**STATE OF TENNESSEE**
**DEPARTMENT OF FINANCE AND ADMINISTRATION**

# REQUEST FOR PROPOSALS FOR EMPLOYEE ASSISTANCE PROGRAM (EAP) AND BEHAVIORAL HEALTH ORGANIZATION (BHO) SERVICES

# RFP # 31786-00133

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# 1. INTRODUCTION

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

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

## 1.1. Statement of Procurement Purpose

The State seeks to identify and select a qualified organization capable of providing high quality Employee Assistance Program (EAP) and Behavioral Health Organization (BHO) services for the Public Sector Plans. The Contractor shall provide network administration, utilization management, claims adjudication, call center services, and benefits communication and materials for members. Contractors shall perform all services described in the Scope of Services of the pro forma contract (RFP Attachment 6.6).

### Background and Context

The State is the largest purchaser of employer-based health care services in Tennessee. The State operates three financially independent public sector plans providing health benefits to a total of 272,000 employees, retirees and dependents of the State, the University of Tennessee (UT) system, the Tennessee Board of Regents (TBR) system, Local Education Agencies (LEAs), and Local Government agencies (LGA). Approximately half of the members are employees and retirees while dependents make up the other half. See the *2014 Annual Report* for a description of program and plan information. The report is available here http://www.tn.gov/finance/article/fa-benefits-publications.

### The Behavioral Health Focus: Quality and Access

Beginning in 2011, Benefits Administration (BA) began a focused effort to increase both quality and access to our Employee Assistance and Behavioral Health programs. Our efforts have included focused communication efforts, intentional integration within the ParTNers Wellness initiative, and a depression treatment outreach targeted to the primary care setting. As we continue our efforts to provide comprehensive and sustainable benefits, we believe that to focus exclusively on reducing behavioral health expenditures is potentially counterproductive. First, behavioral health services comprise a much smaller proportion of total annual spending (i.e., approximately $21.8 million of $1.4 billion total in 2014). Second, we have evidence that we have undiagnosed, untreated, or under-treated behavioral health conditions, particularly among members with chronic diseases, which lead to increases in costs on the medical side. Individuals with chronic diseases who also have undiagnosed or untreated depression can significantly increase healthcare use and expenditures because of poorer adherence to their treatment regimens, resulting in increased medical spend.[1] For example, individuals who are depressed yet not receiving treatment, consume two to four times the healthcare resources of other individuals.[2] Therefore, appropriate diagnosis and treatment of behavioral health conditions should result in an overall reduction of total spend.

Some of the metrics related to our members suggest that there are opportunities to improve the efficiency of our behavioral health expenditures. Engaging our members with appropriate behavioral health treatment is challenging. Over the last five years, we know that 9% of our members reported having symptoms of depression and yet only one in every ten of those members have historically utilized the EAP or behavioral health benefit. In addition, approximately 22% of members are taking behavioral

[1] An Employerôs Guide to Behavioral Health Services, National Business Group on Health, December 2005.
[2] Employerôs Guide to Pharmaceutical Benefits, Wye River Group on Healthcare, April 2003.

health medications[3] and yet our behavioral health/employee assistance engagement rates remain below other plans with similar demographics. Because of our heavy chronic disease burden we expect that many of our members are dealing with untreated behavioral health conditions. Approximately 12% of individuals with a chronic disease in 2014 also had depression as a comorbidity.[4]

Our over-arching goals, with respect to behavioral health, are to increase access, increase appropriate utilization, enhance the quality of care, and ultimately improve member outcomes and overall health status. We desire to integrate behavioral health services into our benefits to increase membersôaccess while destigmatizing the services. We see that technology holds the possibility of decreasing stigma while increasing access, yet we desire for our members to access services in a manner that meets their perceived need.

In an effort to engage our members who could benefit from employee assistance and behavioral health services, there is a significant communications component. Successful implementation of this contract will involve the collaboration between the State and a highly skilled communications team. Multiple marketing tools are used throughout the contract, including on demand communication. We recognize that our members want ideas and information that is personalized to them, and studies confirm that tailored communications promote a wide range of healthy behaviors more effectively than generic materials.[5] The more specific we can be in targeting messages, the greater the likelihood that the messages will be relevant to our members and increase engagement. Another key component to the communications effort is a complete rebranding of the EAP. The goal of the rebranding is to decrease stigma, increase utilization, and ultimately improve our members overall health status. Appendices 7.2, 7.4, 7.5, 7.6, and 7.9 provide additional information concerning this program and demographics of the members to be served.

**State Group Insurance Plan**

The State Group Insurance Plan is a self-funded program governed by the State Insurance Committee. The State plan provides medical coverage to approximately 147,000 state and higher education employees, pre-65 retirees, COBRA participants and their dependents. Current benefit options include two self-funded Preferred Provider Plans (PPOs) and two consumer driven health plans (CDHPs). BlueCross BlueShield of Tennessee and CIGNA Healthcare administer both the PPO and CDHP plans in all three grand divisions. The State, as the employer, contributes monthly to premiums in an amount equal to approximately 80% of the cost of the basic PPO plan (currently the Partnership PPO). Additionally, the State is funding a Health Savings Account for members who decide to enroll in the Wellness HealthSavings CDHP. (In 2016 the State will fund $500 for employee coverage or $1,000 for family coverage) Approximately $550 million in medical claims and $189 million in pharmacy and behavioral health claims were paid under these plan options during fiscal year 2014.

