. General Training Requirements

- A.9.1.1.1. The Contractor shall collaborate with TennCare to identify, follow, and execute industry leading practices, standards, and trends for creation and delivery of training.
- A.9.1.1.2. The Contractor shall be capable of translating training materials in accordance with 68 Fed. Reg 47311-02, within ninety (90) calendar days of notification from TennCare, all vital Contractor documents related to this Contract shall be translated and available to each Limited English Proficiency ("LEP") group identified by TennCare in accordance with the applicable standards set forth below:
 - A.9.1.1.2.1. If a LEP group constitutes five percent (5%) or 1,000, whichever is less, of the population targeted under this Contract, vital documents shall be translated into that LEP language. Translation of other documents, if needed, can be provided orally; or
 - A.9.1.1.2.2. If there are fewer than fifty (50) individuals in a language group that is part the population targeted under this Contract that reaches the five percent (5%) trigger in (a), the Contractor shall inform those individuals that it does not provide written translation of vital documents but provides written notice in that group's primary language of the right to receive competent oral interpretation of those written materials, free of cost.
 - A.9.1.1.2.3. At a minimum, all vital Contractor documents shall be translated and available in Spanish and Arabic.
- A.9.1.1.3. The Contractor shall provide appropriate training and technical SMEs to lead the creation of training documentation and supporting materials.
- A.9.1.1.4. The Contractor shall collaborate with TennCare and identified MCO stakeholders to develop and provide a Training Plan that details all activities required to efficiently, accurately, and effectively train all identified end-users, Authorized

Users, and technical staff that are expected to use or support maintenance of the enhanced and New VBP Programs.

- A.9.1.1.4.1. The Training Plan shall be developed in accordance with TennCare's overall training strategy and be approved by TennCare in collaboration with the MCOs.
- A.9.1.1.4.2. The Training Plan shall be delivered by TennCare to both internal and external Stakeholders, unless otherwise directed by TennCare.
- A.9.1.1.4.3. Once approved by TennCare, the Contractor shall be responsible for supporting and tracking the execution of the Training Plan, as written, revised, and approved.
- A.9.1.1.4.4. The Contractor shall follow the TennCare Project Change Management Standard located in Attachment C, Procurement Library, including changes to the training scope, details, and approach, which will follow the project Change Management process.
- A.9.1.1.4.5. The Contractor Training Plan shall include a comprehensive approach for TennCare including:
 - A.9.1.1.4.5.1 Maintain ongoing collaboration among TennCare, MCOs, and the Contractor;
 - A.9.1.1.4.5.2 Detail training needs for Provider community Stakeholders responsible for executing VBP activities, analytical community Stakeholders responsible for reporting, data exchange, and VBP performance monitoring (technical staff), non-technical users, and MCO or help desks, across all identified impacted Stakeholders;
 - A.9.1.1.4.5.3 Identify learner groups within technical staff, end-users, and the help desk based on program roles, and map training curricula to each learner group;
 - A.9.1.1.4.5.4 Identify role-based training curricula, including, but not limited to, training for technical staff, end-users, and the help desk with varying level of security access and administration privileges;
 - A.9.1.1.4.5.5 Indicate the training facilities, equipment, and technology needed to support the proposed Training Plan;
 - A.9.1.1.4.5.6 Define a timeline that encompasses all training-related activities and documents the dependencies between the training-related activities and other non-training activities (e.g., development, testing), including a go/no-go decision point criterion for training-related activities;
 - A.9.1.1.4.5.7 Outline the approach to the delivery of a Train-the-Trainer program, the delivery of performance monitoring for technical staff, and analysis of the effectiveness of end-user training;
 - A.9.1.1.4.5.8 Outline the approach to the delivery of the training to additional stakeholders for the VBP Program(s) as approved by TennCare;
 - A.9.1.1.4.5.9 Provide procedures for maintaining training documentation and conducting knowledge transfer sessions; and
 - A.9.1.1.4.5.10 Successfully create accessible training materials and job aids, including but not limited to user manuals, quick reference guides, Instructor-Led Training (ILT), Virtual Instructor-Led Training (VILT), eLearning, computer-based trainings (CBT), and all other documentation

appropriate for the delivery of required VBPP information to the specified training recipient roles.

- A.9.1.1.5. The Contractor shall utilize a central training repository which will be identified by TennCare (i.e., SharePoint, Confluence, shared drives, etc.) for all training materials, which will provide an archive of training materials, track the history of changes/approvals, and allow for the retention of materials in accordance with TennCare defined data retention policies. All customized materials will be the property of TennCare and will be readily accessible and available On-demand to TennCare.
 - A.9.1.1.6. The Contractor shall deliver knowledge transfer sessions to identified technical staff, end-users, identified MCOs, and help desk staff.
 - A.9.1.1.7. The VBP Program's attribution methodology shall be communicated with participating Providers through various communication mediums, ensuring transparency and understanding for participating Providers throughout the Term.
 - A.9.1.1.8. The Contractor shall collaborate with TennCare and MCOs to leverage learner feedback to update training materials as needed and defined by TennCare.
- A.9.1.2. Training Artifacts and Delivery
- A.9.1.2.1. The Contractor in collaboration with TennCare identified MCO stakeholders shall submit training Artifacts including, but not limited to, templates, standards, outlines, and drafts for TennCare review and approval as defined and agreed upon in the Training Plan.
 - A.9.1.2.2. The Contractor shall create training Artifacts that are clear and easily understood by existing and new team members. This shall include materials detail enough not to require in-depth knowledge or ability to decipher complex code or math.
 - A.9.1.2.3. The Contractor shall be responsible for collaborating with the identified MCO stakeholders and TennCare to create training materials necessary to support the training of identified technical staff, end-users, and help desk staff.
 - A.9.1.2.3.1. The Contractor shall develop training materials that are role-based and include real-life scenarios for each learner group.
 - A.9.1.2.3.2. The Contractor shall develop training materials that include VBP Program(s) objectives, business processes, policy information, financial and performance calculations, and associated reporting requirements, as well as expectations monitoring and evaluation of VBP quality outcomes and cost management results.
 - A.9.1.2.3.3. The Contractor shall provide training materials that include the following:
 - A.9.1.2.3.3.1 Instructor-Led Training or Virtual Instructor-Led Training: Classroom based learning (either in a live or virtual setting) that includes "Tell Me, Show Me, Let Me" opportunities for learners, including, but not limited to, PowerPoint presentations, guided practices, and independent practices. Instructor-led Training and/or virtual instructor-led training materials include, but are not limited to, PowerPoint presentations, facilitator guides, participant books, guided practices, independent practices, data sheets, and any other material required to successfully deliver instructor-led training or virtual instructor-led training.
 - A.9.1.2.3.3.2 eLearning: On-demand learning assets that are available, accessible, and specific to technical staff, end-users, and/or help desk. eLearning material includes, but is not limited to, video tutorials, micro-learning, and web-based training courses.

- A.9.1.2.3.3.3 Support Documentation: Learning assets that are available to technical staff, end users, and help desk staff to aid in performing day-to-day tasks. Support documentation includes, but is not limited to, user guides, user manuals, quick reference guides, and standard operating procedures.
- A.9.1.2.3.4. The Contractor shall be responsible for collaborating with TennCare and its partners to create knowledge transfer materials, including:
 - A.9.1.2.3.4.1 Technical documentation for technical staff, and standard operating procedures and/or user, manuals for technical staff, end-users, and help desk staff to support reporting requirements and financial calculations.
 - A.9.1.2.3.4.2 Train-the-Trainer session materials for individuals identified by TennCare to deliver additional end-user, technical staff, and help desk training sessions after the Contractor's requirements have been fulfilled;
 - A.9.1.2.3.4.3 Processes and procedures for updating all training materials;
 - A.9.1.2.3.4.4 Processes and procedures for delivering all training activities;
 - A.9.1.2.3.4.5 Processes and procedures for maintaining, updating, and leveraging the training environment and associated data sets for the development and delivery of training materials; and
 - A.9.1.2.3.4.6 Materials shall be provided in advance of implementation to TennCare for review and approval.
- A.9.1.2.3.5. The Contractor shall create, review, and update training materials in an agile, ongoing, iterative process as approved by TennCare.
- A.9.1.2.3.6. The Contractor shall identify and implement an appropriate review cycle format for all training Artifacts and materials, pending TennCare's approval.
- A.9.1.2.3.7. TennCare shall identify an overall approver for learning documentation and materials and identify reviewer(s) for each training document and/or supporting material, involving the appropriate SME(s) based on their knowledge of the subject matter.
- A.9.1.2.3.8. The Contractor shall ensure all materials are approved by TennCare prior to use and shall ensure all materials are reviewed and updated as continued Solution releases impact the effectiveness of the training materials as deemed necessary by TennCare.
- A.9.1.2.3.9. The Contractor shall identify impacted Stakeholders, training needs, and training audience groupings.
- A.9.1.2.3.10. The Contractor shall develop detailed role-based curriculum maps, and pending approval, will create the identified training materials.
 - A.9.1.2.3.10.1 The Contractor shall collaborate with TennCare to determine the best training delivery method for each training audience grouping.
 - A.9.1.2.3.10.2 The Contractor shall provide general descriptions and other relevant course or material information.
- A.9.1.2.3.11. The Contractor shall provide Train-the-Trainer materials and deliver Train-the-Trainer to individuals identified by TennCare and the MCOs for end-user, technical staff, and help desk training.
- A.9.1.2.3.12. The Contractor shall conduct all technical staff, end-user, and help desk training.

- A.9.1.2.3.12.1 The Contractor shall provide appropriate technical SMEs to attend trainings to provide active question and answer support.
- A.9.1.2.3.12.2 The Contractor shall prepare and provide all soft copy and printed classroom training materials.
- A.9.1.2.3.12.3 The Contractor shall develop the classroom training schedule, coordinate training facilities, facilitate training participant registration, and track and report on classroom training attendance and feedback.
- A.9.1.2.3.13. The Contractor shall identify any enhanced and New VBP Program updates requiring a change in all training materials in a timely manner.
- A.9.1.2.3.14. After approval of a training material, the Contractor shall maintain training materials through thirty (30) days after the completion of the New VBP Program Go-Live implementation. Training maintenance is defined as changes due to training material inaccuracies or system design clarifications. Other changes will go through the Control Memorandum process. Training maintenance beyond thirty (30) days after the completion of the implementation will be addressed by TennCare or through the Control Memorandum process.
- A.9.1.2.3.15. The Contractor shall complete knowledge transfer of training development process, materials, and delivery with TennCare and MCO partners.
- A.9.1.2.3.16. The Contractor shall develop course feedback evaluations for TennCare to distribute to training participants following the delivery of all training events (e.g., VILT, ILT, eLearning).
 - A.9.1.2.3.16.1 The Contractor shall identify KPIs within the course evaluations.
 - A.9.1.2.3.16.2 The Contractor shall support deployment of course feedback evaluations following the conclusion of the training session (e.g., ILT, VILT, eLearning).
 - A.9.1.2.3.16.3 No later than two (2) weeks following the course feedback evaluation completion, the Contractor shall complete an analysis and provide TennCare with a report-out and training Artifact improvement recommendations.

A.9.1.3. Training Technology and Tools

- A.9.1.3.1. The Contractor shall establish a training environment strategy and approach in coordination with TennCare and the MCOs, including, but not limited to, environment and data management.
- A.9.1.3.2. The Contractor shall collaborate with TennCare and the MCOs to identify the appropriate training data to be staged and included within the training environments for the various training groups.
- A.9.1.3.3. The Contractor shall, in coordination with identified training delivery partners, test functionality in the training environment(s) after builds and on training days to confirm that the environment is functioning as expected and will appropriately support training activities.

A.9.2. Staffing

A.9.2.1. General Staffing Requirements

- A.9.2.1.1. All personnel shall be employees or subcontractors of the Contractor and fully qualified to perform the work required in this Contract. The Contractor shall provide experienced, qualified professionals to be engaged with TennCare. The Contractor

shall provide personnel in sufficient quantity to meet all requirements of the Contract.

- A.9.2.1.2. The Contractor's work will normally occur during TennCare's Business Days, during which the Contractor must provide coverage of business areas as determined by TennCare. As directed by TennCare, exceptions may occur to accommodate scheduled project events that must occur during evenings or on weekends. The Contractor shall furnish Contractor personnel as needed for after-hours projects. The Contractor's work and travel schedules shall be approved in advance by TennCare's Program Director or their designee.
- A.9.2.1.3. Other than required approval of Key Personnel and subcontractors by TennCare as detailed in Section A.9.3., the Contractor shall have the responsibility for hiring and management of all Contractor staff and subcontractors. The Contractor shall be responsible for maintaining a level of staffing necessary to perform and carry out all Services, regardless of the level of staffing included in Contractor's procurement proposal. After consultations with the Contractor, TennCare shall make the final decision as to the required staffing levels based upon current progress in meeting the scope of services included in this Contract and TennCare's anticipated VBP objectives. TennCare will use the Control Memorandum process to indicate dates by which staffing increases or replacements must be made. Failure to meet the staffing deadlines in the Control Memorandum may lead to the imposition of liquidated damages as specified in Attachment B, Service Level Agreements and Liquidated Damages.
- A.9.2.1.4. On-Site Staffing Requirements. Personnel are considered On-Site when working at either the Contractor's offices described in Section A.9.4. or at the TennCare offices located in Nashville, Tennessee.
- A.9.2.1.4.1. The Contractor shall identify key staff to attend select key meetings in-person, as determined by TennCare. Staff not identified as key staff for attending select meetings in-person shall support meetings remotely.
- A.9.2.1.5. TennCare shall have the discretion to approve or disapprove the Contractor's and any of its subcontractor's staff or to require the removal or reassignment of any of Contractor's or subcontractor's staff found unacceptable to TennCare.
- A.9.2.1.6. At no additional cost to TennCare, the Contractor shall participate and provide support as needed to the State for certification activities related to the VBP Program including participating in planning activities, meetings, and other activities as required by CMS.
- A.9.2.1.7. The Contractor shall keep track of resource costs, both personnel and technical, on a per project basis in order to satisfy TennCare and CMS reporting requirements for enhanced federal funding assistance. These resource costs shall be maintained by the Contractor and provided to TennCare, upon request, to support all projects. After consultation with the Contractor, TennCare will approve an invoice format that will meet the needs of TennCare and CMS.
- A.9.2.2. Subcontractor Staff
- A.9.2.2.1. With regard to those subcontractors approved by TennCare in accordance with Section D.7, the Contractor shall provide TennCare with a fully executed, complete copy of each subcontract on or before the earlier of: (a) such subcontractor beginning work on this Contract or (b) within thirty (30) days of the Effective Date. TennCare, in its sole discretion, may request additional information or impose additional terms and conditions as outlined in Section D.7.

A.9.2.2.2. The Contractor shall not substitute a subcontractor for a subcontractor previously approved by TennCare without the prior written approval of TennCare, as required by Section D.7.

A.9.2.3. Staffing Skillset Requirements

- A.9.2.3.1. The Contractor shall ensure staff are skilled in data science, data engineering, and healthcare data analytics to supplement TennCare's in-house capabilities by supporting innovative approaches to data analysis requiring specialized skill sets and enhancing the overall historical, quantitative modeling/analytic projections, and prescriptive analytical capabilities of TennCare.
- A.9.2.3.2. The Contractor shall ensure staff work standard business hours, 8:00am – 5:00pm Central Standard Time (CST), participate in meetings as required, and provide expected service and effort to TennCare in completing activities and assignments.
- A.9.2.3.3. The Contractor shall be responsible for coordinating with TennCare-designated staff to ensure staff have access to the proper tools required for provision of required Services.
- A.9.2.3.4. The Contractor staff shall provide data analytics experience including the application of advanced analytics tools and techniques to TennCare data.
- A.9.2.3.5. The Contractor staff shall provide consultation to TennCare staff regarding data patterns and correlations identified through data analytics.
- A.9.2.3.6. The Contractor staff shall work with TennCare staff to apply business intelligence identified through data analytics to VBP Program improvements.
- A.9.2.3.7. The Contractor staff shall provide business and technical expertise for the development, enhancement, and implementation of a VBP Program.
- A.9.2.3.8. The Contractor staff shall provide operational analytical/reporting support and expertise regarding Medicaid VBP, Managed Care Contracting, and Population Health Management activities.
- A.9.2.3.9. The Contractor staff shall become knowledgeable of the Tennessee Medicaid Program.