The state has a separate carve-out contract with CVS Caremark for pharmacy benefits for all plans. The employee wellness program is administered by Healthways and delivers disease management, lifestyle management and the nurse advice line. A Medicare Supplement plan is offered to Medicare eligible retirees and is currently administered by POMCO. PayFlex manages the Health Savings Accounts of members enrolled in the CDHP.

Current voluntary benefits offered to State Plan members and retirees include:

- Prepaid dental plan ï Cigna
- Preferred dental organization plan - MetLife

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[3] Anxiloytic/Sedative/Hypnot Not Elsewhere Classified (NEC), Opiate Antagnists, Psychother, Antidepressants, and Tranq/Antipsychotic medications

[4] Truven Database, medical claims data, all plan groups

[5] Kreuter MW, Oswald DL, Bull FC, Clark EM. Are tailored health education materials always more effective than non-tailored materials? Health Education Research. 2000;15(3): 305-315.

- Vision plan ï EyeMed
- Long-term care ï MedAmerica
- Life Insurance ï Minnesota Life

The State is currently preparing to offer a voluntary long-term and short-term disability plan beginning in 2017.

**Local Education Group Insurance Plan**

The Local Education Group Insurance Plan is a self-funded program governed by the Local Education Insurance Committee for 130 Local Education Agency (LEA) employees and retirees. The Local Education Plan offers four health plan options including the Partnership PPO, the Standard PPO, the Limited PPO and HealthSavings CDHP, all of which are administered by the Stateôs contracted TPAs.

The Local Education Plan enrollment has approximately 55,000 employees/retirees with a total of over 106,000 covered lives. The majority of employees are teachers; the balance is comprised of administrators, cafeteria workers, maintenance and other support personnel. The State, through a budget funding formula, pays the LEA 45% of the aggregate average premium for each instructional staff and 30% of the aggregate average premium for each non-instructional staff. Approximately $362 million in medical claims and $116 million in pharmacy and behavioral health claims were paid under these plan options during fiscal year 2014.

In addition to health insurance coverage, LEAs may participate in the same dental, vision, and long-term care products as state plan members.

**Local Government Group Insurance Plan**

The Local Government Group Insurance Plan is a self-funded program governed by the Local Government Insurance Committee and is available to employees of 344 local governments or quasi-governmental entities in Tennessee who elect to secure health insurance coverage through this plan. The health benefits and their administrators are identical to those under the Local Education Plan.

The Local Government Plan enrollment is approximately 12,000 employees with a total of over 18,000 covered lives. Approximately $75 million in medical claims and $22 million in pharmacy and behavioral health claims were paid under these plan options during fiscal year 2014. The State does not provide any funding to participating Local Government Agencies.

In addition to health insurance coverage, Local Government Agencies may participate in the same dental, vision, and long-term care products as state plan members.

**Other Recent, Relevant Initiatives and Developments**

The public sector plans strive to provide comprehensive, affordable, dependable and sustainable health benefits for our 272,000 members with the aim of keeping expenditures at or below annual projected medical trend. Like all employers, we continue to search for, and implement, plan design concepts that deliver best value, ñbend the cost curveòand improve quality for our members.

**Depression Pilot:**

The State plan launched a depression management pilot, the *Be Well at Work* Initiative in September of 2015. Our data indicates that the plansôchronic disease burden places our population at greater risk for depression. Analysis of our data has confirmed that our members have undiagnosed and untreated depression. This pilot is expected to provide improvements in the appropriate utilization of behavioral health care as well as improve the appropriate utilization of medical health care in relation to individuals with high healthcare costs associated with comorbid conditions and untreated or undertreated depression. The *Be Well at Work* program supplements primary care services for depression with a brief

web-based depression screening and, for employees who qualify for the program, provides a specialized evidenced-based telephonic coaching program and primary care collaboration.

**Wellness:**

Because of our heavy chronic disease burden, wellness has been at the core of our plan design since 2011. Reducing health risk and improving clinical outcomes is the main focus for the wellness plan and continues to be the driving force in determining future wellness incentives and how wellness ties into the overall plan design.

**Tennessee Health Care Innovation Initiative:**

The State of Tennessee has launched a state-wide initiative to transition its healthcare payment system to better reward patient-centered, high-value health care outcomes for all Tennesseans. The Tennessee Health Care Innovation Initiative is led by the Division of Health Care Finance and Administration and the Division of Benefits Administration, and engages a broad group of stakeholders, including the largest private insurers in Tennessee and leading Tennessee healthcare providers.

Following a thorough review of outcomes-based payment strategies and with the input of stakeholders, the Tennessee Health Care Innovation Initiative is pursuing complementary payment strategies including a retrospective episode-based payment strategy to reward providers for providing high-quality and efficient care for acute medical and behavioral treatments and conditions and a Patient-Centered Medical Home (PCMH) strategy to reward health care providers who care for their patients on an ongoing basis, promote prevention, treat chronic conditions, and coordinate care over time. In consultation with stakeholders the state has developed a Tennessee Episodes Model. The initiative plans to design and implement a total of 75 episodes over the next 5 years in waves of episodes released every six months. Additional information about this initiative is available at http://www.tn.gov/hcfa/section/strategic-planning-and-innovation-group.

**Diabetes Prevention Program Pilot:**

Each year, the cost of health care and treatment for diabetes and the cost of lost productivity due to diabetes rises. Poorly controlled diabetes and its complications can contribute to absenteeism and affect productivity on the job. Given the prevalence of pre-diabetes in our population and its potential impact on healthcare costs when members move from a diagnosis of pre-diabetes to diabetes we recognize the need to offer evidence-based member supports and tools to help members manage their health and prevent the progression of this disease.

In 2013 Benefits Administration launched a Diabetes Prevention Program (DPP) pilot program for members of the state plan. The DPP, established by the Centers for Disease Control and Prevention (CDC), focuses on prediabetes ï that is, on individuals who do not yet have a diagnosis of diabetes, but whose metabolic, behavioral and hereditary facts indicate a progression toward the disease unless checked through some intervention or change. The program offers lifestyle intervention presented in a series of in-person sessions, providing information, assigning homework, and offering feedback in stages to optimize behavioral change. The results of the pilot will be measured over time, but it is a promising initiative that is likely to warrant expansion in the future.

**CDHP/HSA Option:**

In 2013, employers and members enrolled in the State of Tennessee Group Insurance Program began to ask if the State would provide a Consumer Driven Health Plan (CDHP) as one of the benefits options offered to employees. In early 2014, Benefits Administration (BA) engaged our actuarial consultants to design a survey and conduct a series of focus groups with the fiscal directors, school superintendents and Human Resources personnel (Agency Benefits Coordinators) to determine the interest in and desire for a CDHP. Through this process, BA determined that there was interest in offering a CDHP with a Health Savings Account (HSA) as an additional option.

The State launched the CDHP/HSA benefit option in January of 2016. Similar to the Partnership Promise, the wellness components in each plan may be incentivized through employer contributions. The State will contribute to a member's HSA with enrollment in the Wellness CDHP option. LEA and LGA decisions concerning their contributions amounts are left up to the individual school systems and local government entities.

To support the new plan designs the State has procured a fiduciary/"banking" arrangement for the HSA. All of these State contracts require collaboration with the other vendors in order to fully educate members and eligible employees about their plan options and benefits.

**ParTNers Health & Wellness Center:**

Benefits Administration operates an on-site clinic for members of the State Insurance Plan located on the third floor of the William R. Snodgrass Tennessee Tower in Nashville. In 2014 University Community Health Services (UCHS) was awarded the management contract of the clinic through a competitive procurement. Services include acute care services, on-site EAP counseling, behavioral health consults and on-site wellness coaching. These services are available as a no cost benefit to members of the State of Tennessee Group Insurance Plans (except enrollees in a CDHP option). Expansion of services and locations will be considered in the future as utilization of the Center is evaluated against the value and market benefit trends.

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

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

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

The *pro forma* contract substantially represents the contract document that the successful Respondent <u>must</u> sign.

## 1.3. Nondiscrimination

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

## 1.4. RFP Communications

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

**RFP # 31786-00133**

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

1.4.2.1. Prospective Respondents <u>must</u> direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Seannalyn Brandmeir, Esq., Procurement and Contracting Manager

Finance and Administration, Division of Benefits Administration
312 Rosa L. Parks Ave. N
William R. Snodgrass TN Tower, 19th Floor
Telephone: 615-532-4598
seannalyn.brandmeir@tn.gov

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

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

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

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

1.4.3. Only the Stateõs official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.

1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.4.5. Respondents must assume the risk of the method of dispatching any communication or response to the State. The State assumes no responsibility for delays or delivery failures resulting from the Respondentõs method of dispatch. Actual or digital õpostmarkingò of a communication or response to the State by a specified deadline is not a substitute for the Stateõs actual receipt of a communication or response.

1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).

1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State. For internet posting, please refer to the following website: http://tn.gov/generalservices/article/request-for-proposals-rfp-opportunities.

1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The Stateõs official, written responses will constitute an amendment of this RFP.

1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is the Respondentõs obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

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

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

## 1.6. Respondent Required Review & Waiver of Objections

1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called õquestions and commentsò).

1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

## 1.7. Pre-Response Conference

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

The conference will be held at:

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

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

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

## 1.8. Notice of Intent to Respond

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

- the business or individualôs name (as appropriate)
- a contact personôs name and title
- the contact personôs mailing address, telephone number, facsimile number, and e-mail address

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

## 1.9. Response Deadline

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

## 2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the Stateôs best estimate for this RFP.

| EVENT | TIME (central time zone) | DATE |
|---|---|---|
| 1. RFP Issued | | February 22, 2016 |
| 2. Disability Accommodation Request Deadline | 2:00 p.m. | February 25, 2016 |
| 3. Pre-response Conference | 1 p.m. | February 26, 2016 |
| 4. Notice of Intent to Respond Deadline | 2:00 p.m. | February 29, 2016 |
| 5. Written õQuestions & Commentsò Deadline | 2:00 p.m. | March 4, 2016 |
| 6. State Response to Written õQuestions & Commentsò | | March 17, 2016 |
| 7. 2nd Written õQuestions & Commentsò Deadline | 2:00 p.m. | March 24, 2016 |
| 8. Deadline to Submit Network and Claims Information to Aon Hewitt | 5:00 p.m. | March 29, 2016 |
| 9. State Response to 2nd round of Written õQuestions & Commentsò | | April 4, 2016 |
| 10. Response Deadline | 2:00 p.m. | April 12, 2016 |
| 11. State Completion of Technical Response Evaluations | | April 26, 2016 |
| 12. State Opening & Scoring of Cost Proposals | 2:00 p.m. | April 27, 2016 |
| 13. State Notice of Intent to Award Released and RFP Files Opened for Public Inspection | 2:00 p.m. | 1 Day after Insurance Committee Award of Contract |
| 14. End of Open File Period | | 7 CALENDAR DAYS LATER |
| 15. State sends contract to Contractor for signature | | 1 BUSINESS DAY LATER |
| 16. Contractor Signature Deadline | 2:00 p.m. | 1 ï 5 BUSINESS DAYS LATER |

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

## 3. RESPONSE REQUIREMENTS

### 3.1. Response Form

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

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

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

3.1.1.1. A Respondent must use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.

3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½ò x 11ò pages (although oversize exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.