A.9.3. Key Personnel

A.9.3.1. General Requirements

- A.9.3.1.1. Key Personnel are Contractor personnel deemed by TennCare to be essential to the Contractor's satisfactory performance of the requirements listed in Section A.9.3.6 Key Personnel Table contains the required Key Personnel positions, corresponding roles and responsibilities, and minimum qualifications.
- A.9.3.2. The Contractor shall obtain TennCare's prior written approval of all Key Personnel. The Contractor shall provide resumes for all Key Personnel to TennCare at least thirty (30) days prior to the expected employee's start date on this Contract. TennCare reserves the right to conduct in-person interviews with Key Personnel prior to the Key Personnel's start date. The Contractor may utilize the same person for more than one (1) Key Personnel position in different Gate Reviews with prior written approval from TennCare. The Contractor shall not make any changes to the proposed positions, staff, and responsibilities of Key Personnel without TennCare's prior written approval. Related service level agreements are defined in Contract Attachment B, Service Level Agreements and Liquidated Damages.
- A.9.3.2.1. If the Contractor deems an additional Key Personnel position(s) necessary beyond the positions listed in Section A.9.3.6. Key Personnel Table, the Contractor shall identify these positions and provide a complete description of how

these positions support the fulfillment of the Contract. TennCare, at its sole discretion, shall determine if additional Key Personnel position(s) are necessary. All staff committed in writing as Key Personnel in response to this RFP shall be the staff that lead the delivery of the services required within this Contract. The Contractor shall not replace staff named in response to this RFP before the beginning of the Contract Effective Date without written approval from TennCare

- A.9.3.2.2. If any Key Personnel are not employees of the Contractor, the Contractor shall identify those personnel and provide TennCare with contracts establishing the Key Personnel's subcontract for prior approval pursuant to Section D.7. The Contractor shall not employ or use a subcontractor without the approval of TennCare.
- A.9.3.2.3. References for Key Personnel shall meet the following requirements:
- A.9.3.2.3.1. A minimum of three (3) professional references who can provide information about the Key Personnel's work on relevant past assignments as outlined in RFP Attachment 6.4. – Reference Questionnaire;
 - A.9.3.2.3.2. The reference's full name, mailing address, telephone number, and e-mail address;
 - A.9.3.2.3.3. For any client contact listed as a reference, include the agency's or company's full name with the current telephone number and e-mail address of the client's responsible project administrator or service official who is directly familiar with the Key Personnel's performance; and
 - A.9.3.2.3.4. The Key Personnel's professional experience within the past five (5) years.
- A.9.3.2.4. Key Personnel resumes shall include the following information:
- A.9.3.2.4.1. Employment history for all relevant and related experience;
 - A.9.3.2.4.2. Names of employers for the past five (5) years, including specific dates;
 - A.9.3.2.4.3. All educational institutions attended, and degrees obtained; and
 - A.9.3.2.4.4. All professional certifications and affiliations.
- A.9.3.2.5. The Contractor shall provide guidance on the necessary steps to make staffing assignment changes. The Contractor shall also define procedures for Key Personnel transitions for TennCare approval.
- A.9.3.2.6. TennCare retains the right to approve or disapprove proposed Key Personnel staffing and reserves the right to require the Contractor to replace specified staff and subcontractor staff. The Contractor shall substitute, with TennCare's prior approval, any employee so replaced with an employee of equal or better qualifications. The Contractor shall provide an interim employee within five (5) Business Days of any Key Personnel vacancy regardless of the reason for the vacancy. The Contractor shall propose a substitute employee within thirty (30) days, and the Contractor shall ensure that the substitute employee begins work for the Contractor within forty-five (45) days. If the Contractor does not provide Key Personnel in accordance with each of the three (3) stated timeframes, the Contractor shall be assessed liquidated damages in accordance with Attachment B, Service Level Agreements and Liquidated Damages. In the event it becomes necessary to replace Key Personnel during the Term, the Contractor shall:

- A.9.3.2.6.1. Provide TennCare's Program Director with written notification of such replacement, when possible, for a two (2) week period for knowledge transfer from the Key Personnel to the replacement personnel. This knowledge transfer shall be provided at no charge to TennCare;
- A.9.3.2.6.2. Provide TennCare's Program Director with documentation describing the circumstances of the need for the replacement;
- A.9.3.2.6.3. Provide documentation of experience for the proposed replacement personnel;
- A.9.3.2.6.4. Obtain prior written approval from TennCare's Program Director; and
- A.9.3.2.6.5. During the first twelve (12) months of the Contract performance period, no substitutions of Key Personnel shall be permitted unless such substitutions are necessitated by an individual's sudden illness, death, or resignation, or otherwise approved by TennCare's Program Director or requested by TennCare. In any of these events, the Contractor shall follow the steps outlined in this Section. Failure to meet the prior notice and approval requirements may result liquidated damages as contained in Attachment B, Service Level Agreements and Liquidated Damages.

A.9.3.3. Staffing Needs Planning and Monitoring Processes

- A.9.3.3.1. The Contractor shall provide the VBP Staffing and Work Allocation Plan as part of the preliminary and ongoing staff planning and monitoring processes at a frequency determined by TennCare. The report shall specifically identify activities for planning for future needs and monitoring of the project assignments, Contract timelines, the nature of existing and anticipated vacancies, length of time a position has been vacant, status of hiring, and associated decisions for release or renewal of personnel.

A.9.3.4. Transition Staffing

- A.9.3.4.1. The Contractor shall provide a full-time Transition manager one-hundred eighty (180) days prior to the end of the Term as a designated point person to interact with TennCare and a successor contractor until the Term is completed.
- A.9.3.4.2. The Contractor shall provide and retain sufficient Key Personnel during Transition, inclusive of technical staff (e.g., systems analysts, technicians) and non-technical staff (e.g., clerical staff, business analysts) to complete the Services and meet the requirements specified in the Contract.
- A.9.3.4.3. The Contractor shall include staffing for operations during transition in the VBP Transition Plan.

A.9.3.5. Off-Boarding

- A.9.3.5.1. The Contractor shall appoint a Contractor liaison who is responsible for completing an off-boarding request in the ITSM tool within twenty-four (24) hours of a staff departure.
- A.9.3.5.2. In the event of a Key Personnel departure, the Contractor shall provide prior notification, with appropriate forms to TennCare's Access Management team and appropriate TennCare management staff in advance of termination, if known, or immediately after the Key Personnel submits their resignation.

A.9.3.6. Key Personnel Table

TABLE 2: KEY PERSONNEL TABLE

Key Personnel	Description	Minimum Qualification	Requirements
Account Manager	Serves as the primary Contractor POC for activities related to contract administration, project management, scheduling, resource management, ensuring accountability, creating structure, fulfilling reporting requirements, correspondence with TennCare's leadership, and Deliverable reviews.	<ul style="list-style-type: none"> • A minimum of eight (8) years of experience in managing and leading large-scale or Enterprise-Wide healthcare improvement initiatives encompassing the scope of services identified in this contract; • A minimum of five (5) years of experience serving in an account management or client representative position; • Subject matter expertise on relevant State and federal Medicaid regulations and policies; • Previous experience following a standard project management methodology and in using various project management tools in developing project plans, delivering tasks, and tracking timelines and resources; • Experience in contract law, regulations, and compliance; and • Experience and knowledge of the grants management process. 	<ul style="list-style-type: none"> • Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.
Project Manager	Oversees and manages the overall development and design of the payment model, ensuring that timelines, quality standards, and goals are met.	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum experience of two (2) years in healthcare and Medicaid domain; • Possess a minimum of two (2) years of experience in implementing large scale IT projects; • Possess a minimum of three (3) years of experience managing projects of similar size and complexity; and 	<ul style="list-style-type: none"> • Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.

Key Personnel	Description	Minimum Qualification	Requirements
Quality Strategy Manager	Responsible for coordination of VBP quality strategy and supporting activities to optimize patient outcomes and cost containment efforts in alignment with TennCare guiding principles and the identified policies and procedures as the output of the VBP design efforts.	<ul style="list-style-type: none"> • Strong experience in data validation and reconciliation and quality assurance process. • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum of seven (7) years of experience in healthcare, public health, Population Health initiatives, or healthcare data management; • Possess a minimum of five (5) years of experience in the design of and implementation of Value-Based Program strategies, cost of care initiatives, and Provider performance analytics, including quality measurement, measure selection and review cycle; • Strong experience of principles of Population Health Management and experience in developing, implementing, and evaluating Population Health interventions; • Strong experience and knowledge of practice workflows, industry best practices, advanced Value-Based Contract terms and settlement calculations; • Analytical experience with knowledge of data analysis techniques related to VBP Quality Management and strategy development (e.g., HEDIS, CMS Core Measures); and • Experience working with MCOs, trade organizations, or Providers/Provider Groups. 	<ul style="list-style-type: none"> • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan. • Shall provide support to the project in a part-time capacity of fifty percent (50%), or more, at the State's discretion.
Evaluation Manager	Supervises the evaluation team to help ensure robust and timely planning, execution, and delivery of evaluation results. This personnel will	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications. Master's degree 	<ul style="list-style-type: none"> • Shall be On-Site for specified project activities and meetings as defined in the approved Project

Key Personnel	Description	Minimum Qualification	Requirements
	<p>act as the POC for state leadership to address evaluation procedures and results by providing recommendations in alignment with state VBP guiding principles to refine as appropriate the VBP approach.</p>	<p>preferred;</p> <ul style="list-style-type: none"> • Possess a minimum experience of four (4) years in healthcare and Medicaid domain; • Possess a minimum of three (3) years of experience with analysis of healthcare claims data, • Possess a minimum of three (3) years of experience with big data and managing evaluation activities of similar size and complexity as envisioned in this contract, including statistical outcomes • Demonstrates strong understanding of Value Based Payment models (attribution, quality measurement, etc.), and the financial impacts of changes to the design of the model. • Strong experience with and knowledge of healthcare systems, policy, Medicaid program regulations, and compliance requirements; and • Strong experience coordinating and leading educational training sessions and orientation for Providers to explain program requirements and expectations. 	<p>Management Plan.</p> <ul style="list-style-type: none"> • Shall provide support to the project in a part-time capacity of fifty percent (50%), or more, at the State's discretion.
<p>Financial Modeler</p>	<p>Develops the VBP Program's payment models and financial projection and cost-benefit analysis activities in consultation with Provider and payer stakeholders based on the developed model. Does not include actuarial services that impact TennCare's managed care program capitation rate.</p>	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum of five (5) years of financial analysis, management, and risk evaluation experience; • Possess a minimum of five (5) years of financial modeling experience in health care or insurance industry; • Possess experience with healthcare and Value-Based Payment program evaluation, design, and implementation; • Strong experience with Medicaid and Medicare medical claims and 	<ul style="list-style-type: none"> • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan. • Shall work with official State actuarial contractor to ensure accuracy of any financial projections and cost-benefit analyses for the VBP Program. • For the Planning and Design phases, shall provide support to the project seventy-five percent (75%) of the time, or more, at the State's discretion. • For the Implementation and

Key Personnel	Description	Minimum Qualification	Requirements
		encounters.	Evaluation phases, shall provide support to the project in a part-time capacity of fifty percent (50%), or less, at the State's discretion.
Medical Director/Clinical Advisor	Provides thought leadership in design, care integration, and clinical Quality Improvement to optimize patient outcomes and achieve Value-Based Payment model goals.	<ul style="list-style-type: none"> • Possess a Doctor of Medicine or Doctor of Osteopathic Medicine from an accredited institution and a valid state medical license; • Possess American Board of Medical Specialty board certification; • Possess a minimum experience of two (2) years in healthcare and Medicaid domain; • Demonstrated understanding of Managed Care contracting with healthcare delivery systems and experience with implementation of Pay for Performance or Value-Based contracts with public payors. • Possess a minimum experience of five (5) years of clinical practice with the Medicaid and Medicare patient population; • Possess a minimum of five (5) years of experience in Quality Improvement, Population Health Management, or healthcare management; • Strong experience developing clinical protocols, guidelines, and policies and manage their implementation. 	<ul style="list-style-type: none"> • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan. • Shall provide support to the project in a part-time capacity of fifty percent (50%), or less, at the State's discretion.
Population Health Coordinator	<p>Develops Care Coordination activities that optimize patient outcomes and reduce the variable costs associated with health care provisioning.</p> <p>Works with Data Analyst to ensure Care Coordination activities are data-driven.</p>	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum of five (5) years of experience in healthcare, public health, or healthcare data management; • Strong experience of healthcare data and experience using data to drive Population Health initiatives; 	<ul style="list-style-type: none"> • Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.

Key Personnel	Description	Minimum Qualification	Requirements
		<ul style="list-style-type: none"> • Strong experience of principles of Population Health Management and experience in developing, implementing, and evaluating Population Health interventions; and • Experience developing metrics to measure program performance and evaluate and demonstrate the effectiveness of Population Health interventions. • Experience in and knowledge of PowerBI, Azure Analytics, and Tableau 	
MCO Liaison	<p>Performs training and engagement activities with MCO stakeholders.</p> <p>The MCO Liaison shall be accountable to TennCare for outreach, monitoring, engagement, VBP activity, and relationship management with MCO partners.</p>	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum experience of two (2) years in healthcare and Medicaid domain; • Possess a minimum of three (3) years of experience in healthcare MCO relations, healthcare contracting, or MCO outreach; • Possess a minimum of three (3) years of experience managing projects of similar size and complexity; • Strong experience with and knowledge of Medicaid program regulations and compliance requirements; and • Experience in managing recruitment, training, and retention efforts of MCOs. 	<ul style="list-style-type: none"> • Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.
Provider Liaison	<p>Acts as an ambassador that helps Providers to understand the payment model requirements, targeted outcomes, and the benefits of alternative payment models to develop effective collaborations</p>	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum experience of two (2) years in healthcare and Medicaid domain; • Possess a minimum of three (3) 	<ul style="list-style-type: none"> • Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.

Key Personnel	Description	Minimum Qualification	Requirements
		<p>years of experience in healthcare Provider relations, healthcare contracting, or Provider outreach;</p> <ul style="list-style-type: none"> • Possess a minimum of three (3) years of experience managing projects of similar size and complexity; • Strong experience with and knowledge of Medicaid program regulations and compliance requirements; and • Strong experience coordinating and lead educational training sessions and orientation for Providers to explain program requirements and expectations. 	
Business Analyst	Helps to identify and develop the necessary financial, administrative, and technological changes required for successful implementation of the payment model.	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum experience of two (2) years in healthcare and Medicaid domain; • A minimum of five (5) years of experience in data policy; • Possess a minimum of five (5) years of developing data analytics models for business use cases; and • Extensive experience dealing with sensitive data and healthcare Industry standards and regulations. 	<ul style="list-style-type: none"> • Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.
Compliance/Oversight Manager	Performs oversight activities for the Hospital Quality Program.	<ul style="list-style-type: none"> • Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications. Master's degree preferred; • Possess a minimum experience of four (4) years in compliance/oversight in healthcare; • Possess a minimum of three (3) years of experience with hospital-focused quality program oversight, compliance, and program 	<ul style="list-style-type: none"> • Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.

Key Personnel	Description	Minimum Qualification	Requirements
		management • Possess a minimum of three (3) years of experience with quality metric calculations, thresholding, quality report development and reporting, audit processes, the provision of technical assistance and other compliance responsibilities; and • Strong experience with and knowledge of healthcare systems, policy, Medicaid program regulations, and compliance requirements	
Healthcare Informatics Data Analyst	Improves the quality of data by acquiring and managing relevant data sets for analysis to optimize performance measures and reporting. Conducts data analysis related to VBP review, Enhancement and Design activities as outlined within the Contract. Additional related ad-hoc analyses may be included as needed and requested by TennCare.	Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications; • Possess a minimum experience of two (2) years in healthcare and Medicaid domain; • Possess a minimum of two (2) years of experience in health care data analytics; • Possess a minimum of three (3) years of experience on projects of similar size and complexity; and • Strong experience in data validation and reconciliation and quality assurance process. • Strong experience and knowledge of PowerBI, Azure Analytics, and Tableau. • Experience with developing data analytics models for business use cases. • Familiarity with health data policy and its relation to design and implementation. • Familiarity with healthcare industry standards and regulations	• Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project Management Plan.
Training Manager	Provides training to Provider, MCO, and TennCare stakeholders on VBP model, including standard process and procedures for the VBP initiative,	• Possess a bachelor's degree in an applicable field, provided that the candidate also meets all other qualifications;	• Shall not serve in any other position. • Shall be On-Site for specified project activities and meetings as defined in the approved Project

Key Personnel	Description	Minimum Qualification	Requirements
	<p>outcomes measurement guidance, and performance reporting requirements.</p> <p>The Training Manager shall also oversee production of any publications and materials for stakeholders to include instruction manuals, train the trainer materials, computer-based training, desk aides, FAQs, outcomes measurement guidance, etc.</p>	<ul style="list-style-type: none"> • A minimum of five (5) years of experience in managing training of on a project similar in scale; • Possess a minimum experience of two (2) years in healthcare specific to training for VBP initiatives. • Strong experience in technical writing for VBP initiatives; and • Strong experience with and knowledge of Medicaid program regulations and compliance requirements. • Strong experience coordinating and leading educational training sessions and orientation for Providers to explain program requirements and expectations. 	<p>Management Plan.</p>

A.9.4. Facility

- A.9.4.1. TennCare may require certain Contractor personnel, as determined by TennCare, to work On-Site at TennCare offices located at 310 Great Circle Rd, Nashville, TN, or other permanent address of TennCare, at any point in the Contract.
- A.9.4.2. Key Contractor staff shall be available for meetings at the TennCare office as determined by TennCare. Should appropriate meeting space in TennCare's preferred office(s) be unavailable, the Contractor shall attend virtually.
- A.9.4.3. The Contractor shall adhere to TennCare guidelines regarding health and safety while On-Site at the TennCare office.
- A.9.4.4. The Contractor shall leverage TennCare's video conferencing and collaboration licenses and tools (e.g., WebEx, Cisco TelePresence MX300 G2, Microsoft Teams, MX200 G2), where possible.
 - A.9.4.4.1. If the Contractor does not leverage TennCare's existing video conferencing and collaboration license of tools, the Contractor shall provide TennCare with access to a TennCare-approved Industry standard teleconferencing service to allow for remote meetings at no additional cost to TennCare. Meetings, including On-Site meetings, shall be held remotely at the sole discretion of TennCare.
- A.9.4.5. The Contractor shall collaborate with TennCare to provide a facilities management plan for TennCare approval. The Contractor shall notify TennCare of any changes in the plan at least twenty (20) Business Days prior to the change.
- A.9.4.6. The Contractor shall not permit the Contractor's employees, agents, representatives, or subcontractors to share, store, access, use, transport, or disclose TennCare data in any form via any medium, including with any third parties, beyond the boundaries and jurisdiction of the United States of America without the express written authorization from TennCare.
- A.9.4.7. The Contractor shall not allow Contractor's employees, agents, representatives, or subcontractors to perform design and implementation activities on the Information Technology (IT) systems beyond the boundaries and jurisdiction of the United States or to leverage systems infrastructure, components, or resources that are hosted beyond the boundaries and jurisdiction of the United States in support of these activities without the express written authorization from TennCare.
- A.9.4.8. The Contractor shall ensure that all facilities supporting this Contract are protected against threats, during working and non-working hours, with an appropriate surveillance alarm/system extended to a manned monitoring system extended to a manned monitoring center, and adhere to current IRS SCSEM, CMS MARS-E, SSA, and TennCare security frameworks.
- A.9.4.9. The Contractor shall deliver equivalent Service performance via enhanced use of teleconferencing, collaboration, and workflow tools to fulfill all requirements of this Contract at TennCare's request.

A.9.5. Warranty

A.9.5.1. General Requirements

- A.9.5.1.1. Contractor represents and warrants that the term of the warranty ("Warranty Period") for VBP Program Consulting Services and Solution shall be the greater of the Term of this Contract or any other warranty generally 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.

- A.9.5.1.2. Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.
 - A.9.5.1.3. 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.
 - A.9.5.1.4. 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.9.5.1.5. The Contractor represents and warrants that all VBP Consulting Services and the Solution shall meet expected outcomes as detailed in Section A.4, Table 3: Table of Deliverables, and associated design documentation as approved by TennCare.
 - A.9.5.1.6. If the Contractor is required under this Contract to perform Warranty work after implementation of the VBP Program, the Contractor shall include any additional documentation requested by TennCare as part of the VBP Transition Plan.
- A.9.6. Control Memorandum (CM) Process
- A.9.6.1. The CM process shall be utilized by TennCare to clarify Contract requirements, issue instruction to the Contractor, document action required of the Contractor, or request information from the Contractor. In addition, the CM process shall be used by TennCare to impose assessments of damages, either actual or liquidated. This process will be used to address issues or matters that may not require a contract amendment. Each CM must be in writing and indicate the date on which it was issued. CMs may provide relevant history, background, and other pertinent information regarding the issue(s) being addressed in the CM. Each CM will establish a deadline or timeframe for the Contractor’s reply or other action. All CMs submitted to the Contractor must be signed and approved by TennCare’s Project Director (or his/her designee). When the CM pertains to damages, either actual or liquidated, TennCare may issue consecutive CMs, as may be necessary or appropriate. To the extent possible, TennCare and Contractor will discuss all potential CMs prior to issuance by TennCare. However, nothing in this Contract shall be deemed to be a delegation to the Contractor of TennCare’s non-delegable duties nor shall it be deemed to require Contractor’s consent to, or agreement with, the subject matter of a CM prior to issuance by TennCare of a CM pertaining to any matter within the scope of this Contract.
 - A.9.6.2. A CM may include one (1) or more of the five (5) components of the CM process described below:
 - A.9.6.2.1. On Request Report (ORR) – a request directing the Contractor to provide information by the time and date set out in the CM.
 - A.9.6.2.2. Control Directive (CD) – instructions that require the Contractor to complete, within a designated timeframe, one (1) or more Deliverables or to perform any other request from TennCare that is within the scope of the

- Contract. A CD may also provide clarification of certain Contract Terms. Once a CM/CD has been issued, it shall be considered to be incorporated into this Contract.
- A.9.6.2.3. Notice of Potential Damages (Actual or Liquidated) (NPD) – notification to the Contractor that TennCare has determined that a potential Contract performance or compliance failure exists and that TennCare is contemplating assessing damages, actual and/or liquidated. The NPD shall identify the Contract provision(s) on which TennCare’s determination rests.
- A.9.6.2.4. Notice of Calculation of Potential Damages (Actual or Liquidated) (NCPD) – notification to the Contractor that provides a calculation of the amount of potential damages, actual and/or liquidated, that TennCare is contemplating assessing against the Contractor. NPDs and NCPDs may be issued consecutively or simultaneously
- A.9.6.2.5. Notice of Intent to Assess Damages (Actual or Liquidated) (NIAD) – notification to the Contractor that TennCare is assessing damages and specifying whether the damages are actual damages or liquidated damages and setting out the performance or compliance issue underlying each intended damage assessment. The NIAD shall identify the NPD and NCPD upon which it is based. The NIAD shall specify the total amount and type of damages, whether actual or liquidated, TennCare intends to assess. Following the issuance of an NIAD, TennCare may elect to withhold damages from Payments due to Contractor. TennCare may not issue a NIAD without first issuing an NPD and a NCPD. TennCare may not obtain both liquidated damages and Actual Damages for the same occurrence of a Contract performance failure. However, it is in TennCare’s sole discretion to determine whether Actual Damages or liquidated damages will be assessed if a singular breach implicates both types of damages.
- A.9.6.3. Damages for failure to comply with CM. The Contractor shall fully comply with all CMs, compliance to be determined in TennCare’s sole discretion. Failure to do so may result in TennCare pursuing recovery of damages, as defined in Contract Section E.16., including liquidated damages as listed in Contract Attachment B, Service Level Agreements and Liquidated Damages, a Corrective Action Plan (CAP) approved by TennCare, and/or termination of the Contract.
- A.9.6.4. Appeal of Damages by Contractor. Contractor may appeal either the basis for NPD or calculation of NCPD potential damages, either actual or liquidated. To do so, the Contractor shall submit to the TennCare’s Project Director (or his/her designee) a written response to the NPD and/or NCPD within ten (10) Business Days of receipt of a CM which includes an NPD or a NCPD. TennCare’s Project Director (or his/her designee) shall review the reconsideration request and provide notice of his/her determination to the Contractor through a CM. If the Contractor disagrees with TennCare’s Project Director’s (or his/her designee) initial appeal determination or TennCare’s Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may submit a written request to TennCare’s Project Director (or his/her designee) that the matter be escalated to senior management of TennCare. Contractor shall submit such a request for escalation within ten (10) Business Days of its receipt of the initial appeal determination from TennCare’s Project Director (or his/her designee) or of notification by TennCare’s Project Director that he/she is unable to resolve the appeal request. TennCare’s senior management shall provide written notice of its final determination to the Contractor within (10) Business Days of the receipt of appeal the Contractor. During the resolution of an appeal request or escalation, TennCare shall not increase the amount of the potential damages.

A.9.6.5. Implement Corrective Action Plan. At TennCare's discretion, TennCare may, through a CM and CD, issue a notice to the Contractor of its intention to impose a CAP with the CM, accompanied by a request that the Contractor develop and propose an appropriate CAP for review and approval by TennCare within ten (10) days. TennCare shall determine the severity of the error using the critical, high, and medium incident definitions as set forth in Contract Attachment B, Service Level Agreements and Liquidated Damages.

A.9.6.5.1. TennCare may, in its sole discretion, assess liquidated damages as set forth in the liquidated damages table located in Contract Attachment B, Service Level Agreements and Liquidated Damages. Each CAP shall, at a minimum, contain the following information:

- A.9.6.5.1.1. Written documentation that includes acknowledgment of receipt of TennCare notice;
- A.9.6.5.1.2. Number of impacted Members and cases and such other information as TennCare may request;
- A.9.6.5.1.3. A description of how the Contractor has addressed or will address the immediate Problem;
- A.9.6.5.1.4. An analysis of the root cause of the Problem; and
- A.9.6.5.1.5. A description of how the Contractor shall resolve the Problem (or has resolved the Problem) and shall prevent the Problem from recurring.

A.9.6.5.2. Upon Acceptance of the CAP by TennCare, the Contractor shall be responsible for executing the CAP, and the CAP shall be incorporated by reference as part of this Contract. TennCare may request changes and/or additions to an approved CAP as deemed necessary to correct or resolve the Problems that led to requesting a CAP. The Contractor shall continue to comply with an approved CAP until TennCare notifies the Contractor, in writing, that all Problems outlined in the CAP have been satisfactorily resolved.

A.9.6.5.3. The Contractor shall be responsible for ensuring that all of its subcontractors or service Providers comply with all approved CAPs.

A.10. Table of Deliverables

- A.10.1. The Contractor shall refer to the Table of Deliverables below for the minimum requirements of the Contractor Deliverables during the Phased Implementation of the VBP Program evaluations, designs and implementations, and operational activities.
- A.10.2. The Contractor shall complete the Deliverables identified throughout as indicated in Sections A.1 – A.9. above. The Table of Deliverables is organized into Phases and Gates with associated Deliverables that must be completed by Contractor and approved by TennCare. All Deliverables completed by Contractor and approved by TennCare shall be incorporated into this Contract.
- A.10.3. The Contractor shall ensure Deliverables also comply with the corresponding TennCare Standards Documentation, located in Attachment C, Procurement Library, where applicable.
- A.10.4. TennCare shall ensure all Deliverables are written in an easy-to-read format, as approved by TennCare.
- A.10.5. During the Transition Period, the Contractor shall assist with deliverable transition activities at the direction of TennCare.

TABLE 3: TABLE OF DELIVERABLES

Phase	Deliverable	Deliverable Definition	First Approval Due/ Update Cycle	Deliverable Classification
Planning Start-Up	Project Status Reports	<p>The scope of this Deliverable includes "Indicators of Project Health", which are:</p> <ol style="list-style-type: none"> 1. Roadmap - A VBP project roadmap identifying current, planned, and future activities and milestones for VBP Program activities. 2. Progress Tracking - A regular report measuring development progress and progress towards achieving outcomes for VBP Program activities. 3. User Feedback - A reporting showing how user feedback is regularly incorporated into development. 4. Defect and Risk List - Known Defects and risks that may cause delays and any mitigations or workarounds. 5. Performance Metrics - Key Performance Indicator reporting based on current VBP Program design, enhancement, implementation, or evaluation activities. <p>The Monthly Project Status Reports must include:</p> <ol style="list-style-type: none"> 1. Adherence to the TennCare approved Deliverable Expectations Document (DED). 	Due thirty (30) days after project kickoff and then monthly until project completion.	Type A
Planning	Project Schedule	<p>The scope of this Deliverable includes alignment with the TennCare Schedule Management standards described in the TennCare Project Management Plan Standard. The Project Schedule shall be developed in Microsoft Project and made available in additional formats (e.g., Microsoft Excel, Portable Document Format (PDF) as requested by TennCare.</p> <p>The Project Schedule must include:</p> <ol style="list-style-type: none"> 1. Continuous updates throughout the VBP project lifecycle. 2. Clear definition and decomposition of VBP Program related scope to enable TennCare leadership the appropriate level of visibility and transparency on VBP Program(s) design, enhancement, implementation, and evaluation activities. 3. Standard process for incorporation and validation of inputs for Project Schedule updates from key external stakeholders and partners involved in VBP Program(s) 	First approval due sixty (60) days after project kickoff and then updated weekly until project completion	Type C

		design, enhancement, implementation, and evaluation activities as determined by TennCare leadership.		
Planning	Project Management Plan	<p>The scope of this Deliverable includes the Project Management Plan and associated subplans listed below:</p> <ol style="list-style-type: none"> 1. Communication Management Plan. 2. Decision Management Plan. 3. Document Management Plan. 4. Human Resource Management Plan. 5. Quality Management Plan. 6. Risk Management Plan. 7. Issue Management Plan. 8. Schedule Management Plan. 9. Scope Management Plan. <p>The Project Management Plan must include:</p> <ol style="list-style-type: none"> 1. Content addressing the all the components of each of the TennCare Project Management Plan and sub-plan templates in alignment with PMBOK standards. 2. Contractor Organization Charts. 3. Processes and standards to manage risks, issues, assumptions, action items, and constraints. 4. Content addressing capacity planning and work allocation across VBP Program activities. 5. As applicable, Bill of Materials, including key acquisition-related activities and items (e.g., costs for hardware, software, and service acquisitions). 	First approval due thirty (30) days after project kickoff with defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.	Type B
Planning	VBP Organizational Change Management Plan	<p>The scope of this Deliverable includes the approach to manage organizational changes within TennCare and between stakeholders. The plan shall include:</p> <ol style="list-style-type: none"> 1. Identification of a Change Management team, including Change Management champions within each organization. 2. Key objectives and milestones. 3. Communications plan and strategy to meet key 	First approval due thirty (30) days after project kickoff with defined update periods based on VBP Program project milestone completion as approved by	Type B

		<p>objectives and milestones. 4. Measures to identify and document progress.</p>	TennCare in the Project Schedule.	
Planning	VBP Staffing and Work Allocation Plan	<p>The scope of this Deliverable includes an overview of current Contractor and subcontractor staffing as well as a detailed work plan that outlines the key tasks and sub-tasks, with staffing allocations, as deemed necessary to deliver the required deliverable to TennCare.</p> <p>The VBP Staffing and Work Allocation Plan must include:</p> <ol style="list-style-type: none"> 1. A description of current Contractor and subcontractor staffing. 2. An organizational chart. 3. Personnel roster listing staff members names, qualifications, responsibilities, and the amount of time each employee will devote to this Contract in Full Time Equivalent (FTEs). 4. Complete staffing allocations in FTE units. 5. Process for annual submission for TennCare review and approval for staffing levels for expected key tasks and sub-tasks for the contract year. 6. Associated timeframes of each key task and sub-task, as deemed necessary to deliver the required deliverable to TennCare. 7. Approval from TennCare. 	<p>First approval due sixty (60) days after project kickoff with defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.</p>	Type C

<p>Planning</p>	<p>VBP Stakeholder Engagement Plan</p>	<p>The scope of this Deliverable includes communication strategies and stakeholder engagement best practices for VBP Program(s) implementation, including stakeholder mapping, communication protocols, and feedback process to help ensure buy-in and overall satisfaction of stakeholders.</p> <p>The VBP Stakeholder Engagement Plan must include:</p> <ol style="list-style-type: none"> 1. Identification of key stakeholders who must be identified and included in the engagement plan as part of the overall strategy to support VBP Program(s) implementation success. 2. Assessment of key factors for engagement of identified stakeholders, including their needs and priorities, and impacts on each stakeholder, and using this assessment in the plan. 3. Detail of communication methods and frequency, as well as protocols for engaging shareholders, including authorized stakeholder representatives authorized by TennCare. 4. Establishment of a formal feedback process that collects constructive feedback and input from all stakeholders, analyzing it to improve and refine VBP Program(s) strategies and tactics. 5. Establishment of specific engagement plan benchmarks and performance metrics to track stakeholder engagement progress and adjust future engagement strategies accordingly. 6. Support plan detailing Contractor's strategy to support TennCare during stakeholder engagement such as preparing correspondence, logistic planning, presentation materials etc. to aid TennCare's goal of being the face of the VBP Program. 7. Communication calendar, detailing each planned workshop, engagement event, and training session. 8. Materials to engage stakeholders, including, but not limited to, announcements, briefing documents, memos, and FAQs, with core messages tailored to each stakeholder group. 9. Overarching narrative vision for how TennCare is shaping Value-Based Payments and the intended impacts of the payment reform, to tell a cohesive story across all communication materials. 	<p>First approval due sixty (60) days after project kickoff with defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>
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<p>Planning</p>	<p>VBP Review and Recommendations Report</p>	<p>The scope of this Deliverable includes a thorough review of VBP approaches that have been successful in the United States. The review should prioritize public payer VBP efforts and include effective VBP models, lessons learned, emerging trends, and future directions. The review will serve as a planning activity and tool to inform recommendations for design and implementation of enhancements to existing VBP Programs and design and implementation of a new VBP Program.</p> <p>The VBP Review and Recommendations Report must include:</p> <ol style="list-style-type: none"> 1. Overview of the VBP Program, including its strengths, and weaknesses across financial, operational, and quality aspects, using TennCare defined criteria and VBP mission statement and goals as guiding principles. 2. An assessment of VBP Program effectiveness based on industry standards, comparable benchmarks, and TennCare defined performance metrics such as cost and quality. 3. Identification of key stakeholders involved in the assessment process and explanation of their roles and responsibilities. 4. Collaboration with TennCare and its MCO partners. 5. Explanation of the review methodology. 6. Recommendations for enhancements to the existing TennCare VBP Programs prioritized against the TennCare defined criteria. 7. Recommendations for a new VBP Program that would be feasible in Tennessee. 8. Feasibility study to support recommendations. 	<p>First approval due before the completion of the VBP Review and Recommendations Report with defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>
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<p>Evaluation</p>	<p>VBP Program Evaluation Report</p>	<p>The Scope of this Deliverable includes a formal comprehensive, academic program evaluation of TennCare's four existing VBP Programs. The evaluations should be conducted according to a clear set of guidelines and evidence-backed methodologies. Goals include measuring efficacy of existing program operations as intended and understanding overall program performance in terms of cost and quality.</p> <p>The four program evaluations will be completed over the span of the contract term and occur as a stand-alone activity without relationship to other Contractor activities outlined in this contract.</p> <p>The VBP Program Evaluation Report must include:</p> <ol style="list-style-type: none"> 1. Collaboration with TennCare and its MCO partners. 2. Identification of clear and concise scope, aims and alignment that supports the Quality Improvement strategy, aligned with TennCare guiding principles. 3. Identification of key drivers, risk factors, and performance indicators related to the VBP Programs, including financial, operational, and quality outcomes identified by TennCare. 4. A comprehensive plan that outlines the data needs and sources to secure Data Quality and integrity for the performance metrics. 5. Prioritization of data analysis and reporting on TennCare-defined criteria for assessing VBP Program performance. 6. Design of a reporting protocol that outlines who receives these metrics and when, and how follow-up actions will be taken when necessary – ensuring that all data feedback provided is near real-time. 7. Outline information on the following sections, but not limited to an Abstract, Executive Summary, List of Acronyms, Introduction (including Evaluation Purpose and Analytic Questions, Report Structure, and Intended Audience and Use), Program Background (including Program Goals and Objectives, Program Design, and Program History), Evaluation Methods (including Data, Scope, Approach, and Limitations), Evaluation Findings/Results, and Discussion (including recommendations, policy implications, and conclusion). 	<p>Approvals will vary based on the initial Project Schedule as approved by TennCare. Each of the four program reports will be approved independently of each other before the end of the Contract.</p>	<p>Type B</p>
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<p>Enhancement Design New Program Design</p>	<p>VBP Data Analysis and Reporting Plan</p>	<p>The scope of this Deliverable includes a comprehensive plan for data analytics and reporting for the new VBP Program as well as to support enhancements to the scope and reach of TennCare's existing VBP Programs, supporting continuous performance monitoring, evaluation, and VBP Program refinement.</p> <p>The VBP Data Analysis and Reporting Plan must include:</p> <ol style="list-style-type: none"> 1. Defined approach to data analysis and reporting for VBP Programs enhancement and design aligned with TennCare-defined objectives. 2. Detailed description of data sources and elements that will be analyzed, including level of data (e.g., TIN, individual Provider level). 3. Clear explanation of how Data Quality will be ensured. 4. Detailed methodologies for analysis of data to extract insights, trends, and patterns, with a focus on TennCare-defined guiding principles. 5. Recommended data reporting strategies. 6. Evaluation and recommendation of risk adjustment models. 7. Collaboration with TennCare and its MCO partners. 8. Collaboration between Contractor's and TennCare's Health Care Informatics department and their supporting vendors. 	<p>First approval due before the completion of VBP Program Enhancement and New Program activities with defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>
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<p>Enhancement Design New Program Design</p>	<p>VBP Financial Sustainability Assessment</p>	<p>The scope of this Deliverable provides a comprehensive financial analysis of the VBP Programs, including a fiscal environment analysis, financial modeling from multiple perspectives (e.g., payers and Providers), risk assessment and recommendations of VBP Programs financial outlook for all proposed enhancements or TennCare requested potential VBP Program designs.</p> <p>The VBP Financial Sustainability assessment must include:</p> <ol style="list-style-type: none"> 1. A detailed assessment of the current and future fiscal environment. 2. Identification of key cost influencers for VBP Program enhancements or new program designs. 3. Comprehensive analysis of the financial outcome or value of the VBP Program proposals from payer and Provider perspectives as well as potential return on investment. 4. Comprehensive analysis of the financial sustainability of the VBP Program proposals. 5. Identification of potential financial risks associated with the VBP Program and recommended risk management strategies. 6. Collaboration with TennCare and its MCO partners. 	<p>First approval due before the completion of VBP Program Enhancement and New Program activities/ With defined update periods based on VBP project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>
<p>Enhancement Design New Program Design</p>	<p>VBP Implementation Roadmap</p>	<p>The scope of this Deliverable includes a detailed project plan for the implementation of the new VBP Program, highlighting milestones, timelines, and resources to delivery, and a comprehensive risk management plan to mitigate associated risks across different stakeholder groups.</p> <p>The VBP Implementation Roadmap must include:</p> <ol style="list-style-type: none"> 1. A clear and concise project plan outlining the new VBP Program design and implementation process. 2. Identification and engagement of all necessary stakeholders and partners of VBP Program design and implementation, using a comprehensive stakeholder engagement plan. 3. A detailed timeline that clearly outlines the early milestones as well as up to three years post-implementation goals and objectives. 4. Staffing and Work Allocation Plan to ensure adequate human resources allocation for the new VBP Program 	<p>First approval due before the completion of VBP Program design and implementation/ With defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>