3.1.1.3. All information and documentation included in a Technical Response should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.

3.1.1.4. The State may determine a response to be non-responsive and reject it if:

a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or

b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.

3.1.2. **Cost Proposal**. A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

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

3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.

3.1.2.3. A Respondent must sign and date the Cost Proposal.

3.1.2.4. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*).

## 3.2. Response Delivery

3.2.1. A Respondent must ensure that both the original Technical Response and Cost Proposal documents meet all form and content requirements, including all required signatures, as detailed within this RFP.

3.2.2. A Respondent must submit original Technical Response and Cost Proposal documents and copies as specified below.

3.2.2.1. One (1) original Technical Response paper document labeled:

**"RFP # 31786-00133 TECHNICAL RESPONSE ORIGINAL"**

and FIVE (5) paper copies of the Technical Response labeled:

**"RFP # 31786-00133 TECHNICAL RESPONSE COPIES"**

and SIX (6) digital copies of the Technical Response each in the form of one (1) digital document in ñPDFòformat properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

**"RFP # 31786-00133 TECHNICAL RESPONSE COPY"**

The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Response document and any digital copies may result in the State rejecting the proposal as non-responsive.

3.2.2.2. One (1) original Cost Proposal paper document labeled:

**"RFP # 31786-00133 COST PROPOSAL ORIGINAL"**

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

**"RFP # 31786-00133 COST PROPOSAL COPY"**

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response original document and digital copies must be placed in a sealed package that is clearly labeled:

**"DO NOT OPEN… RFP # 31786-00133 TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]"**

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

**"DO NOT OPEN… RFP # 31786-00133 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"**

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

**"RFP # 31786-00133 SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"**

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

Seannalyn Brandmeir, Esq., Procurement and Contracting Manager
Finance and Administration, Division of Benefits Administration
312 Rosa L. Parks Ave. N
William R. Snodgrass TN Tower, 19th Floor
Telephone: 615-532-4598
seannalyn.brandmeir@tn.gov

## 3.3. Response & Respondent Prohibitions

3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.

3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.

3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.

3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.

3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.

3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.

3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).

3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:

3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;

3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and

3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

## 3.4. Response Errors & Revisions

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

## 3.5. Response Withdrawal

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

## 3.6. Additional Services

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

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

## 3.7. Response Preparation Costs

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

# 4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

## 4.1. RFP Amendment

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

## 4.2. RFP Cancellation

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

## 4.3. State Right of Rejection

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

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

## 4.4. Assignment & Subcontracting

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

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

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

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

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

## 4.5. Right to Refuse Personnel or Subcontractors

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

## 4.6. Insurance

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

## 4.7. Professional Licensure and Department of Revenue Registration

4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.

4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.

4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. For purposes of this registration requirement, the Department of Revenue may be contacted at: TN.Revenue@tn.gov.

## 4.8. Disclosure of Response Contents

4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.

4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Respondents submitting timely responses may be available to the public, upon request, after technical responses are opened.

4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

## 4.9. Contract Approval and Contract Payments

4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.

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

4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract start date or after the Contract end date.

4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma* Contract, Section C).

4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

4.10. **Contractor Performance**

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

4.11. **Contract Amendment**

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

4.12. **Severability**

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

4.13. **Next Ranked Respondent**

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

## 5. EVALUATION & CONTRACT AWARD

### 5.1. Evaluation Categories & Maximum Points

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

| EVALUATION CATEGORY | MAXIMUM POINTS POSSIBLE |
|---|---|
| **General Qualifications & Experience** (refer to RFP Attachment 6.2., Section B) | **15** |
| **Technical Qualifications, Experience & Approach** (refer to RFP Attachment 6.2., Section C) | **35** |
| **Technical Qualifications, Network Analysis** (refer to RFP Attachment 6.2., Section D,) | **20** |
| **Cost Proposal** (refer to RFP Attachment 6.3.) | **30** |

### 5.2. Evaluation Process

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

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

5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2., Technical Response & Evaluation Guide, Section Að Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the teamôs determination of whether:

a. the response adequately meets RFP requirements for further evaluation;

b. the State will request clarifications or corrections for consideration prior to further evaluation; or,

c. the State will determine the response to be non-responsive to the RFP and reject it.

5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP, and will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.

5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.

5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not to meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.

5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

5.2.3. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

5.3. **Contract Award Process**

5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.

5.3.2. The procuring agency head will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.

5.3.3. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

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

5.3.4. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.

5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response

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

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

**RFP ATTACHMENT 6.1.**

## RFP # 31786-00133 STATEMENT OF CERTIFICATIONS AND ASSURANCES

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

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

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract for the total contract period.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma* Contract.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Respondent will comply with:
   (a) the laws of the State of Tennessee;
   (b) Title VI of the federal Civil Rights Act of 1964;
   (c) Title IX of the federal Education Amendments Act of 1972;
   (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
   (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