		<p>design, ramp-up, implementation, maintenance, and sustainability.</p> <p>5. Risks associated with implementing the new VBP Program and strategies to manage identified risks, including contingency plans to mitigate risks.</p>		
<p>Enhancement Design New Program Design</p>	<p>VBP Training Plan</p>	<p>The scope of this Deliverable includes a comprehensive training program for staff members involved in VBP Programs implementation, outlining the goals, delivery framework, targets, skill building, and impact assessment and updating methodologies.</p> <p>The VBP Training Plan must include:</p> <ol style="list-style-type: none"> 1. Identification of the training goals, ensuring it is aligned with the VBP Program's quality, financial, and operational objectives. 2. Outline of specific categories of training needs for various stakeholder groups, including payers, Providers, physician offices, hospitals, and administrative staff, as well as training milestones at different stages of the VBP Program's implementation. 3. Clear identification of preferred instructional design approaches that maximize training results to cater to stakeholder learning preferences. 4. Development of a Train-the-Trainer strategy, including a detailed curriculum that aligns with the workflow and process for the existing VBP Program enhancements and newly designed programs. 5. A logistics plan in place for all implementation and training activities, addressing timing, resources, documentation, messaging protocols, leadership buy-in, team roles and early adoption strategies. 	<p>First approval due before the completion of VBP Program Enhancement and New Program activities/ With defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>

<p>Enhancement Implementation New Program Implementation</p>	<p>VBP Transition Plan</p>	<p>The scope of this Deliverable is to guide the successful transition of the implementation, ongoing operations, and future action steps of the VBP Program Enhancements and New Program to TennCare staff. The VBP Transition Plan shall include responsibilities for assessing risks, creating milestone benchmarks, identifying risks, outlining suitable remedy steps, stakeholder feedback mechanisms for the transition process, and monitoring the risk of early failure points in the process.</p> <p>The VBP Transition Plan must include:</p> <ol style="list-style-type: none"> 1. Clear transition goals and objectives connected to the VBP Program's success, including data-driven benchmarks and timelines. 2. Resource management and communication plan, including single point of contact to manage the transition plan to completion in alignment with TennCare objectives. 3. A high-level roadmap, which includes milestones, for VBP Program transition phases. 4. Identification of barriers to transition, and a clear strategy, including KPIs, to manage these obstacles to help ensure a successful VBP Program transition. 5. Meeting regularly with critical stakeholders throughout the transition to VBP Program(s) for feedback, modifications, and adjustments as may be needed, with management teams and leadership. 6. A comprehensive risk management and mitigation plan. 7. Delivery of an updated version of this deliverable at a minimum of one hundred and eighty (180) calendar days prior to the Contract end date. 	<p>First approval due three (3) months after the implementation of VBP Program Enhancement and New Program milestones identified and approved by TennCare in the initial Project Schedule/ With defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule</p>	<p>Type C</p>
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<p>New Program Design</p>	<p>VBP Program Design Deliverable</p>	<p>The scope of this Deliverable includes a comprehensive framework for the development of a new VBP Program outlining the objectives, goals, impacted stakeholders, program design details, and deployment strategies.</p> <p>The VBP Program Design Deliverable must include:</p> <ol style="list-style-type: none"> 1. Definition of the new Program's vision, goals, objectives, mission, and values, highlighting a framework for Value-Based Payment implementation, as well as a theory of change. 2. Identification of the targeted member population(s) and targeted Provider population(s). 3. Description of specific strategies the new VBP Program will deploy to achieve expected outcomes. Include a logic model showing inputs and strategies that will be used to yield short-term to long-term outcomes. 4. Definition of the new VBP Program's design features, infrastructure and operational requirements. 5. Technical models and diagrams, including required technology components for achievement of identified new VBP Program objectives, identifying logic flow, data flow, systems functions, and their associated data storage. 6. Operational data design including how data should be created and maintained including data corrections, data retirement, purge, archive, and retention – including defining secure disposal and complete removal of data from all storage media. 7. Design of how metadata including business metadata, Data Quality metadata, technical metadata, operational metadata, should be defined, documented, monitored, tracked, and reported. Technical metadata should include data transformation and data lineage from system of record to identified field. 8. Assessment of relevant security controls for VBP Program's enhancements or designs. 	<p>First approval due before the completion of VBP Program New Program activities/ With defined update periods based on VBP Program project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>
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<p>New Program Design New Program Implementation</p>	<p>VBP Performance Monitoring Management Plan</p>	<p>The scope of this Deliverable includes a performance monitoring plan for assessing the VBP Program’s outcomes and its efficiency in attaining and outlining TennCare-specified goals, objectives, metrics and data sources, analytics and presenting methods of continuous monitoring and adjustment through actionable feedback systems, monitoring, and reporting best practices. Goals include improvement of quality-of-care delivery under the VBP Programs.</p> <p>The VBP Performance Monitoring Management Plan must include:</p> <ol style="list-style-type: none"> 1. Collaboration with TennCare and its MCO partners. 2. Identification of clear and concise scope, aims and alignment that supports the Quality Improvement strategy, aligned with TennCare guiding principles. 3. Identification of key drivers, risk factors, and performance indicators related to the VBP Programs, including financial, operational, and quality outcomes identified by TennCare. 4. A comprehensive plan that outlines the data needs and sources to secure Data Quality and integrity for the performance metrics. 5. Prioritization of data analysis and reporting on TennCare-defined criteria for assessing VBP Program performance. 6. Design of a reporting protocol that outlines who receives these metrics and when, and how follow-up actions will be taken when necessary – ensuring that all data feedback provided is near real-time. 7. A holistic detailed strategy for continuous improvement/refinement of VBP Program performance using the Quality Metrics and recommendations. 8. A plan to ensure the monitoring plan and key performance metrics align with and feed into the design of the evaluation plan, evaluation criteria, and its performance metrics for the VBP Programs. 9. Clear process for transitioning results from Quality Metrics to actionable VBP Programmatic or policy improvements. 	<p>First approval due before the completion of VBP Program New Program activities/ With defined update periods based on Program project milestone completion as approved by TennCare in the Project Schedule.</p>	<p>Type C</p>
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New Program Design	VBP Evaluation Plan and Criteria	<p>The scope of this Deliverable is to provide criteria for which the newly implemented VBP Program can be evaluated on or at later post-implementation dates. The criteria will be developed for TennCare to measure performance periods that fall after the Contract Term.</p> <p>The Evaluation Plan and Criteria must include:</p> <ol style="list-style-type: none"> 1. Metrics that align with key components of the new VBP Program's intended outcomes as well as metrics identified in the VBP Performance Monitoring Management Plan 2. Metrics that exist as part of TennCare's current or planned data sources and analytic reporting capabilities. 3. Proposed methodology/ies for analyzing selected evaluation plan metrics and any supporting data or materials needed to conduct proposed analyses. 	First approval due before the start of VBP Program Implementation and Operations Phase/ With defined update periods based on VPB Program design changes and/or Monitoring Plan findings and recommendations.	Type B
Hospital VBP: Hospital Quality Program Oversight	Program Guide	<p>The Contractor will develop and disseminate a Program Guide for all participating hospitals of the Hospital Quality Program. The Program Guide must include:</p> <ol style="list-style-type: none"> 1. Detailed requirements for participating hospitals 2. Program overview 3. Program goals 4. Quality metrics for the performance period 5. Explanatory material covering quality measure selection, calculation and thresholding 6. Instructions for submission of hospital reports and other deliverables 7. Instructions for requesting and receiving program oversight reports and deliverables <p>The Program Guide will be updated on an annual basis, accounting for programmatic, policy, and quality measure changes.</p>	First approval due ninety (90) days after project kick off. Updated annually until project completion.	Type B
Hospital VBP: Program Improvement	Hospital Quality Improvement Strategy	<p>The Contractor will develop a quality improvement strategy for hospital VBP efforts that includes:</p> <ol style="list-style-type: none"> 1. A practical, comprehensive framework for selecting measures and goals, evaluating measure appropriateness, planning, organizing, monitoring, and maintaining quality improvement efforts 2. Appropriate target measures 3. Best practices for hospitals and insights based on hospital performance 4. Methodology for all calculations and benchmarks 5. Strategies to drive performance improvement in quality domains, including, but not limited to: 	First approval due ninety (90) days after completion of the Program Guide. Updated as-needed, as requested by TennCare.	Type C

		<ul style="list-style-type: none">a. Broad: Prevention and effectiveness of care, access to care, utilization, and whole person careb. Focused: Maternal health, opioid and substance abuse, and health equity <p>The Quality Improvement Strategy will be updated as-needed as requested by TennCare.</p>		
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B. TERM OF CONTRACT:

- B.1. This Contract shall be effective on September 1, 2025 (“Effective Date”) and extend for a period of sixty (60) months after the Effective Date (“Term”). The State shall have no obligation for goods or services provided by the Contractor prior to the Contract Effective Date.
- B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to three (3) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State’s sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of ninety-six (96) months.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Thirty-Two Million One Hundred Seventy-Five Thousand Dollars and Zero Cents (\$32,175,000.00) (“Maximum Liability”). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- a) The Contractor’s compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
- b) The Contractor shall be compensated based upon the following payment methodology:
- * TennCare may, in its sole discretion, utilize alternative purchasing methods for the purchase of software licenses, in whole or in part, proposed by the Contractor.

Milestone	Milestone Payment %
Acceptance of Planning activity documents in Accordance with Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cells C5 through C9.	\$160,875.00
Acceptance of (1) VBP Review and Recommendations Report in Accordance with Section A.4.4.3. and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cell C10.	\$482,625.00

- 1) For service performed from Contract start date through the Planning Phase, the above rates shall apply.

Milestone	Milestone Payment %
Acceptance of (4) VBP Program Evaluations in Accordance with Section A.4.3.2 and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cells C11 through C14.	\$4,343,625.00
Acceptance of VBP Program Evaluation Report for EoC in Accordance with Section A.4.3.2.	\$1,085,906.25
Acceptance of VBP Program Evaluation Report for THL in Accordance with Section A.4.3.2.	\$1,085,906.25
Acceptance of VBP Program Evaluation Report for PCMH in Accordance with Section A.4.3.2.	\$1,085,906.25
Acceptance of VBP Program Evaluation Report for LTSS VBP in Accordance with Section A.4.3.2.	\$1,085,906.25

- 2) For service performed from start of Evaluation Phase through end of Evaluation Phase, the above rates shall apply. Each of the four (4) VBP Program Evaluation Reports will account for three point three seven five (3.375%) percent payments (of the total thirteen and one-half percent (13.50%) milestone payment), as completed and approved by TennCare.

Milestone	Milestone Payment %
Acceptance of Design of VBP Program Enhancement(s) in Accordance with Section A.4.5.2. and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cells C15 through C18.	\$2,258,437.50
Acceptance of Implementation of VBP Program Enhancement(s) in Accordance with Section A.4.5.3. and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cells C19 through C22.	\$1,936,687.50
Acceptance of Enhancement Transition Plan in Accordance with Contract Section A.4.5.3. Attachment C Procurement Library, VBP RACI, Required Tasks, and Deliverables in the Deliverable Checklist tab Cell C23.	\$321,750.00

- 3) For service performed from start of Enhancement Phase through end of Enhancement Phase, the above rates shall apply.

Milestone	Milestone Payment %
Acceptance of Design of New VBP Program in Accordance with Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cells C24 through C28.	\$4,826,250.00
Acceptance of Implementation of New VBP Program in Accordance with Attachment C, Procurement Library, VBP RACI, Required	\$4,504,500.00

Milestone	Milestone Payment %
Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cells C29 through C33.	
Acceptance of New VBP Program Transition Plan in Accordance with Attachment C Procurement Library, VBP RACI, Required Tasks, and Deliverables in the Deliverable Checklist tab Cell C34.	\$321,750.00
Acceptance of Design and Implementation of Monitoring Plan for New VBP Program in Accordance with Section A.4.6.4. and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cells C35 and C36.	\$321,750.00
Acceptance of Design of Evaluation Plan and Criteria for New VBP Program in Accordance with Section A.4.6.4 and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cell C37.	\$321,750.00

- 4) For services performed from start of New Program Phase through end of New Program Phase, the above rates shall apply.

Milestone	Milestone Payment %
Acceptance of Program Guide in Accordance with Contract Section A.4.7.1.1.2 and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cell C38.	\$6,187,500.00
Acceptance of Hospital Quality Improvement Strategy in Accordance with Contract Section A.4.7.2.6 and Attachment C, Procurement Library, VBP RACI, Required Tasks, and Deliverables Attachment in the Deliverable Checklist tab Cell C39.	\$6,187,500.00
Milestone payment is capped at \$6,250,000.00.	

- 5) For services performed from start of Hospital VBP Phase through end of Hospital VBP Phase, the above rates shall apply.

Schedule D - Rate Card	
Resource	Rate
Account Manager	\$1,227.00
Project Manager	\$1,100.00
Quality Strategy Manager	\$1,227.00
Evaluation Manager	\$400.00
Financial Modeler	\$1,100.00
Medical Director/Clinical Advisor	\$389.00

Population Health Coordinator	\$662.00
MCO Liaison	\$347.00
Provider Liaison	\$400.00
Business Analyst	\$310.00
Compliance/Oversight Manager	\$400.00
Healthcare Informatics Data Analyst	\$457.00
Training Manager	\$347.00

- 6) The above hourly rates provided in the Contractors Schedule D – Rate Card shall constitute the rates for each Key Personnel position as detailed in Pro Forma Section A.9.3.

In the event that the State renews this Contract in accordance with Section B.2., the Contractor shall be compensated based on the following payment methodology.

Optional Years	Annual Cost
Optional Year 1	
Operation Support and Consulting**	\$ 200,000.00
Optional Year 2	
Operation Support and Consulting**	\$ 100,000.00
Optional Year 3	
Operation Support and Consulting**	\$ 100,000.00

**The above Optional Year(s) shall be compensated only for services rendered and itemized on the invoice at the rates provided in the Contractors RFP Cost Proposal submission. This amount is separate from the five (5) base year budgetary requirement. Approval of Optional years are contingent upon Agency budgetary approval and shall only be implemented through the Amendment process listed in Pro Forma Section D.3. below. Payment will be made in accordance with C.5. Invoice Requirements.

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

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

Sally Caine Butler
 Division of TennCare
 310 Great Circle Road
 Nashville, TN 37243

- a) Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- 1) Invoice number (assigned by the Contractor);
 - 2) Invoice date;
 - 3) Contract number (assigned by the State);
 - 4) Customer account name: Department of Finance and Administration, Division of TennCare;
 - 5) Customer account number (assigned by the Contractor to the above-referenced Customer);

- 6) Contractor name;
 - 7) Contractor Tennessee Edison registration ID number;
 - 8) Contractor contact for invoice questions (name, phone, or email);
 - 9) Contractor remittance address;
 - 10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
 - 11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
 - 12) Applicable payment methodology (as stipulated in Section C.3) of each good or service invoiced;
 - 13) Amount due for each compensable unit of good or service; and
 - 14) Total amount due for the invoice period.
- b) Contractor's invoices shall:
- 1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
 - 2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - 3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
 - 4) Include shipping or delivery charges only as authorized in this Contract.
 - 5) Provide TennCare with an itemized cost breakdown for each project component and phase in an approved TennCare-specified format, inclusive of time spent addressing TennCare's underlying VBP information technology systems, as applicable. The Contractor, as part of the deliverable Payment process, shall detail the itemized costs during Design and Implementation, in accordance with Section C.3.
- c) The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.5. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as Acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.7. 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.8. 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:

Sally Caine Butler
 Director of Strategic Planning and Innovation
 Department of Finance and Administration
 Division of TennCare
 310 Great Circle Road
 Nashville, TN 37243
 Telephone # (615) 770-6986
 Email: sallycaine.butler@tn.gov

The Contractor:

Sammy Maki, Senior Contracts Counsel
 McKinsey & Company, Inc. Washington D.C.
 1200 19th St NW Ste 1100
 Washington D.C. 20036
 mckinsey_contracts@mckinsey.com
 Telephone # 202-961-2189

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. In addition, the Contractor shall comply with the provisions of Contract Section E.32 (Nondiscrimination Compliance Requirements) and this Section D.9 shall not be deemed to limit or abridge any requirement set forth in Section E.32.
- 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 by submitting to the State a completed Attestation (accessible through the Edison Supplier Portal) and

included at Attachment E, 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 ten (10) 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 from 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, 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. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.
- 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' fees, court costs, expert witness fees, and other litigation expenses 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. As applicable, the State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.
- a) Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable requirements in the course of this Contract.
 - b) Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in accordance with the Privacy Rules.
 - c) The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this

Contract is NOT “protected health information” as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.

- d) The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of Protected Health Information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, et seq., the law governing the Tennessee Consolidated Retirement System (“TCRS”), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, et seq., accepts State employment, the member’s retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of “employee/employer” and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors, and their principals:
- a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b) have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of Fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c) are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d) have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.
- The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, 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 for the affected obligation 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 State and federal laws and regulations applicable to Contractor in the Contractor's 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, without regard to its conflict or choice of law rules. 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 – 408.
- 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:
 - 1) Attachment A – Definitions and Abbreviations;
 - 2) Attachment B – Service Level Agreements and Liquidated Damages;
 - 3) Attachment C – Procurement Library
 - a. TennCare Policies and Required Forms
 - i. Nondiscrimination Rights and Responsibilities
 - ii. Privacy Policy and Plan
 - iii. Software License Supplemental Excel Template

- iv. Cloud Fax Solution Technical Specifications
 - v. Cloud Security Questionnaire
 - vi. TennCare Records Disposition Authorization (RDA) List
 - b. TennCare Enterprise Standards
 - i. VBP RACI, Required Tasks, and Deliverables Attachment
 - ii. Guidance Document for Onboarding Monitoring Tools
 - iii. System Onboarding Standard for TennCare Vendors
 - iv. TennCare Infrastructure Governance Standard
 - v. TennCare Configuration Management Plan Template
 - vi. TennCare Data Conversion Standard
 - vii. TennCare Data Governance Data Issues Resolution Process Guide
 - viii. TennCare Data Naming Standard
 - ix. TennCare Data Policies and Standards
 - x. TennCare Enterprise Application Integration Standard
 - xi. TennCare Enterprise Architecture Framework Standard
 - xii. TennCare Enterprise Architecture Modeling Standard
 - xiii. TennCare Jira and Jama Enterprise Guidance
 - xiv. TennCare Log Data Retention Policy
 - xv. TennCare Preferred Technology Standard
 - xvi. TennCare Project Change Managements Standard RACI
 - xvii. TennCare Project Change Managements Standard
 - xviii. TennCare Project Management Plan Standards
 - xix. TennCare Release Management Standards
 - xx. TennCare Requirements Management Standards
 - xxi. TennCare Test Management Standard
 - xxii. TennCare Solution Implementation Lifecycle (SILC) Standard
 - 4) Attachment D – Contract Requirements Inventory;
 - 5) Attachment E – Attestation Re: Personnel Use in Contract Performance;
 - 6) Attachment F – HIPAA Business Associate Agreement; and
 - 7) Attachment G – Cost Proposal.
 - 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. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, et seq., addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor 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. Contractor’s failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance (“TDCI”); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers’ compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of 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 Contractor's sole responsibility. 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. To the extent that Contractor is unable to obtain insurance coverage containing such a waiver, Contractor agrees to indemnify and hold harmless the State as well as its officers, agents, and employees from and against any and all subrogation claims, liabilities, losses, and causes of action which may arise, accrue, or result to any insurer who provides insurance coverage carried by Contractor, regardless of negligence. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit; however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

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), Contractor 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.

Contractor 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. Contractor shall provide the COI ten (10) Business Days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor 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 Contractor self-insures, then a COI will not be required to prove coverage. Instead, Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete copies of all required insurance policies, including endorsements required by these specifications, at any time.

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.

The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. 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. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a) Commercial General Liability (“CGL”) Insurance

- 1) The Contractor shall maintain CGL, 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 Contractor 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 Contractors statutorily required to carry workers’ compensation and employer liability insurance, the Contractor shall maintain:
 - a. 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:
 - a. The Contractor employs fewer than five (5) employees;
 - b. The Contractor is a sole proprietor;
 - c. The Contractor is in the construction business or trades with no employees;
 - d. The Contractor is in the coal mining industry with no employees;
 - e. The Contractor is a state or local government; or
 - f. The Contractor self-insures its workers’ compensation and is in accordance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c) Automobile Liability Insurance

- 1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).
- 2) The Contractor 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) Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance

- 1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Contractor's profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, claims, errors, omissions, negligence, infringement of intellectual property (including copyright, patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of Confidential Information, and including coverage for related regulatory fines, defenses, and penalties.
- 2) Such coverage shall include data breach response expenses, in an amount not less than ten million dollars (\$10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.

e) Crime Insurance

- 1) The Contractor shall maintain crime insurance, which shall be written on a "loss sustained form" or "loss discovered form" providing coverage for third party fidelity, including cyber theft and extortion. The policy must allow for reporting of circumstances or incidents that may give rise to future claims, include an extended reporting period of no less than two (2) years with respect to events which occurred but were not reported during the term of the policy, and not contain a condition requiring an arrest or conviction.
- 2) Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Contractor shall purchase an extended reporting or "tail coverage" of at least two (2) years after the Term.

f) Professional Liability

- 1) 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:
 - a. 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;
 - b. 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
 - c. 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 Contractor must purchase "extended reporting" or "tail coverage" for a minimum of five (5) full years from the date of the final Contract payment.
- 2) 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.

D.33. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales

and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.

- D.34. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. The Contractor shall only use Confidential information for activities pursuant to and related to the performance of the Contract. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.
- The obligations set forth in this Section shall survive the termination of this Contract.
- D.35. Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the Contract, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.
- D.36. Prohibited Contract Terms. The prohibited contract terms and conditions enumerated in Tenn. Code Ann. § 12-3-515, shall be a material provision of this Contract. The Contractor acknowledges, understands, and agrees that the inclusion of a term or condition prohibited by Tenn. Code Ann. § 12-3-515, shall be null and void and the Contract shall be enforceable as if the Contract did not contain such term or condition.

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. 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 31865-00647 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 monthly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, service-disabled veterans, and persons with disabilities. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the TN Diversity Software available online at:
<https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810>.
- E.3. State Ownership of Goods. The State shall have ownership, right, title, and interest in all goods provided by Contractor under this Contract including full rights to use the goods and transfer title in the goods to any third parties, as outlined in 42 Code of Federal Regulations (CFR) §433, inclusive of all subsections, and State Medicaid Director letter 18-005 or the most recent guidance.
- E.4. Additional lines, items, or options. At its sole discretion, the State may make written requests to the Contractor to add lines, items, or options that are needed and within the Scope but were not included in the original Contract. Such lines, items, or options will be added to the Contract through a Memorandum of Understanding ("MOU"), not an amendment.
- a) After the Contractor receives a written request to add lines, items, or options, the Contractor shall have ten (10) Business Days to respond with a written proposal. The Contractor's written proposal shall include:

- 1) The effect, if any, of adding the lines, items, or options on the other goods or services required under the Contract;
 - 2) Any pricing related to the new lines, items, or options;
 - 3) The expected effective date for the availability of the new lines, items, or options; and
 - 4) Any additional information requested by the State.
- b) The State may negotiate the terms of the Contractor's proposal by requesting revisions to the proposal.
- c) To indicate Acceptance of a proposal, the State will sign it. The signed proposal shall constitute a MOU between the Parties, and the lines, items, or options shall be incorporated into the Contract as if set forth verbatim.
- d) Only after a MOU has been executed shall the Contractor perform or deliver the new lines, items, or options.
- E.5. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
- E.6. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.
- E.7. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.
- E.8. Extraneous Terms and Conditions. Contractor shall fill all orders submitted by the State under this Contract. No purchase order, invoice, or other documents associated with any sales, orders, or supply of any good or service under this Contract shall contain any terms or conditions other than as set forth in the Contract. Any such extraneous terms and conditions shall be void, invalid and unenforceable against the State. Any refusal by Contractor to supply any goods or services under this Contract conditioned upon the State submitting to any extraneous terms and conditions shall be a material breach of the Contract and constitute an act of bad faith by Contractor.
- E.9. Transfer of Ownership of Custom Software Developed for the State.
- 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 under this Contractor intended to function with the Contract-Owned Software or any Work Product provided under this Contract.
 - 3) "Rights Transfer Application Software," shall mean any pre-existing application software and documentation owned or supplied by Contractor or a third party

necessary for the use, functioning, support, or maintenance of the Contractor-Owned Software, the Custom-Developed Application Software, Third-Party Software, and any Work Product provided to State.

- 4) "Third-Party Software," shall mean software supplied by Contractor under this Contract or necessary for the functioning of any Work Product not owned by the State or the Contractor.
 - 5) "Work Product," shall mean all deliverables such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State under this Contract. Work Product shall include Rights Transfer Application 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 or transfer of rights or ownership granted under this Contract. Contractor grants the State a perpetual non-exclusive license to the Contractor-Owned Software to be used solely with the Custom-Developed Application Software and the Work Product.
 - 2) Contractor shall provide the source code in the Custom-Developed Application Software and Work Product with all subsequent modifications, Enhancements, bug-fixes or any other changes in the source code of the Work Product and all other code and documentation necessary for the Custom-Developed Application Software to be installed and function as intended and as set forth in this Contract, to the State.
 - 3) Contractor may lease or sell the Custom-Developed Application Software to third parties with the written permission of the State, which permission may be conditioned on the State receiving royalties from such sales or licenses.
 - 4) All right, title and interest in and to the Custom-Developed Application Software, 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 Custom-Developed Application Software, 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 Custom-Developed Application Software, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Custom-Developed Application Software. 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.
 - 5) 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.
- d) Notwithstanding anything to the contrary in this Section, the State shall have all ownership rights in software or modifications thereof and associated documentation that is designed, developed, installed, or improved hereunder with Federal Financial Participation under 45 C.F.R. 95.617 and 45 C.F.R. 92.34, and the Federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to

authorize others to use for Federal Government purposes, such software, modification, and documentation.

E.10. Comptroller Audit Requirements.

When requested by the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury with a detailed written description of the Contractor's information technology control environment, including a description of general controls and application controls. The Contractor must also assist the State or the Comptroller of the Treasury with obtaining a detailed written description of the information technology control environment for any third or fourth parties, or Subcontractors, used by the Contractor to process State data and/or provide services under this Contract. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract, including all information technology logging and scanning conducted within the Contractor's and Subcontractor's information technology control environment. Upon reasonable notice and at any reasonable time, the Contractor grants the State or the Comptroller of the Treasury with the right to audit the Contractor's information technology control environment, including general controls and application controls. The audit may include testing the general and application controls within the Contractor's information technology control environment and may also include testing general and application controls for any third or fourth parties, or Subcontractors, used by the Contractor to process State data and/or provide services under this Contract. The audit may include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policy and all applicable requirements, laws, regulations, or policies.

Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit. The audit may include interviews with technical and management personnel, physical or virtual inspection of controls, and review of paper or electronic documentation.

The Contractor must have a process for correcting control deficiencies that were identified in the State's or Comptroller of the Treasury's information technology audit. For any audit issues identified, the Contractor and Subcontractor(s) shall submit a corrective action plan to the State or the Comptroller of the Treasury which addresses the actions taken, or to be taken, and the anticipated completion date in response to each of the audit issues and related recommendations of the State or the Comptroller of the Treasury. The corrective action plan shall be provided to the State or the Comptroller of the Treasury upon request from the State or Comptroller of the Treasury and within 30 days from the issuance of the audit report or communication of the audit issues and recommendations. Upon request from the State or Comptroller of the Treasury, the Contractor and Subcontractor(s) shall provide documentation and evidence that the audit issues were corrected. Each party shall bear its own expenses incurred while conducting the information technology controls audit.

E.11. Information Technology Security Requirements (State Data, Audit, and Other Requirements).

a. The Contractor shall protect State Data as follows:

- (1) The Contractor shall ensure that all State Data is housed in the continental United States, inclusive of backup data. All State data must remain in the United States, regardless of whether the data is processed, stored, in-transit, or at rest. Access to State data shall be limited to US-based (onshore) resources only.

All system and application administration must be performed in the continental United States. Configuration or development of software and code is permitted outside of the United States. However, software applications designed, developed, manufactured, or supplied by persons owned or controlled by, or subject to the jurisdiction or direction of, a foreign adversary, which the U.S. Secretary of Commerce acting pursuant to 15 CFR 7 has defined to include the People's Republic of China, among others are prohibited. Any testing of code outside of the United States must use fake data. A copy of production data may not be transmitted or used outside the United States.

- (2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 or 140-3 (or current applicable version) validated encryption technologies. The State shall control all access to encryption keys. The Contractor shall provide installation and maintenance support at no cost to the State.
- (3) The Contractor and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a licensed CPA firm in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA") for a System and Organization Controls for service organizations ("SOC") 2 Type 2 examination. The scope of the SOC 2 Type 2 examination engagement must include the Security, Availability, Confidentiality, and Processing Integrity Trust Services Criteria. In addition, the Contractor services that are part of this Contract, including any processing or storage services, must be included in the scope of the SOC 2 Type 2 examination engagement(s).
- (4) The Contractor must annually review its SOC 2 Type 2 examination reports. Within 30 days of receipt of the examination report, or upon request from the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury a non-redacted copy of the Contractor's SOC 2 Type 2 examination report(s). The Contractor must review the annual SOC 2 Type 2 examination reports for each of its Subcontractors and must also assist the State or Comptroller of the Treasury with obtaining a non-redacted copy of any SOC examination reports for each of its Subcontractors, including data centers used by the Contractor to host or process State data.

If the Contractor's SOC 2 Type 2 examination report includes a modified opinion, meaning that the opinion is qualified, adverse, or disclaimed, the Contractor must share the SOC report and the Contractor's plan to address the modified opinion with the State or the Comptroller of the Treasury within 30 days of the Contractor's receipt of the SOC report or upon request from the State or the Comptroller of the Treasury. If any Subcontractor(s) SOC 2 Type 2 examination report includes a modified opinion, the Contractor must assist the State or Comptroller of the Treasury with obtaining the Subcontractor(s) SOC report and the Subcontractor(s) plan to address the modified opinion.

The Contractor must have a process for correcting control deficiencies that were identified in the SOC 2 Type 2 examination, including follow-up documentation providing evidence of such corrections. Within 30 days of receipt of the examination report, or upon request from the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury with a corrective action plan and evidence of correcting the control deficiencies. The Contractor must require each of its Subcontractors, including data centers used by the Contractor to host State data, to have a process for correcting control deficiencies identified in their SOC examination reports and must assist the State or Comptroller of the Treasury with obtaining a corrective action plan and obtaining evidence of correcting control deficiencies identified in Subcontractor(s) SOC reports.

No additional funding shall be allocated for these examinations as they are included in the Maximum Liability of this Contract.

- (5) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment per the NIST 800-115 definition. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment. The Contractor shall provide a letter of attestation on its processing environment that penetration tests and vulnerability assessments has been performed on an annual basis and taken corrective action to evaluate and address any findings.

In the event of an unauthorized disclosure or unauthorized access to State data, the State Strategic Technology Solutions (STS) Security Incident Response Team (SIRT) must be notified and engaged by calling the State Customer Care Center (CCC) at 615-741-1001. Any such event must be reported by the Contractor within twenty-four (24) hours after the unauthorized disclosure has come to the attention of the Contractor.

- (6) If a breach has been confirmed a fully un-modified third-party forensics report must be supplied to the State and through the STS SIRT. This report must include indicators of compromise (IOCs) as well as plan of actions for remediation and restoration. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures.
- (7) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State
- (8) Upon termination of this Contract and in consultation with the State, the Contractor shall destroy, and ensure all subcontractors shall destroy, all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction.

b. Minimum Requirements

- (1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.
- (2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are always fully compatible with

current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

- (4) In the event of drive/media failure, if the drive/media is replaced, it remains with the State and it is the State's responsibility to destroy the drive/media, or the Contractor shall provide written confirmation of the sanitization/destruction of data according to NIST 800-88.
- c. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:
- (1) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:
- i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident
Thirty (30) minutes
 - ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity:
Eight (8) hours

The Contractor and the Subcontractor(s) shall maintain a documented Disaster Recovery plan and shall share this document with the State when requested. The Contractor and the Subcontractor(s) shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State's RPO and RTO requirements. A "Data Set" is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements.

- E.12. 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.13. Work Papers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis work papers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.14. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.

E.15. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- a) No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- a) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- b) The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

E.16. Liquidated Damages. In the event of a Contract performance or compliance failure by the Contractor, the State may, but is not obligated to address such Contract performance failure and/or assess damages ("Liquidated Damages") in accordance with Attachment B, Service Level Agreements and Liquidated Damages of the Contract. The State shall notify the Contractor of any amounts to be assessed as Liquidated Damages via the Control Memorandum process specified in Contract Section A.9.6. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Contract performance or compliance failure, as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Contract Attachment B, Service Level Agreements and Liquidated Damages and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Contract performance or compliance failure, are reasonable estimates of the damages that would occur from a Contract performance or compliance failure, and are not punitive. The Parties agree that although the Liquidated Damages represent the reasonable estimate of the damages and injuries sustained by the State due to the Contract performance or compliance failure, they do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

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

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

- E. 17. 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. 18. Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State.
- E. 19. 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 forty-eight (48) 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. The obligations set forth in this Section shall survive the termination of this Contract.

- E.20. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a) Reporting of Total Compensation of the Contractor's Executives.
 - 1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
 - a. 80 percent or more of the Contractor's annual gross revenues from federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - b. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and
 - c. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.
 - 2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(2)):
 - a. Salary and bonus.
 - b. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - c. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives and are available generally to all salaried employees.
 - d. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - e. Above-market earnings on deferred compensation which is not tax qualified.
 - f. Other compensation, if the aggregate value of all such other compensation (e.g., severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- b) The Contractor must report executive total compensation described above to the State by

the end of the month during which this Contract is awarded.

- c) If this Contract is amended to extend the Term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the term extension becomes effective.
- d) The Contractor shall obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

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

- E.21. Drug-Free Workplace. The Contractor shall provide a drug-free workplace pursuant to the Drug-Free Workplace Act of 1988, Title 41 U.S.C. §§ 701, *et seq.*, and the regulations in Title 41 U.S.C.A. §§ 8101 through 8106.
- E.22. Survival. The terms, provisions, representations, and warranties contained in this Contract including, but not limited to D.34 (Confidentiality of Records), E.19 (Personally Identifiable Information), E.25 (Notification of Breach and Notification of Suspected Breach), E.27 Social Security Administration (SSA) Required Provisions for Data Security, and E.31 (Internal Revenue Service (IRS) Safeguarding Of Return Information) which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.
- E.23. Applicable Legal Authority. The Contractor agrees to comply with all applicable federal and State laws, rules, regulations, policies, sub-regulatory guidance, executive orders, TennCare waivers, the State Medicaid Manual, and all current, modified or future Court decrees, orders or judgments applicable to the State's TennCare program. Such compliance shall be performed at no additional cost to the State.
- E.24. Business Associate. As the Contractor shall provide services to TennCare pursuant to which the Contractor shall have access to, receive from, create, or receive on behalf of TennCare Protected Health Information, or Contractor will have access to, create, receive, maintain or transmit on behalf of TennCare Electronic Protected Health Information (as those terms are defined under HIPAA and HITECH), Contractor hereby acknowledges its designation as a business associate under HIPAA and agrees to comply with all applicable HIPAA regulations and any further responsibilities set forth in the Business Associate Agreement (see Attachment F, HIPAA Business Associate Agreement) between the Parties.
- E.25. Notification of Breach and Notification of Suspected Breach. The Contractor shall notify TennCare's Privacy Office immediately upon becoming aware of — and in no case later than forty-eight (48) hours after discovery of — any incident, either confirmed or suspected, that represents or may represent unauthorized access, use or disclosure of encrypted or unencrypted computerized data that materially compromises the security, confidentiality, or integrity of enrollee PHI maintained or held by the Contractor, including any unauthorized acquisition of enrollee PHI by an employee or otherwise Authorized User of the Contractor's system. This includes, but is not limited to, loss or suspected loss of remote computing or telework devices such as laptops, Personal Digital Assistants (PDAs), Blackberrys or other Smartphones, Universal Serial Bus (USB) drives, thumb drives, flash drives, Compact Discs (CD), and/or hard disks.
- E.26. Transmission of Contract Deliverables. All information or data that is necessary for one or more deliverable set forth in this Contract shall be transmitted between TennCare and Contractor via the data transfer method specified in advance by TennCare. This may include, but shall not be limited to, transfer through the TennCare Security File Transfer Protocol (SFTP) system. Failure by the Contractor to transmit information or data that is necessary for a deliverable in

the manner specified by TennCare, may, at the option of TennCare, result in liquidated damages as set forth in Contract Attachment B, Service Level Agreements and Liquidated Damages.