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

**<u>DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT</u>**

**SIGNATURE:** _____

**PRINTED NAME & TITLE:** _____

**DATE:** _____

**RESPONDENT LEGAL ENTITY NAME:** _____

**RESPONDENT FEDERAL EMPLOYER IDENTIFICATION NUMBER (or SSN):** _____

## TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

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

| RESPONDENT LEGAL ENTITY NAME: | | | |
|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section A— Mandatory Requirement Items** | **Pass/Fail** |
| | | satisfactory credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will not be considered responsive.) | |
| | **A.6.** | Provide a valid, Certificate of Insurance that is verified and dated within the last six (6) months and which details all of the following:<br>(a) Insurance Company<br>(b) Respondentôs Name and Address as the Insured<br>(c) Policy Number<br>(d) The following minimum insurance coverage:<br>(i) WorkersôCompensation/ EmployersôLiability (including all states coverage) with a limit not less than the relevant statutory amount or One Million Dollars ($1,000,000.00) per occurrence for employersôliability;<br>(ii) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) aggregate;<br>(iii) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence; and<br>(iv) Professional Malpractice Liability with a limit of not less than Two Million Dollars ($2,000,000.00) per claim.<br>(e) The following information applicable to each type of insurance coverage:<br>(i) Coverage Description,<br>(ii) Exceptions and Exclusions,<br>(iii) Policy Effective Date,<br>(iv) Policy Expiration Date, and<br>(v) Limit(s) of Liability. | |
| | **A.7.** | Provide the Respondentôs most recent independent audited financial statements. Said independent audited financial statements must:<br>(1) reflect an audit period for a fiscal year ended within the last 36 months<br>(2) be prepared with all monetary amounts detailed in United States currency;<br>(3) be prepared under United States generally accepted auditing standards;<br>(4) include: the auditorôs opinion letter; financial statements; and the notes to the financial statements; and<br>(5) be deemed, in the sole discretion of the C.P.A. employed by the State | |

| RESPONDENT LEGAL ENTITY NAME: | | | |
|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section A— Mandatory Requirement Items** | **Pass/Fail** |
| | | and charged with the financial document review, to reflect sufficient financial stability to undertake the subject agreement with the State.<br><br>NOTES:<br><br>▪ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will not be accepted.<br><br>All persons, agencies, firms, or other entities that provide opinions regarding the Respondentôs financial status must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions. | |
| | **A.8.** | Submit a written statement, signed by an individual authorized to bind the Respondent, acknowledging that **ALL** examples and illustrations that the Respondent includes in its Technical Response constitute an offer to provide the same such service or product in Tennessee for the rates that the Respondent bids its Cost Proposal **UNLESS** the Respondent prominently and explicitly states in bolded, capital letters beside each separate, excepted example that ñ**THIS SPECIFIC EXAMPLE IS FOR ILLUSTRATION PURPOSES ONLY AND WILL NOT BE PROVIDED TO THE STATE UNDER THIS CONTRACT FOR THE ALL-INCLUSIVE RATES BID IN THIS RFP.**ò Do not include any costs information in your response to this item. | |
| | **A.9.** | Submit a written statement indicating that the claims processing and member services units offered as part of this response meet the following minimum qualifications:<br><br>(a) as of the response date, the Respondent has been under contract for at least two (2) years to provide services similar to those offered in this response to one or more groups of at least ten thousand (10,000) members;<br><br>(b) the Respondent has adjudicated medical claims for calendar years 2014 and 2015 in excess of ten million dollars ($10,000,000.00) each year for at least two clients. | |
| | **A.10.** | Provide written confirmation that the Respondent has complied with all State insurance department filings. | |
| *State Use – Solicitation Coordinator Signature, Printed Name & Date:* | | | |

## TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | | |
|---|---|---|
| **Response Page #** (Respondent completes) | **Item Ref.** | **Section B— General Qualifications & Experience Items** |
| | | NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions. |
| | **B.11.** | Provide a brief, descriptive statement detailing evidence of the Respondentôs ability to deliver the goods or services sought under this RFP (*e.g.*, prior experience, training, certifications, resources, program and quality management systems, *etc.*). |
| | **B.12.** | Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP. |
| | **B.13.** | Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondentôs requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individualôs title, education, current position with the Respondent, and employment history. |
| | **B.14.** | Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondentôs requirements of any contract awarded pursuant to this RFP, and if so, detail:<br>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;<br>(b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u><br>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondentôs response to this RFP. |
| | **B.15.** | Provide documentation of the Respondentôs commitment to diversity as represented by the following:<br>(a) <u>Business Strategy</u>. Provide a description of the Respondentôs existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondentôs certifications as a diversity business, if applicable.<br>(b) <u>Business Relationships</u>. Provide a listing of the Respondentôs current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information:<br>(i) contract description;<br>(ii) contractor name and ownership characteristics (*i.e.*, ethnicity, gender, Tennessee service-disabled);<br>(iii) contractor contact name and telephone number.<br>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information:<br>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and **DO <u>NOT</u> INCLUDE DOLLAR AMOUNTS**);<br>(ii) anticipated goods or services contract descriptions;<br>(iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled |

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | | |
|---|---|---|
| **Response Page #** (Respondent completes) | **Item Ref.** | **Section B— General Qualifications & Experience Items** |
| | | veterans) of anticipated subcontractors and supply contractors.<br><br>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governorôs Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810 for more information.<br>(d) Workforce. Provide the percentage of the Respondentôs total current employees by ethnicity and gender.<br>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce. |
| | **B.16.** | Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:<br>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;<br>(b) the procuring State agency name;<br>(c) a brief description of the contractôs scope of services;<br>(d) the contract period; and<br>(e) the contract number.<br>NOTES:<br>▪ Current or prior contracts with the State are not a prerequisite and are not required for the maximum evaluation score, and the existence of such contracts with the State will not automatically result in the addition or deduction of evaluation points.<br>▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted. |
| | **B.17.** | Provide customer references from individuals who are not current or former State employees for projects similar to the goods or services sought under this RFP and which represent:<br>▪ two (2) accounts Respondent currently services that are similar in size to the State; and<br>▪ three (3) completed projects.<br>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which must be used and completed, is provided at RFP Attachment 6.4. References that are not completed as required may be deemed non-responsive and may not be considered.<br>The Respondent will be solely responsible for obtaining fully completed reference questionnaires and including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires follow the process below.<br>(a) Add the Respondentôs name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.<br>(b) Send a reference questionnaire and new, standard #10 envelope to each reference.<br>(c) Instruct the reference to:<br>(i) complete the reference questionnaire;<br>(ii) sign and date the completed reference questionnaire;<br>(iii) seal the completed, signed, and dated reference questionnaire within the envelope |