E.27. Social Security Administration (SSA) Required Provisions for Data Security

- a) Definitions.
 - 1) "SSA-supplied data" or "data" as used in this section means an individual's personally identifiable information (e.g., name, social security number, income), supplied by the Social Security Administration to TennCare to determine entitlement or eligibility for federally-funded programs pursuant to a Computer Matching and Privacy Protection Act Agreement and Information Exchange Agreement between SSA and the State of Tennessee.
- b) The Contractor shall comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. §3541, *et seq.*), and related National Institute of Standards and Technology guidelines, which provide the requirements that the SSA stipulates that the Contractor must follow with regard to use, treatment, and safeguarding data in the event data is exchanged with a federal information system. In addition, the Contractor shall have in place administrative, physical, and technical safeguards for data. The Contractor shall also comply with Section 1106(a) of the Act (42 U.S.C. 1306) and the regulations promulgated pursuant to that section (20 C.F.R. Part 401).
- c) The Contractor shall specify in its agreements with any agent or subcontractor that will have access to data that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section.
- d) The Contractor shall not duplicate in a separate file or disseminate, without prior written permission from TennCare, the data governed by the Contract for any purpose other than that set forth in this Contract for the administration of the TennCare program. Should the Contractor propose a redisclosure of said data, the Contractor must specify in writing to TennCare the data the Contractor proposes to redisclose, to whom, and the reasons that justify the redisclosure. TennCare will not give permission for such redisclosure unless the redisclosure is required by law or essential to the administration of the TennCare program.
- e) The Contractor agrees to abide by all relevant federal laws, restrictions on access, use, and disclosure, and security requirements in this Contract.
- f) The Contractor shall maintain a current list of the employees of such contractor with access to SSA data and provide such lists to TennCare upon request and at any time there are changes.
- g) The Contractor shall restrict access to the data obtained from TennCare to only those authorized employees who need such data to perform their official duties in connection with purposes identified in this Contract. The Contractor shall not further duplicate, disseminate, or disclose such data without obtaining TennCare's prior written approval.
- h) The Contractor shall ensure that its employees:
 - 1) Properly safeguard SSA-supplied data furnished by TennCare under this Contract from loss, theft, or inadvertent disclosure;
 - 2) Receive regular, relevant, and sufficient SSA data-related training, including use, access, and disclosure safeguards and information regarding penalties for misuse of information;

- 3) Understand and acknowledge that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee is at his or her regular duty station;
 - 4) Ensure that laptops and other electronic devices/ media containing SSA-supplied data are encrypted and/or password-protected;
 - 5) Send emails containing SSA-supplied data only if the information is encrypted or if the transmittal is secure; and,
 - 6) Limit disclosure of the information and details relating to a SSA-supplied data loss only to those with a need to know.
- i) Contractor employees who access, use, or disclose TennCare or TennCare SSA-supplied data in a manner or purpose not authorized by this Contract may be subject to civil and criminal sanctions pursuant to applicable federal statutes.
 - j) Loss or Suspected Loss of Data - If an employee of the Contractor becomes aware of suspected or actual loss of SSA-supplied data, the Contractor must notify TennCare immediately upon becoming aware to report the actual or suspected loss. The Contractor must provide TennCare with timely updates as any additional information about the loss of SSA-supplied data becomes available. If the Contractor experiences a loss or breach of said data, TennCare will determine whether or not notice to individuals whose data has been lost or breached shall be provided and the Contractor shall bear any costs associated with the notice or any mitigation.
 - k) TennCare may immediately and unilaterally suspend the data flow under this Contract, or terminate this Contract, if TennCare, in its sole discretion, determines that the Contractor has: (1) made an unauthorized use or disclosure of TennCare SSA-supplied data; or (2) otherwise violated or failed to follow the terms and conditions of this Contract.

E.28. Medicaid and CHIP. The Contractor must provide safeguards that restrict the use or disclosure of information concerning Medicaid and Children's Health Insurance Plan (CHIP) applicants and beneficiaries to purposes directly connected with the administration of the plan.

- a) Purposes directly related to the administration of Medicaid and CHIP include:
 - 1) Establishing eligibility;
 - 2) Determining the amount of medical assistance;
 - 3) Providing services for beneficiaries; and,
 - 4) Conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to Medicaid or CHIP administration.
- b) The Contractor must have adequate safeguards to assure that:
 - 1) Information is made available only to the extent necessary to assist in the valid administrative purposes of those receiving said information, and
 - 2) Information received under the Internal Revenue Code (Title 26 of the United States Code (USC)) is exchanged only with parties authorized to receive that information under that section of the United States Code; and, the information is adequately stored and processed so that it is protected against unauthorized disclosure for other purposes.
- c) The Contractor must have criteria that govern the types of information about applicants and beneficiaries that are safeguarded. This information must include, at minimum, the following:
 - 1) Names and addresses;

- 2) Medical services provided;
 - 3) Social and economic conditions or circumstances;
 - 4) Contractor evaluation of personal information;
 - 5) Medical data, including diagnosis and past history of disease or disability;
 - 6) Any information received for verifying income eligibility and amount of medical assistance payments, including income information received from the Social Security Administration (SSA) or the Internal Revenue Service (IRS);
 - 7) Income information received from SSA or the IRS must be safeguarded according to Medicaid and CHIP requirements;
 - 8) Any information received in connection with the identification of legally liable third-party resources; and,
 - 9) Social Security Numbers.
- d) The Contractor must have criteria approved by TennCare specifying:
- 1) Conditions for release and use of information about applicants and beneficiaries;
 - 2) Access to information concerning applicants or beneficiaries must be restricted to Contractor representatives or other individuals who are subject to standards of confidentiality that are comparable to those of TennCare;
 - 3) The Contractor shall not publish names of applicants or beneficiaries;
 - 4) The Contractor shall obtain permission from a family or individual, whenever possible, before responding to a request for information from an outside source, unless the information is to be used to verify income, eligibility and the amount of medical assistance payment to an authorized individual or entity, or if, because of an emergency situation, time does not permit obtaining consent before release, the Contractor shall notify TennCare, the family, or individual immediately after supplying the information.
 - 5) The Contractor's policies must apply to all requests for information from outside sources, including governmental bodies, the courts, or law enforcement officials.
 - 6) The Contractor shall notify TennCare of any requests for information on applicants or beneficiaries by other governmental bodies, the courts or law enforcement officials ten (10) days prior to releasing the requested information.
 - 7) If a court issues a subpoena for a case record or for any Contractor representative to testify concerning an applicant or beneficiary, the Contractor must notify TennCare at least ten (10) days prior to the required production date so TennCare may inform the court of the applicable statutory provisions, policies, and regulations restricting disclosure of information.
 - 8) The Contractor shall not request or release information to other parties to verify income, eligibility, and the amount of assistance under Medicaid or CHIP prior to express approval from TennCare.

E.29. Employees Excluded from Medicare, Medicaid, or CHIP. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare, Medicaid, and/or CHIP programs pursuant to the Social Security Act, Section 1128 (Exclusion of Certain Individuals and Entities from Participation in Medicare and State Health Care Programs).

E.30. Offer of Gratuities. By signing this Contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the CMS, or any other state or federal agency has or will benefit financially or materially from this Contract. This Contract may be terminated by TennCare as provided in Section D.6, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

E.31. Internal Revenue Service (IRS) Safeguarding of Return Information:

a) Performance

In performance of this Contract, the Contractor shall comply with, and assume responsibility for its officers' and employees' compliance with, the requirements outlined in Contract Section E.30. IRS Safeguard of Return Information. All cited regulations, statutes, publications, or IRS authority cited or referenced apply as they are in effect, or as subsequently amended or revised after the Effective Date of the Contract or any Amendment.

- 1) Contract Section E.30. IRS Safeguard of Return Information shall only apply if Contractor receives or delivers information under this Contract that is or includes "federal tax returns" or "federal return information" as defined by IRS Publication 1075 and IRC 6103.
- 2) All work will be performed under the supervision of the Contractor. The Contractor and Contractor's officers or employees to be authorized access to FTI must meet background check requirements defined in IRS Publication 1075. The Contractor will maintain a list of officers or employees authorized access to FTI. Such list will be provided to TennCare and, upon request, to the IRS.
- 3) FTI in hardcopy or electronic format shall be used only for the purpose of carrying out the provisions of this Contract. FTI in any format shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Inspection or disclosure of FTI to anyone other than the Contractor or the Contractor's officers or employees authorized is prohibited.
- 4) FTI will be accounted for upon receipt and properly stored before, during, and after processing. In addition, any related output and products require the same level of protection as required for the source material.
- 5) The Contractor will certify that FTI processed during the performance of this Contract will be completely purged from all physical and electronic data storage with no output to be retained by the Contractor at the time the work is completed. If immediate purging of physical and electronic data storage is not possible, the Contractor will certify that any FTI in physical or electronic storage will remain safeguarded to prevent unauthorized disclosures.
- 6) Any spoilage or any intermediate hard copy printout that may result during the processing of FTI will be given to TennCare. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and will provide TennCare with a statement containing the date of destruction, description of material destroyed, and the destruction method.
- 7) All computer systems receiving, processing, storing, or transmitting FTI must meet the requirements in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.

- 8) No work involving FTI furnished under this Contract will be subcontracted without the prior written approval of the IRS.
 - 9) Contractor will ensure that the terms of FTI safeguards described herein are included, without modification, in any approved subcontract for work involving FTI.
 - 10) To the extent the terms, provisions, duties, requirements, and obligations of this Contract apply to performing services with FTI, the Contractor shall assume toward any subcontractor all obligations, duties and responsibilities that TennCare under this Contract assumes toward the Contractor, and any subcontractor, shall assume toward the Contractor all the same obligations, duties and responsibilities which the Contractor assumes toward the TennCare under this Contract.
 - 11) In addition to any subcontractor's obligations and duties under an approved subcontract, the terms and conditions of this Contract apply to all subcontractors, and all subcontractors are bound and obligated to the Contractor hereunder by the same terms and conditions by which the Contractor is bound and obligated to TennCare under this Contract.
 - 12) For purposes of this Contract, the term "Contractor" includes any officer or employee of the Contractor with access to or who uses FTI, and the term "subcontractor" includes any officer or employee of the subcontractor with access to or who uses FTI.
- b) Criminal/Civil Sanctions
- 1) Each officer or employee of the Contractor to whom FTI is or may be disclosed shall be notified in writing that FTI disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any FTI for a purpose not authorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars (\$5,000) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution.
 - 2) Each officer or employee of the Contractor to whom FTI is or may be accessible shall be notified in writing that FTI accessible to such officer or employee may be accessed only for a purpose and to the extent authorized herein, and that access/inspection of FTI without an official need-to-know for a purpose not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as one thousand dollars (\$1,000) or imprisonment for as long as one (1) year, or both, together with the costs of prosecution.
 - 3) Each officer or employee of the Contractor to whom FTI is or may be disclosed shall be notified in writing that any such unauthorized access, inspection or disclosure of FTI may also result in an award of civil damages to the IRS against the officer or employee in an amount equal to the sum of the greater of one thousand dollars (\$1,000) for each unauthorized access, inspection, or disclosure, or the sum of actual damages sustained as a result of such unauthorized access, inspection, or disclosure, plus in the case of a willful unauthorized access, inspection, or disclosure or an unauthorized access/inspection or disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC sections 7213, 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1. In addition to the civil damages outlined above, TennCare may pursue any potential remedy under this Contract, including but not limited to any Liquidated Damages Attachment or Exhibit, or at law or equity for Contract performance failures resulting or arising from Contractor's noncompliance with this Contract Section on IRS Safeguard of Return Information.
 - 4) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5

U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to IRS and/or TennCare records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than five thousand dollars (\$5,000).

- 5) Granting the Contractor access to FTI must be preceded by certifying that each officer or employee understands TennCare's security policy and procedures for safeguarding FTI. The Contractor and each officer or employee must maintain their authorization to access FTI through annual recertification of their understanding of TennCare's security policy and procedures for safeguarding FTI. The initial certification and recertifications must be documented and placed in TennCare's files for review. As part of the certification and at least annually afterwards, the Contractor and each officer or employee must be advised of the provisions of IRC sections 7213, 7213A, and 7431. (See Publication 1075 Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training on TennCare's security policy and procedures provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Publication 1075 Section 10). For the initial certification and the annual recertifications, the Contractor and each officer or employee must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

c) Inspection

The IRS and TennCare, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of the Contractor to inspect facilities and operations performing any work with FTI under this Contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology ("IT") assets that access, store, process or transmit FTI. Based on the inspection, corrective actions may be required in cases where the Contractor is found to be noncompliant with FTI safeguard requirements.

- E.32. Discovery and Litigation. TennCare is frequently involved in litigation as either a party or a non-party with relevant information. If any such litigation should arise, the Contractor shall cooperate fully and timely with any State attorneys or paralegals at no additional cost to the State, which shall include the following:

- a) **Litigation Support**. The Contractor shall make its personnel available to testify in Tennessee, whether in person before a tribunal or by deposition. The Contractor agrees to waive any objections to any subpoena issued by a Tennessee tribunal, in any case relating to this Contract.
- b) **Discovery and Litigation Hold Requirements**. The Contractor shall cooperate with all TennCare requests to aid in data and document retention and collection, as required for litigation. The Contractor shall promptly provide the State with all information within the Contractor's control if required to do so by a discovery demand or court order. The State will exert its best effort to narrow the scope of any discovery request.

The obligation to meet the requirements listed above shall survive the termination of the Contract and shall extend to any subcontractor hired by the Contractor to provide goods or perform services on its behalf as required herein.

- E.33. Nondiscrimination Compliance Requirements. No person on the grounds of disability, age, race, color, religion, sex, national origin, or any other classifications protected under federal or state civil rights laws 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. The Contractor agrees to cooperate with the Division of TennCare's Office of Civil Rights ("OCRC") in carrying out its federal and state nondiscrimination compliance obligations, which include and are not limited to: the Title VI of the Civil Rights Act of 1964, Section 504 and 508 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and 42 U.S.C. § 18116 (codified at 45 C.F.R. pt. 92) and Section D.9 of this Contract. The Contractor shall provide OCRC with the name and contact information for a staff member who will work with OCRC to fulfill the nondiscrimination compliance activities related to the terms of this Contract.

- a) *Policies and Procedures and Training.* The Contractor shall be interacting with individuals from diverse cultural backgrounds including, individuals with Limited English Proficiency ("LEP"), individuals with low literacy, individuals with disabilities, including individuals with vision, cognitive, hearing, and speech disabilities, therefore, the Contractor shall have policies and procedures for providing services in a nondiscriminatory and cultural competent manner, providing free language and communication assistance services to individuals, providing individuals with reasonable accommodations, discrimination complaint procedures, and for regularly inspecting assessment methods and any data algorithms, such as clinical algorithms, to promote equity and eliminate bias with generating assessment results. The Contractor's staff members carrying out the terms of this Contract shall receive annual training on these policies and procedures and the Contractor's new hires carrying out the terms of this Contract shall receive this training within thirty (30) days of joining the Contractor's workforce.
- b) *Ethical and Religious Directives and Beliefs.* Should the Contractor not provide certain services covered under this Contract due to its conscience and religious beliefs or ethical and religious directives the Contractor shall provide a list of the services it does not deliver due to its conscience and religious beliefs or ethical and religious directives to TennCare. TennCare shall determine how to obtain the services that are not being delivered by the Contractor due to its conscience and religious beliefs or its ethical and religious directives.
- c) *Electronic and Information Technology Accessibility Requirements.* To the extent that the Contractor is using electronic and information communication technology to fulfill its obligations under this Contract, the Contractor agrees to comply with the electronic and information technology accessibility requirements under the federal civil rights laws including Section 504 and Section 508 of the Rehabilitation Act of 1973 ("Section 508"), the Americans with Disabilities Act, and 45 C.F.R. pt. 92 (or any subsequent standard adopted by an oversight administrative body, including the Federal Accessibility Board). To comply with the accessibility requirements for Web content and non-Web electronic documents and software, the Contractor shall use the most current W3C's Web Content Accessibility Guidelines ("WCAG") level AA or higher with a goal to transition to WCAG 3 level silver (For the W3C's guidelines see: <https://www.w3.org/WAI/standards-guidelines/> and Section 508 standards: <https://www.access-board.gov/ict/>). Additionally, the Contractor agrees to comply with Title VI of the Civil Rights Act of 1964, by adding a system function that allows users to translate the content into a language other than English. This requirement may be satisfied by the provision of a link to a machine translate tool or translating the page into non-English languages as directed by TennCare.
 - 1) The Contractor shall comply with the civil rights requirements set forth in 42 C.F.R. § 433.112 regarding the design, development, installation or enhancement of mechanized processing and information retrieval systems. In addition, the Contractor shall participate in the State's effort to comply with the nondiscrimination requirements for acquiring automatic data and processing equipment and services set forth in 45 C.F.R. § 95.633.
 - 2) The Contractor's accessibility responsibilities shall include ensuring optimization of its technology Solution by: integrating as appropriate the concept of transversality (the ability to transition from one webpage to another webpage with the understanding for

where you are navigating to), which is inherent in electronic and information technology accessibility; working with key individuals to plan accessibility at each step of the technology Solution's design, development, implementation, and enhancement phases including testing and submitting evaluation reports to TennCare; appropriately allocating the accessibility project responsibilities; ensuring the accessibility technical and functional criteria are met at every milestone that contains an accessibility component for the technology Solution; understanding the difference between accessible content and conforming content; being aware of the technology Solution's testing tools and any limitations the tools have for testing accessibility and providing workarounds; and assessing the impact of technology platforms on the technology Solution (i.e., applications, portals, and tools should work and be accessible across different platforms).