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | | |
|---|---|---|
| **Response Page #** (Respondent completes) | **Item Ref.** | **Section B— General Qualifications & Experience Items** |
| | | provided;<br>(iv) sign his or her name in ink across the sealed portion of the envelope; and<br>(v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).<br>(d) Do NOT open the sealed references upon receipt.<br>(e) Enclose all sealed reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.<br>NOTES:<br>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.<br>▪ The State will not review more than the number of required references indicated above.<br>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.<br>▪ The State is under no obligation to clarify any reference information. |
| | **B.18.** | Provide a statement and any relevant details addressing whether the Respondent is any of the following:<br>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;<br>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;<br>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and<br>(d) has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default. |
| **SCORE *(for all Section B—Qualifications & Experience Items above)*:** *(maximum possible score = 15)* | | |
| *State Use – Evaluator Identification:* | | |

## TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

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

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

| **RESPONDENT LEGAL ENTITY NAME:** | |
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| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | **C.1.** | Provide a narrative that illustrates the Respondentõs understanding of the Stateõs requirements and project schedule. | | **4** | |
| | **C.2.** | Provide a narrative that illustrates how the Respondent will manage the project, complete the scope of services, accomplish required objectives, and meet the Stateõs project schedule. | | **4** | |
| | **C.3.** | 1. Provide a project implementation plan describing the steps that the Respondent will take upon approval of a contract resulting from this RFP to be prepared to assume all responsibilities described in the Pro Forma Contract (RFP Attachment 6.6) as of the go-live date specified in *Pro Forma* Contract Section A.25. Include the following:<br>(a) An itemization of activities that the respondent will undertake during the period between the awarding of this procurement and the start date of the program and the timeline for such activities;<br>(b) A roster of the implementation team members detailing each memberõs primary work location, roles, and responsibilities;<br>(c) A comprehensive description of activities related to information systems, including claims accuracy testing and data interfacing/integration with critical systems and intake and assimilation of transition data; and<br>2. For the proposed Account Team for this Contract describe:<br>(a) How the implementation team will be phased out and replaced by the ongoing Account Team and provide projected dates; and<br>(b) How you will ensure a smooth transition between the teams with minimal disruption to the State and members. | | **4** | |
| | **C.4.** | With respect to the Work-Life services you will provide under this Contract which are:<br>(a) Listed in *Pro Forma* Contract Section A.3.b and Contract Attachment D describe the following: | | **4** | |

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | i. Whether you will provide the service directly or through a subcontract;<br>ii. Any features that are unique to your delivery of the Work-Life service; and<br>(b) Provide a summary of each Work-Life service as an Attachment to this question.<br>(c) Describe how you will monitor the provision of Work-Life services.<br>(d) What would a best in class work life program look like from a communication, utilization, and integration perspective?<br>(e) What data do you have to support the impact of work life services on employee populations? (e.g., reduced stress, reduced medical spend, increased EAP utilization) | | | |
| | **C.5.** | Based on your current network, how long is the average wait time for a routine appointment with a psychiatrist or advanced practice psychiatric nurse within rural, suburban, and urban areas of Tennessee?<br>(a) Describe how you will help to insure that our members have access to these services.<br>(b) How will you be aware that a member is having difficulty securing an appointment?<br>(c) Please provide a detailed outline of how you will assist members needing appointment assistance. | | **5** | |
| | **C.6.** | Please discuss how technology has been used with your organization to engage the population more effectively with EAP/BHO services.<br>(a) Please provide an example /case study of how you have done that with a current client.<br>(b) Provide details that quantify success metrics.<br>(c) Please describe the interactive capabilities of your websites for members.<br>(d) How is your organization utilizing mobile device applications? | | **6** | |
| | **C.7.** | Our research indicates that 59% of our members who are being treated for depression are receiving those services in the primary care setting. (the National Comorbidity Survey Replication found that only 12.7% of individuals treated in the general medical sector received minimally adequate care compared to 48.87 % of those treated in the behavioral health sector)<br>Discuss any innovative approaches your organization may have to address what may be suboptimal depression care. | | **5** | |
| | **C.8.** | Regarding your provider directory for this Contract, describe the following: | | **4** | |