- 3) Contractor agrees to perform regularly scheduled (i.e., automatic) scans that will occur at a minimum on a monthly basis and manual testing for the most current WCAG level AA or higher accessibility guidelines (WCAG 3.0 Silver) for all user content and applications in order to meet the standards for compliance. The Contractor must ensure that any system additions, updates, changes or modifications comply with the most current WCAG level AA or higher accessibility guidelines (WCAG 3.0 Silver). Commercial Off-the-shelf ("COTS") products may be used to verify the technology Solution's compliance with the most current WCAG level AA or higher accessibility guidelines (WCAG 3.0 Silver). The reports shall be provided to TennCare's Office of Civil Rights Compliance ("OCRC") for review and approval.
- 4) Should the system or a component of the system fail to comply with the accessibility standards, the Contractor shall develop and submit to OCRC for approval a noncompliance report that identifies the areas of noncompliance, a plan to bring the system or component into compliance, an alternative/work around that provides users with the equivalent access to the content, and a timeframe for achieving that compliance. OCRC shall review the noncompliance report to determine whether or not it is acceptable and should be implemented. Once the noncompliance report is approved by OCRC the Contractor may implement the compliance plan. OCRC, in its sole discretion, shall determine when a satisfactory compliance plan resolution has been reached and shall notify the Contractor of the approved resolution. If Contractor is unable to obtain content that conforms to the most current WCAG level AA or higher accessibility guidelines (WCAG 3.0 Silver), it shall demonstrate through its reporting to OCRC that obtaining or providing accessible content would fundamentally alter the nature of its goods and services or would result in an undue burden.
- 5) The Contractor shall have a designated staff member responsible for Contractor's electronic and information technology accessibility compliance. The name and contact information for this individual shall be provided to OCRC within ten (10) days of the implementation phase of this Contract and within ten (10) days of this position being reassigned to another staff member.
- 6) Prior to the start of this Contract and on an annual basis thereafter, the Contractor's staff that is designated to work on TennCare's electronic and information technology projects shall receive training on electronic and information technology accessibility requirements. The Contractor shall be able to show documented proof that this training was provided. In addition, Contractor shall provide a copy of its electronic and information technology accessibility training to OCRC upon request.

- d) *Cultural Competency and Data Collection.* The Contractor shall participate in the State's efforts to promote the delivery of services in a culturally competent manner to all members, including those with Limited English Proficiency, disabilities and diverse cultural and ethnic backgrounds regardless of a member's sex. This includes the Contractor having the capabilities to ensure physical access, reasonable accommodations, and accessible equipment for the furnishing of services to members with physical or mental disabilities.
- e) In accordance with the requirements set forth in 42 U.S.C. § 300k, to the extent practicable, the Contractor shall develop and maintain the ability to collect and report data on race, ethnicity, sex, primary language, and disability status for applicants and members and from applicants' and members' parents or legal guardians if applicants or members are minors or legally incapacitated individuals. In collecting this data, the Contractor shall use the Office of Management and Budget (OMB) data collection standards for race, ethnicity, sex, primary language, and disability measures.
- f) *Discrimination Complaints and Assistance.* The Contractor shall provide any discrimination complaint received relating to this Contract's services and activities within in two (2) days of receipt to OCRC at HCFA.FaiCRlent@tn.gov. The Contractor agrees to cooperate with OCRC and other federal and state authorities during discrimination complaint investigations and to assist individuals in obtaining information on how they can report a complaint or get assistance for a disability related need that involves TennCare's services or activities by contacting OCRC. To satisfy this obligation the Contractor may direct the individual to OCRC's webpage at: <https://www.tn.gov/tenncare/members-applicants/civil-rights-compliance.html> or to call TennCare Connect at 855-259-0701 if they need assistance with filing a complaint.
- g) *Readiness Review.* Prior to the contract start date, the Contractor's designated staff member shall participate in a nondiscrimination/civil rights readiness review phase. This process is to assist the Contractor with implementing the Contract's nondiscrimination requirements.
- h) *Nondiscrimination Compliance Reports.* The Contractor shall submit the following nondiscrimination compliance deliverables to OCRC using TennCare's Office of Compliance Management Oversight Processing System ("TOPS") as follows:
- 1) Annual Compliance Questionnaire. On an annual basis, using TOPS, OCRC shall provide the Contractor with a Nondiscrimination Compliance Questionnaire. The Contractor shall answer the applicable questions and submit the completed questionnaire to OCRC within sixty (60) days of receipt of the questionnaire with any requested documentation, which shall include, the Contractor's: Assurance of Nondiscrimination, nondiscrimination policies, data capturing the amount of language and communication assistance services provided to individuals, and a civil rights and cultural compliance training report.
 - 2) Quarterly Compliance Reports. The Contractor shall submit a quarterly Non-discrimination Compliance Report which shall include the following:
 - a. A civil rights and cultural compliance training report;
 - b. The NCC shall provide a listing of all discrimination claims that are reported to the Contractor that are claimed to be related to the provision of and/or access to the services provided under the scope of this Contract.
 - c. The language and communication assistance report shall capture a summary listing of language and communication assistance services that were requested by members and/or participants (i.e. Arabic; large print; Sign Language) and the methods used to provide those services.
- i) *Nondiscrimination Notice and Taglines.* Should the Contractor create materials (flyers, emails, text messages), the Contractor shall ensure that communications critical to

obtaining services and vital documents that are targeted to participants, enrollees, applicants, and members of the public shall be printed with the notice of nondiscrimination and taglines required by TennCare. Written materials specific to TennCare program members shall be approved by TennCare prior to the materials being sent to these individuals and at a minimum vital documents shall be translated and available in Spanish and Arabic.

j) *Provider Participation, Reimbursement, or Indemnification.*

- 1) The Contractor shall not discriminate for the participation, reimbursement, or indemnification of any Provider who is acting within the scope of his or her license or certification under applicable state law, solely on the basis of that license or certification. The Contractor's ability to credential Providers as well as maintain a separate network and not include any willing Provider is not considered. The Contractor's written policies and procedures for the selection and retention of Providers shall not discriminate against particular Providers that service high risk populations or specialize in conditions that require costly treatment.
- 2) The Contractor shall not discriminate against Providers and entities in accordance with the federal prohibition against discrimination as provided for under the collective "federal health care Provider conscience protection statutes," referenced individually as the Church Amendments, 42 U.S.C. § 300a-7, section 245 of the Public Health Service Act, 42 U.S.C. § 238n, and the Weldon Amendment, Consolidated Appropriations Act, 2010, Public Law 111-117, Div. D, Sec. 508(d), 123 Stat. 3034, 3279-80. In addition, as a participant in a program receiving federal funds, Providers shall not be subjected to discrimination because of their race, color, national origin, disability, age, sex, conscience and religious freedom, or other statuses protected by federal and/or state law.

IN WITNESS WHEREOF,

MCKINSEY & COMPANY, INC. WASHINGTON D.C.:



June 9, 2025

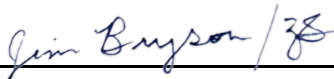
CONTRACTOR SIGNATURE

DATE

Tony D'Emidio, President

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

**STATE OF TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF TENNCARE:**



8/11/2025

JIM BRYSON, COMMISSIONER

DATE

CONTRACT ATTACHMENT A

DEFINITIONS AND ABBREVIATIONS

Located in the Procurement Library

CONTRACT ATTACHMENT B

SERVICE LEVEL AGREEMENTS AND LIQUIDATED DAMAGES

Located in the Procurement Library

CONTRACT ATTACHMENT C

PROCUREMENT LIBRARY

CONTRACT ATTACHMENT D

CONTRACT REQUIREMENTS INVENTORY

Located in the Procurement Library

CONTRACT ATTACHMENT E

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	RFP # 31865-00647
CONTRACTOR LEGAL ENTITY NAME:	McKinsey & Company, Inc. Washington D.C.
EDISON VENDOR IDENTIFICATION NUMBER:	0000164023

Sammy Maki, Sr. Contracts Counsel, mckinse@mckinsey.com

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.

Tony D'Emidio, President

PRINTED NAME AND TITLE OF SIGNATORY

June 9, 2025

DATE OF ATTESTATION

CONTRACT ATTACHMENT F


HIPAA Business Associate Agreement

THIS HIPAA BUSINESS ASSOCIATE AGREEMENT ("Agreement") is between The State of Tennessee, Division of TennCare ("TennCare" or "Covered Entity"), located at 310 Great Circle Road, Nashville, TN 37228 and ("Business Associate"), located at 1200 19th Street NW, Suite 1000, Washington, DC 20036, including all office locations and other business locations at which Business Associate data may be used or maintained. Covered Entity and Business Associate may be referred to herein individually as "Party" or collectively as "Parties."

1 BACKGROUND

The Parties acknowledge that they are subject to the Privacy and Security Rules (45 C.F.R. 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, and as amended by the final rule modifying the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules under the Health Information Technology for Economic and Clinical Health Act ("HITECH"). If Business Associate provides services to Covered Entity pursuant to one or more contractual relationships, said agreements are detailed below and hereinafter referred to as "State Contract" or "State Contracts."

2 LIST OF STATE CONTRACTS AFFECTED BY THIS HIPAA BUSINESS ASSOCIATE AGREEMENT:

In the course of performing services under the State Contract(s), Business Associate may come into contact with, use, or disclose Protected Health Information ("PHI"). Said State Contract(s) is/are hereby incorporated by reference and shall be considered part of this Agreement as if the State Contract(s) was/were fully included herein.

In accordance with the federal privacy and security rules and 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 agree to establish satisfactory assurances that Business Associate will appropriately safeguard PHI that Business Associate receives from or on behalf of Covered Entity, and therefore, the Parties execute this Agreement.

In the case of any conflict, discrepancy, or ambiguity, between this Agreement and the State Contract(s), this Agreement shall govern as relating to the conflict, discrepancy, or ambiguity only. Absent any conflict, discrepancy, or ambiguity between this Agreement and the State Contract(s), the State Contract governs.

1. DEFINITIONS

All capitalized terms used but not otherwise defined in this Agreement shall have the same meaning as the defined terms in 45 C.F.R. Parts 160 through 164, or other applicable law or regulation. A reference in this Agreement to the Privacy or Security Rule means the rule or section as in effect as of the date of this Agreement or as amended after the execution of this Agreement.

- 1.1. "Commercial Use" means obtaining PHI with the intent to sell, transfer or use it for commercial or personal gain, or malicious harm; selling to a third party for consumption, resale, or processing for resale; applying or converting data to make a profit or obtain a benefit contrary to the spirit of this Agreement, including but not limited to, presentation of data or examples of data in a presentation, conference, or meeting setting, with a goal of obtaining or gaining new business.
- 1.2. "Confidential Information" shall mean any non-public, confidential, or proprietary information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression, which is supplied by TennCare to Business Associate under this Agreement. Any information, whether written, graphic, oral, electronic, visual or fixed in any tangible medium or expression, relating to any individual enrolled in the TennCare program ("TennCare Enrollee"), or relating to individual(s) who may potentially enroll in the TennCare program, provided to or obtained through Business Associate's performance under this Agreement, shall also be treated as Confidential Information to the extent that confidential status is afforded under state and federal laws or regulations to the information provided to, or obtained through, Business Associate's performance. All Confidential Information shall not be subject to disclosure under the Tennessee Public Records Act.
- 1.3. "Electronic Signature(s)" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.
- 1.4. "Marketing" shall have the meaning under 45 C.F.R. § 164.501 and shall include the act or process of promoting, selling, leasing, or licensing any TennCare information or data for profit, advantage, benefit, or similar goal, without the express written permission of TennCare.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE (PRIVACY RULE)

- 2.1 Compliance with the Privacy Rule. 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 State Contract(s), or as required by law.
- 2.2 HIPAA and HITECH Compliance. HITECH and its implementing regulations impose requirements on business associates with respect to privacy, security, and Breach notification. Business Associate hereby acknowledges and agrees that it is functioning as a Business Associate of Covered Entity as obligated by this Agreement and the State Contract(s). Business Associate further acknowledges that it shall comply with any applicable provisions of HIPAA and HITECH. Business Associate and 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. Even if a provision of HIPAA or HITECH is not specifically set forth in this Agreement, all applicable provisions of HIPAA and HITECH are incorporated into this Agreement in their entirety.

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- 2.3 Business Management. Business Associate may use and disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate. Business Associate may provide data aggregation services relating to the Health Care Operations of TennCare, or as required by law. Business Associate is expressly prohibited from using or disclosing PHI other than as permitted by this Agreement, any associated State Contract(s), or as otherwise required by law, and is prohibited from uses or disclosures of PHI that would not be permitted if done by Covered Entity.
- 2.4 Privacy Safeguards and Policies. Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by the State Contract(s), this Agreement, or as required by law. This includes the implementation of Administrative, Physical, and Technical Safeguards to appropriately protect Covered Entity's PHI against any reasonably anticipated threats or hazards utilizing the technology commercially available to Business Associate (See also Agreement Section 3.2). Business Associate shall maintain, and provide to TennCare when requested, appropriate documentation of Business Associate's compliance with the Privacy Rule, except when Business Associate is required by TennCare policies and procedures to provide compliance documents on an established timeframe without request from TennCare. Appropriate documentation of compliance with the Privacy Rule includes, but is not limited to, Business Associate's policies and procedures, records of training, records of breaches, and sanctions of members of its Workforce.
- 2.5 Privacy Provisions in Business Associate Contracts. 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 Business Associate involving the use, custody, disclosure, creation of, or access to, PHI or other confidential TennCare information, to enter into a written contract that is substantially similar to this Agreement with respect to all privacy provisions. Said substantially similar written contract shall not include less stringent terms or restrictions than this Agreement with Business Associate with respect to the privacy provisions, except for Agreement Section 4.4.2, which shall only apply to Business Associate notwithstanding the requirements in this Agreement Section 2.5.
- 2.6 Mitigation of Harmful Effect of Violations. Business Associate agrees to 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. Business Associate also agrees to consult with TennCare about any mitigation efforts.
- 2.7 Reporting of Violations and Reasonably Suspected Violations in Use and Disclosure of PHI. Business Associate shall require its employees, agents, and subcontractors to promptly report to Business Associate immediately upon becoming aware, or upon reasonable suspicion, of any use or disclosure or reasonably suspected use or disclosure of PHI in violation of, or otherwise not provided by, this Agreement. Business Associate shall make its report to Covered Entity immediately upon becoming aware of any use or disclosure or reasonably suspected use or disclosure of PHI not provided by this Agreement, and in no case shall the Business Associate take longer than forty-eight (48) hours to report the discovery to Covered Entity. Reports shall be submitted as provided for in Agreement Section 3.5.
- 2.8 Breach of Unsecured Protected Health Information. 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.
- 2.8.1 Business Associate shall provide to Covered Entity notice of a Breach of Unsecured PHI or a suspected Breach of Unsecured PHI immediately upon becoming aware or upon reasonable suspicion of the Breach, and in no case later than forty-eight (48) hours after becoming aware or upon reasonable suspicion. Notice shall be submitted as provided for in Agreement Section 3.5.

- 2.8.2 Business Associate shall cooperate with Covered Entity by timely providing the appropriate and necessary information to Covered Entity, as reasonably anticipated or otherwise requested by Covered Entity.
- 2.8.3 Covered Entity shall make the final determination on whether the Breach requires notification to affected individuals and whether the notification shall be made by Covered Entity or Business Associate.

2.9 Access of Individual to PHI. In the event an Individual requests access to PHI and Business Associate's participation is necessary to comply with the request, Business Associate agrees to timely respond as further outlined below.

2.9.1 Requests Submitted to Covered Entity that Require Business Associate's Participation. Covered Entity shall forward to Business Associate in a timely manner any Individual's request for access to or a copy of the Individual's PHI, in any form the Individual chooses if the PHI is readily producible in that format.

2.9.2 Requests Submitted to Business Associate.

- (a) If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate agrees to provide access to PHI in a Designated Record Set to Covered Entity to meet the requirements of 45 C.F.R. § 164.524.
- (b) 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 Business Associate, Business Associate will provide the requested copy to the Individual as specified in 2.9.3(a). If Business Associate provides copies of PHI to the Individual, it may charge a reasonable fee for the copies as permitted by applicable regulations. Business Associate is permitted to send to an Individual or Individual's designee unencrypted emails including Electronic PHI if the Individual requests it, provided Business Associate has advised the Individual of the associated risk and the Individual still chooses to receive the message by unencrypted email.
- (c) If Business Associate receives a request for PHI not in its possession and in the possession of Covered Entity or receives a request to exercise other Individual rights as set forth in the Privacy Rule, Business Associate shall promptly forward the request to Covered Entity. Business Associate shall then assist Covered Entity, as necessary, in responding to the request timely.

2.9.3 Timeframes for Response.

- (a) The Parties understand that if either Party receives a request for access to or copies of PHI from an Individual that the Party may complete with only its own onsite information, the time for providing a response to the Individual shall be no more than thirty (30) days, or a timeframe otherwise in compliance with 45 C.F.R. § 164.524. Business Associate shall also notify Covered Entity upon completion of the request.
- (b) If Covered Entity receives a request from an Individual for access to or copies of PHI, and requires information from Business Associate in addition to Covered Entity's onsite information to fulfill the request, Business Associate shall have no more than fifteen (15) days, from the date of Covered Entity's notice, to provide access or deliver such information to Covered Entity so that Covered Entity may timely respond to the Individual within the thirty (30) day requirement of 45 C.F.R. § 164.524.
- (c) If the Party responsible for responding to the Individual's request for access to or copies of PHI is unable to complete the response to the request in the required timeframe, the responsible Party shall provide the Individual, or Individual's designee, with a written statement of the reasons for the delay and the date by which the Party will complete its action on the request. The Party may extend the response one (1) time for no more than thirty (30) additional days.

2.10 Individual's Request to Amend PHI. If Business Associate receives PHI from Covered Entity

in a Designated Record Set and an Individual requests to amend PHI, Business Associate agrees to make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526. Business Associate shall make the amendment promptly in the time and manner designated by Covered Entity and shall notify Covered Entity upon completion. Business Associate shall have thirty (30) days from Covered Entity's notice to complete the amendment to the Individual's PHI.