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | (a) How you will ensure the information in your provider directories is accurate ï address the type and frequency of monitoring activities, including how, on an ongoing basis, you verify whether providers are accepting members as new patients;<br>(b) How you will ensure that current, accurate web-based directory information is maintained;<br>(c) Any type of ñconciergeò services you will provide to help members find appropriate providers and schedule a timely appointment as required by *Pro Forma* Contract Section A.12.d. ï address how this information will be communicated to provider services/network development staff and how they will use the information;<br>(d) The data elements about each provider that you will include in the provider directory and the data elements upon which members will be able to sort providers (e.g., member ratings, sex, certification(s), language); and<br>(e) How you provide provider quality and experience information to members searching for providers (e.g., member feedback, quality metrics). | | | |
| | **C.9.** | Describe any initiatives or innovations in the Tennessee market that your company is currently engaged in that promotes value based care versus fee-for-service.<br>Detail the success of these initiatives and their scale (percentage of claims and providers). | | **4** | |
| | **C.10.** | Based on data gathered from the Stateõs Health and Wellness Vendor, we are aware of specific agencies within state government who are experiencing increased levels of emotional distress.<br>(a) Please describe how your organization would assist these specific groups who vary in size, location, and demographics.<br>(b) How would you measure the outcome of your intervention(s)? | | **6** | |
| | **C.11.** | With respect to the evidence-based clinical practice guidelines that the Contractor will adopt and implement under this Contract, describe:<br>(a) How you will assess network provider compliance with applicable evidence-based guidelines, including but not limited to psychotropic medication guidelines; include your description of what data you will use, including any data needed from the Stateõs Pharmacy Benefit Manager (PBM) and medical Third Party Administrators (TPAs);<br>(b) Any provider agreement requirements that are or will be in place (for this Contract) to increase provider | | **6** | |

| **RESPONDENT LEGAL ENTITY NAME:** | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | compliance with evidence-based guidelines, and detail any associated incentives and sanctions;<br>(c) How you will implement the substance abuse support program for prescribers described in *Pro Forma* Contract Section A.8.f.; and<br>(d) Interventions that you will implement to increase adherence to evidence-based guidelines; include in your description the documented effectiveness of such interventions. | | | |
| | **C.12.** | With regard to your claims management system and processes for this Contract, describe or provide:<br>(a) An overview of the system and its main capabilities, including the ability to meet, or exceed, all applicable claims processing requirements, including those in *Pro Forma* Contract Sections A.9.;<br>(b) The process that occurs when a member submits a paper or electronic claim for reimbursement, including the timeframe for reimbursement;<br>(c) The claim system rules/edits that are routinely applied and electronic messages that can be transmitted to a provider as well as how these rules/edits are created and maintained;<br>(d) How you will conduct initial and ongoing testing and auditing of the system for accuracy, timeliness, and quality; and<br>(e) Your and/or a member's liability if a network provider does not file a timely claim, and specify whether such provider will be required to discontinue attempts to collect payments from the member if the claim is not submitted within a specified time limit. | | **3** | |
| | **C.13.** | 1. Describe the flexibility of your claims system and the ability of system support staff to implement system changes including<br>(a) application logic (e.g., rules, edits) and<br>(b) operating hardware, based upon client needs. Address your process for adhering to the requirements to implement plan design changes as described in *Pro Forma* Contract Section A.9.j, including your ability to make such changes during the current plan year.<br>2. With regard to your claims management system for this Contract, describe the system's capabilities relating to each of the following:<br>(a) Electronic claim payments;<br>(b) Multiple fee schedules;<br>(c) Interface with your utilization management system; | | **3** | |

**RFP ATTACHMENT 6.2.**

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | (d) Interface with your member service system;<br>(e) Rebundling software;<br>(f) Ability to pend and bundle claims from the same remittance advice/explanation of benefits (RA/EOB); and network and out-of-network claims paid on the same system<br>3. Describe the program integrity procedures (including but not limited to the prevention of fraud and abuse) that you will follow under this Contract ï at minimum, address each of the following:<br>(a) System edits to prevent payment of incomplete or denied claims;<br>(b) Claims edits to prevent payment of duplicate claims;<br>(c) Claims edits to address and correct upcoding;<br>(d) Other claims edits to prevent fraud and abuse;<br>(e) Post-processing review of claims;<br>(f) Utilization management (as it relates to program integrity); and<br>(g) Provider profiling and credentialing to address issues of abuse and patterns of upcoding. | | | |
| | **C.14.** | Describe your member services unit for this Contract ï at a minimum, address or provide each of the following:<br>(a) Member service unit responsibilities and location;<br>(b) Staffing and organization of the unit;<br>(c) Experience and qualifications of the member services group;<br>(d) The percentage of your member services representatives who are Certified Employee Assistance Professionals;<br>(e) Duration and scope of training for member service representatives and how they will be trained prior to program implementation;<br>(f) Ongoing training of member service representatives;<br>(g) Current turnover rate of member service representatives for each of your three largest accounts;<br>(h) Resources available to member services representatives and how this is provided;<br>(i) Procedures for monitoring and ensuring the quality of services provided by member services representatives, including details about call monitoring, including sample size and type of monitoring (e.g., two-way silent monitoring, one-way | | **6** | |

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | |
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| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | monitoring, taped calls, or a combination of methods).<br>(j) How you will execute the contract requirement that all calls be answered by masters level or above staff; and<br>(k) Any embedded assessments included in a members and/or supervisors call center experience. | | | |
| | **C.15.** | Describe or provide the following information regarding your call center infrastructure for this Contract:<br>(a) The operations of call center(s), including the location of call center(s), hours of operation, staffing projections, and plans for rerouting calls and in what circumstances that may happen;<br>(b) How you will staff the call center with masters level and above member service representatives;<br>(c) Current turnover rate of the member service representatives dedicated to this account;<br>(d) Whether you will use an IVR for inbound calls, and, if you will use an IVR, the menu options and decision tree;<br>(e) The flexibility of the call center to handle fluctuations in call volume resulting from program, benefit or enrollment changes, including related equipment, its scalability and flexibility, and the proportion of its capacity currently in use;<br>(f) A sample of the call center statistics that will be available to the State;<br>(g) Call monitoring sessions regularly conducted by the call center;<br>(h) Capabilities to accommodate hearing and visually impaired members;<br>(i) Information systems support for the call center member services representatives, including tracking calls/correspondence and access to other data (e.g., claims data, provider information); and<br>(j) Back up call center operational readiness in the event of a natural disaster, etc. | | **5** | |
| | **C.16.** | 1. Provide proposed samples of each of the following communication pieces for this Contract:<br>(a) Storyboards for videos for members and supervisors;<br>(b) Storyboards for EAP rebranding initiative;<br>(c) Infographics and social media posts;<br>(d) Member correspondence for on demand communication materials (templates); | | **6** | |