2.11 Recording of Designated Disclosures of PHI. Business Associate shall document any and all disclosure(s) of PHI by Business Associate or its agents, including information related to such disclosures, as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

2.12 Accounting for Disclosures of PHI. In the timeframe and manner designated by Covered Entity, Business Associate agrees to provide to Covered Entity, or an Individual or Individual's designee, information collected in accordance with this Agreement to enable Covered Entity to respond to a request from an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528. Covered Entity shall forward the Individual's request requiring the participation of Business Associate to Business Associate in a timely manner, after which Business Associate shall provide the accounting of disclosures of PHI to Covered Entity as follows:

- (a) If Covered Entity directs Business Associate to provide an accounting of disclosures of the Individual's PHI directly to the Individual, Business Associate shall have sixty (60) days from the date of the Individual's request to provide access or deliver such information to the Individual or Individual's designee. Covered Entity shall provide notice to Business Associate in time to allow Business Associate a minimum of thirty (30) days to timely complete the Individual's request.
- (b) If Covered Entity elects to provide the accounting to the Individual, Business Associate shall have thirty (30) days from the date of Covered Entity's notice requesting information for the Accounting to Covered Entity so that Covered Entity may timely respond to the Individual within the sixty (60) day period.
- (c) If either Party is unable to complete the response to the request in the timeframes provided in 2.12(a) or 2.12(b), the Party to complete the response shall notify the Individual with a written statement of the reasons for the delay and the date by which the Party will complete its action on the request. The Parties may extend the response to Individual or Individual's designee one (1) time for no more than thirty (30) additional days.
- (d) The accounting of disclosures shall include at least the following information:
 - (1) date of the disclosure;
 - (2) name of the third party to whom the PHI was disclosed,
 - (3) if known, the address of the third party;
 - (4) brief description of the disclosed information; and
 - (5) brief explanation of the purpose and basis for such disclosure.
- (e) The Parties shall provide one (1) accounting in any twelve (12) months to the Individual or Individual's designee without charge. The Parties may charge a reasonable, cost-based fee, for each subsequent request for an accounting by or regarding the same Individual if Individual or Individual Designee is provided notice and the opportunity to modify the request. Such charges shall not exceed any applicable State statutes or rules.

2.13 Minimum Necessary. Business Associate shall use reasonable efforts to 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. Reasonable efforts may include, but are not limited to, application of recognized industry standards on data minimization and retention privacy controls.

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- 2.13.1 Business Associate represents to Covered Entity that all Business Associate's 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 from Business Associate as the minimum necessary for the stated purpose.
 - 2.13.3 Business Associate shall adequately and properly maintain all PHI received from, or created or received on behalf of, Covered Entity. Properly maintaining PHI shall include, but is not limited to, use of reasonable efforts to timely deidentify or destroy PHI Business Associate receives that is irrelevant or unnecessary for the purposes of this Agreement and any State Contract(s).

2.14 Privacy Compliance Review Upon Request. Business Associate agrees to provide its internal practices, books and records, and policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, to Covered Entity or the Secretary of the United States Department of Health in Human Services or the Secretary's designee, in a timeframe and manner designated by the requester for purposes of determining Covered Entity's or Business Associate's compliance with the Privacy Rule.

2.15 Cooperation in Privacy Compliance. Business Associate agrees to fully cooperate in good faith 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 Compliance with Security Rule. Business Associate shall fully comply with the requirements of the Security Rule applicable to "Business Associates", as the term is defined in the Security Rule. In the case of any conflict, ambiguity, or discrepancies in language between this Agreement and the State Contract(s), this Agreement governs as to the applicable conflict, ambiguity, or discrepancies in language. If no conflict, ambiguity, or discrepancy in language exists, the State Contract governs.

3.2 Security Safeguards and Policies. Business Associates shall implement and maintain information security policies that comply with the HIPAA Security Rule. 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 Covered Entity as required by the Security Rule. This includes specifically, but is not limited to, the utilization of technology commercially available to Business Associate to protect Covered Entity's PHI against any reasonably anticipated threats or hazards. 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, entities, programs, or applications, and devices access its computing systems and information storage, and that only authorized transactions are allowed. Business Associate will maintain appropriate documentation of its compliance with the Security Rule.

3.3 Security Provisions in Business Associate Contracts. Business Associate shall ensure that any agent or subcontractor to whom Business Associate provides Electronic PHI received from, maintained, or created for Covered Entity, or that carries out any duties for Business Associate involving the use, custody, disclosure, creation of, or access to PHI supplied by Covered Entity, shall execute a contract with Business Associate (or the appropriate equivalent if the agent is a government entity) that is substantially similar to this Agreement with no less stringent restrictions and conditions as the security provisions are in this Agreement, except for the provision in Section 4.4.2.

3.4 Reporting of Security Incidents. Business Associate shall track all Security Incidents as defined and as required by HIPAA and shall periodically report a summary of the Security Incidents as may

be requested by Covered Entity. For the purposes of reporting, Covered Entity shall not consider as Security Incidents, external activities (e.g., port enumeration) typically associated with the "footprinting" of a computing environment as long as such activities have only identified, but not compromised, the logical network perimeter including but not limited to externally facing firewalls and web servers. Business Associate shall reasonably use its own vulnerability assessment of damage potential and monitoring to define levels of Security Incidents and responses for Business Associate's operations. However, Business Associate shall expediently notify Covered Entity's Privacy Officer of any related Security Incident immediately upon becoming aware or upon reasonable suspicion of any unauthorized acquisition, including but not limited to, the use, disclosure, modification, or destruction of PHI, by an employee or otherwise authorized or unauthorized user of its system.

3.4.1 Business Associate identifies the following key contact person(s) for all matters relating to this Agreement:

Sammy Maki, Sr. Contracts Counsel, mckinsey_contracts@mckinsey.com

Tim Ward, Senior Partner, tim_ward@mckinsey.com

Katherine Linzer, Partner, katherine_linzer@mckinsey.com

Michael Rubin, Sr. Asset Leader, michael_rubin@mckinsey.com

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

3.5 TennCare Contact for Privacy and Security Incident Notice. Notification for the purposes of Agreement Sections 2.7, 2.8 and 3.4 shall be made in writing immediately upon becoming aware, or upon reasonable suspicion, of the event. Written notice may be submitted via TennCare's privacy incident reporting form if accessible to Business Associate, email, certified mail, or overnight parcel to:

Division of TennCare
Attention: Privacy Office
310 Great Circle Rd.
Nashville, Tennessee 37243
Phone: (866) 797-9469
Email: Privacy.TennCare@tn.gov

3.6 Security Compliance Review upon Request. Business Associate shall provide its internal practices, books, records, and policies and procedures relating to the security of Electronic PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, to Covered Entity or 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 requester for purposes of determining Covered Entity's or Business Associate's compliance with the Security Rule.

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

3.8 Refraining from intimidation or retaliation. Covered Entity or Business Associate may not threaten, intimidate, coerce, harass, discriminate against, or take any other retaliatory action against any Individual or other person for: (a) Filing of a complaint under 45 C.F.R. § 160.306; (b) testifying, assisting, or participating in an investigation, compliance review, proceeding, or hearing; or (c) opposing any act or practice made unlawful, provided the Individual or person has a good faith belief that the practice opposed is unlawful, and the manner of opposition is reasonable and does not involve a disclosure of PHI in violation of HIPAA.

4 USES AND DISCLOSURES BY BUSINESS ASSOCIATE

4.1 Use and Disclosure of PHI for Operations on Behalf of Covered Entity. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform Treatment, Payment, or Health Care Operations for or on behalf of Covered Entity as specified in the State Contract(s), provided that such use or disclosure would not violate the Privacy and Security Rule if done by Covered Entity.

4.2 Business Associate Uses of PHI. Except as otherwise limited in this Agreement, Business Associate may disclose PHI as required for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that the disclosures are required by law and are also permitted by this Agreement and the State Contract(s). Nothing in this Agreement Section 4.2 permits, or should be construed as permitting, the Business Associate to use PHI for Marketing or Commercial Use.

4.3 Third Party Disclosure Confidentiality. If Business Associate discloses any PHI to a third party for a purpose permitted under 4.2, Business Associate agrees that it 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 PHI except as required by law or for the purpose for which it was disclosed; and (b) notify Business Associate of any instances where third party becomes aware that the confidentiality, integrity, and/or availability of the PHI is Breached.

4.4 Prohibited Uses and Disclosures. Nothing in this Agreement shall authorize Business Associate to share, use or disclose PHI via any form or medium for the purposes outlined in Agreement Subsections 4.4.1 through 4.4.4.

- 4.4.1 Marketing and Commercial Use. Business Associate shall not share, use, or disclose PHI for the purposes of selling, Marketing, or any Commercial Use, or for any purpose construed by Covered Entity as the selling, Marketing, or Commercial Use of TennCare Enrollee personal or financial information with affiliates or otherwise, even if such sharing would be permitted by federal or state laws.
- 4.4.2 Offshore Disclosure. Business Associate shall not share, use, or disclose PHI with any third party beyond the boundaries and jurisdiction of the United States without express written authorization from Covered Entity.
- 4.4.3 Genetic Information for Underwriting Purposes. Business Associate shall not use or disclose PHI that is Genetic Information for underwriting purposes.
- 4.4.4 Other Uses and Disclosures Strictly Prohibited. Nothing in this Agreement shall permit Business Associate to share PHI with Business Associate's affiliates, contractors, subcontractors, or other third parties, except for the purposes of the State Contract(s) identified in the "LIST OF STATE CONTRACTS AFFECTED BY THIS HIPAA BUSINESS ASSOCIATE AGREEMENT" on page one (1) of this Agreement.

4.5 Covered Entity Authorization for Additional Uses. Any use of PHI or other Confidential Information by Business Associate, its subcontractors, its affiliates, or Contractors, other than the use permitted for the purposes of this Agreement, shall require express written authorization by Covered Entity, and a Business Associate Agreement or amendment as necessary. Activities which are prohibited include, but are not limited to, Marketing, sharing for Commercial Use, or any purpose construed by Covered Entity as Marketing or Commercial use of TennCare Enrollee personal or financial information with affiliates, even if such sharing would be permitted by federal or state laws.

4.6 Data Use Agreement - Use and Disclosure of Limited Data Set. Business Associate may use and disclose a Limited Data Set that Business Associate creates for Research, public health activity, or Health Care Operations, provided Business Associate complies with the obligations in Agreement Section 3.2 and this Agreement. Business Associate may not make such use and disclosure of the Limited Data Set after any cancellation, termination, expiration, or other conclusion of this Agreement.

4.7 Limitation on Permitted Uses and Disclosures. Business Associate will limit the uses and disclosures of the Limited Data Set to the following: Research, public health activity, or Health Care Operations, to the extent such activities are related to covered functions. Covered functions for purposes of this Agreement Section 4.7 shall include business planning and development, such as: conducting cost-management and planning-related analysis related to managing and operating Business Associate's functions; formulary development and administration; development and improvement of methods of payment or coverage policies; and customer service, including the provision of data analysis for policy holders, plan sponsors, or other customers to the extent such activities are related to covered functions. The listed covered functions shall only be permitted if PHI is not disclosed, and disclosure is not prohibited pursuant to any other provisions in this Agreement.

5 OBLIGATIONS OF COVERED ENTITY

5.1 Notice of Privacy Practices. Covered Entity shall provide Business Associate with the Covered Entity's notice of Privacy Practices in accordance with 45 C.F.R. § 164.520, as well as any changes to the notice of Privacy Practices. Notice may be provided via publication on TennCare's website.

5.2 Notice of Changes in Individual's Authorization for Access to PHI. 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 Notice of Restriction in Individual's Access to PHI. 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 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use of PHI.

5.4 Reciprocity for Requests Received by Business Associate. The Parties agree that Agreement Sections 5.2 through 5.3 are reciprocal, to the extent Business Associate is notified or receives an inquiry from any Individual within Covered Entity's covered population.

6 TERM AND TERMINATION

6.1 Term. This Agreement shall be effective on the date of the last signatory, or on the signature date if all Parties sign on the same day, and shall terminate when all PHI, regardless of form, 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 the Parties mutually agree in writing that it is unfeasible to return or destroy PHI, Agreement Subsection 6.3.5 below applies.

6.2 Termination for Cause. This Agreement authorizes, and Business Associate acknowledges and agrees, Covered Entity shall have the right to terminate this Agreement and any State Contracts in the event Business Associate fails to comply with or violates a material provision of this Agreement and any provision of the Privacy and Security Rules. Nothing in Agreement Section 6.2 limits the State's ability to terminate the State Contract as permissible under the State Contract.

- 6.2.1 Upon Covered Entity's knowledge of a breach by Business Associate of the terms of this Agreement or any State Contract (s), Covered Entity shall either:
 - 6.2.1.1 Provide notice of breach and an opportunity for Business Associate to reasonably and promptly cure the breach or end the violation. If Business Associate does not cure the breach or end the violation within the reasonable time following notice, as specified by Covered Entity, Covered Entity shall terminate this BAA; or
 - 6.2.1.2 Immediately terminate this BAA if Business Associate has breached a material term of this BAA and cure is not possible.

6.3 Effect of Termination. Upon termination of this Agreement for any reason, except as provided in Agreement Subsections 6.3.2 and 6.3.5, Business Associate shall at its own expense either return and/or destroy all PHI and other Confidential Information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity. This provision applies to all Confidential Information regardless of form, including but not limited to, electronic or paper format. This provision shall also apply to PHI and other Confidential Information in the possession of subcontractors or agents of Business Associate.

- 6.3.1 Business Associate shall consult with Covered Entity as necessary to ensure an appropriate means of return or destruction of PHI and Confidential Information and shall notify Covered Entity in writing when such destruction is complete. If PHI or Confidential Information is to be returned, the Parties shall document when all information has been received by Covered Entity.
- 6.3.2 Agreement Section 6.3 and its Subsections shall not prohibit the retention of a single separate, archived file of the PHI and other confidential TennCare information by Business Associate if the method of such archiving reasonably protects the continued privacy and security of such information and Business Associate obtains written approval at the time of archival from Covered Entity. Otherwise, neither Business Associate nor its subcontractors and agents shall retain copies of TennCare Confidential Information including enrollee PHI, except as provided herein in Agreement Subsection 6.3.5.
- 6.3.3 The Parties agree to anticipate the return or the destruction of PHI and other Confidential Information and understand that removal of the Confidential Information from Business Associate's information system(s) and premises will be expected in almost all circumstances. Business Associate shall notify Covered Entity whether it intends to return or destroy the PHI or Confidential Information with additional detail as requested by Covered Entity. In the event Business Associate determines that returning or destroying the PHI and other Confidential Information received by or created for Covered Entity at the end or other termination of the State Contract(s) is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction unfeasible.
- 6.3.4 Except for Business Associate agreements in effect prior to April 21, 2005, for the renewal or amendment of those same agreements, or for other unavoidable circumstances, the Parties contemplate that PHI and other Confidential Information of Covered Entity shall not be merged or aggregated with data from sources unrelated to that agreement, or Business Associate's other business data, including for purposes of data backup and disaster recovery, until the Parties identify the means of return or

destruction of the TennCare data or other Confidential Information of Covered Entity at the conclusion of any State Contract(s), or otherwise make an express alternate agreement consistent with the provisions of Agreement Section 6.3 and its Subsections.

- 6.3.5 Upon written mutual agreement of the Parties that the return or destruction of PHI or Confidential Information is unfeasible and upon express agreement as to the means of continued protection of the data, Business Associate shall extend the protections of this Agreement 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.

7 MISCELLANEOUS

7.1 Amendment. The Parties agree to amend this Agreement from time to time as is necessary for Covered Entity or Business Associate to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act, Public Law 104-191. Business Associate and Covered Entity shall comply with any amendment to the Privacy and Security Rules, the Health Insurance Portability and Accountability Act, Public Law 104-191, 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.

7.2 Survival. The respective rights and obligations of Business Associate under applicable confidentiality provisions and Agreement Sections 4 and its Subsections, and 6.3 and its Subsections, shall survive the termination or expiration of this Agreement.

7.3 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and Business Associate to comply with the Privacy and Security Rules.

7.4 Headings. Paragraph Headings used in this Agreement are for the convenience of the Parties and shall have no legal meaning in the interpretation of the Agreement.

7.5 Notices and Communications. Except as specified in Agreement Section 3.5, all instructions, notices, consents, demands, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by electronic mail, 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. (For purposes of Agreement Section 7.6, effective notice to "Respective Party" is not dependent on whether the person named below remains employed by such Party). The Parties agree to use their best efforts to immediately notify the other Party of changes in address, telephone number, and fax numbers and to promptly supplement this Agreement as necessary with corrected information.

Notifications relative to Agreement Sections 2.7, 2.8 and, 3.4 of this Agreement need only be reported to the Privacy Office pursuant to Agreement Section 3.5.

COVERED ENTITY:

Stephen Smith,
Director Division of
TennCare 310 Great
Circle Rd.

Nashville, TN 37243

Fax: (615) 253-5607

BUSINESS ASSOCIATE:

Sammy Maki, Sr. Contracts Counsel

1200 19th Street NW, Suite 1000

Washington, DC 20036

Phone: 202-961-2189

Email: mckinsey_contracts@mckinsey.com; Cc: tim_ward@mckinsey.com

All instructions, notices, consents, demands, or other communications shall be considered effectively given as follows: on the date of hand delivery; on the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing by first class mail postage prepaid; 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; or via electronic submission as approved or as directed by TennCare.

7.6 Transmission of PHI or Other Confidential Information. Regardless of the transmittal methods permitted above, Covered Entity and Business Associate agree that all deliverables set forth in this Agreement that are required to be in the form of data transfers shall be transmitted between Covered Entity and Business Associate via the data transfer method specified in advance by Covered Entity. This may include, but shall not be limited to, transfer through Covered Entity's SFTP system. Failure by Business Associate to transmit such deliverables in the manner specified by Covered Entity may, at the option of Covered Entity, result in liquidated damages as set forth in one (1) or more of the State Contracts between Covered Entity and Business Associate listed above. All such deliverables shall be considered effectively submitted upon receipt or recipient confirmation as may be required.

7.7 Strict Compliance. No failure by any Party to insist on 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 on strict compliance, exercise that option, enforce that right, or seek that remedy with respect to the 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.

7.8 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. If any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement and all other provisions of this Agreement shall remain in full force and effect.

7.9 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 and HITECH and without giving effect to principles of conflicts of law.

7.10 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 State Contract(s) referenced herein.

7.11 Validity of Execution. Unless otherwise agreed, the Parties may conduct the execution of this Business Associate Agreement transaction by electronic means. The parties may agree that an electronic record of the Agreement containing Electronic Signatures is valid as an executed Agreement.

IN WITNESS WHEREOF, the Parties execute this Agreement to be valid and enforceable from the latest dated signature set out below or on the date of signatures if both Parties sign on the same date:

DIVISION OF TENNCARE

BUSINESS ASSOCIATE

By: Stephen Smith /ys
Stephen Smith, Director
Date: 8/11/2025

By: Tony D'Emidio
Tony D'Emidio, President
Date: June 9, 2025

Division of TennCare
310 Great Circle Road
Nashville, TN 37243
Fax: (615) 253-5607

CONTRACT ATTACHMENT G

COST PROPOSAL

Located in the Procurement Library