| **RESPONDENT LEGAL ENTITY NAME:** | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | (e) Screenshots from member websites;<br>(f) Examples of communication materials announcing a TeleBehavioral health benefit (implemented upon the State's request)<br>(g) Newsletter for member and supervisor; and<br>(h) Typical email/social media campaign message<br>These materials should reflect the ParTNers for Health branding logo and creative treatment as illustrated at http://www.partnersforhealthtn.gov/<br>2. Provide examples of when and how you engaged a specific employee population to utilize an EAP or behavioral health benefit.<br>3. Describe your organizations experience with rebranding an EAP:<br>(a) How did you obtain member perception and feedback?<br>(b) Did the rebranding result in increased utilization?<br>(c) Describe what you learned from that experience | | | |
| | **C.17.** | 1. Describe the specific information systems that you will use for this Contract. Specifically address:<br>(a) Any modifications to existing hardware and software that will be required;<br>(b) The extent to which these information systems are already in operation;<br>(c) The timeframe for any implementation of components not currently in operation; and<br>(d) The capabilities and the expertise of the staff/personnel dedicated to support information system operations.<br>2. Describe or provide the following information regarding you data integration and technical requirements under this Contract:<br>(a) The ability to ensure the accurate and timely processing of enrollment files including eligibility additions, changes, and deletions based on a standard 834 file supplied by the State as described in Appendix 7.10;<br>(b) The quality control processes to ensure the accurate and complete update of eligibility files;<br>(c) How eligibility errors will be communicated to the State;<br>(d) Where duplicate records relating to claims payments are maintained and in what electronic format; | | **4** | |

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | (e) The ability to transmit claims data to any third parties as requested by the State of Tennessee;<br>(f) The process for loading historical data from the current EAP/BHO vendor and validating the completeness and integrity of said data; and<br>(g) Explain how you will ensure an accurate enrollment match between the State's Edison System and your system. | | | |
| | **C.18.** | With regards to managing plan expenses;<br>(a) Provide a description of your approach to monitoring and managing behavioral health care cost trends. Provide an example of a situation in which you identified a troubling trend and took effective action to get expenditures under control.<br>(b) Detail your experience and strategies in reducing inappropriate utilization of services.<br>(c) Describe the cost-management programs you would utilize for this account.<br>(d) Describe your member education initiatives regarding the use of lower cost facilities and services. Do you contract with any third parties for this service? | | **4** | |
| | **C.19.** | Regarding your case management program for this Contract, describe your approach to case management, from identification through discharge, including the following:<br>(a) Your criteria for enrollment, including data sources;<br>(b) The frequency and method(s) of interactive contact and other interventions with members;<br>(c) Specific member interventions to minimize attrition due to poor member engagement;<br>(d) The average length of case management and what criteria you use to determine whether someone is in case management;<br>(e) For your three largest behavioral health contracts, the number and percentage of members who received an interactive contact with a case manager in the last six months;<br>(f) The minimum qualifications of your case managers, if they exceed the minimum qualifications in Pro Forma Contract Section A.7;<br>(g) The number of case managers you will have dedicated to this Contract and the number of case managers located in the Nashville, Tennessee area;<br>(h) The performance standards for your case managers; | | **5** | |

**RFP ATTACHMENT 6.2.**

| **RESPONDENT LEGAL ENTITY NAME:** | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | (i) Your most recent annual turnover rate and average and maximum case manager to participant ratio;<br>(j) The relationship between your case management program and your utilization management program;<br>(k) The level and type of involvement of psychiatrists in your case management program;<br>(l) Coordination with medical providers and other State vendors; and<br>(m) How your case managers utilize technology to engage members. | | | |
| | **C.20.** | Describe an opportunity when your organization utilized behavioral health data analytics to influence a large employerõs health strategy. Include information about the outcomes of those interventions. | | **4** | |
| | **C.21.** | Describe your available consumer cost transparency and quality tools. Include the sources of the data presented to members, and how frequently the data is updated. Provide copies of screen shots representing the different types of cost and quality data, and other educational pieces contained in these tools. | | **4** | |
| | **C.22.** | Ad-hoc reporting capabilities ï address State access to an ad-hoc reporting liaison to assist in the development of ad-hoc report requests as well as the extent to which authorized State staff will have access to your system for the purpose of creating and generating ad-hoc reports. | | **4** | |
| *The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.* | | | | **Total Raw Weighted Score:** *(sum of Raw Weighted Scores above)* | |
| **Total Raw Weighted Score** / **Maximum Possible Raw Weighted Score** *(i.e., 5 x the sum of item weights above)* | | | **X 35** *(maximum possible score)* | **= SCORE:** | |

*State Use – Evaluator Identification:*

*State Use – Solicitation Coordinator Signature, Printed Name & Date:*

## RFP ATTACHMENT 6.2. — SECTION D TECHNICAL RESPONSE & EVALUATION GUIDE

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**SECTION D,: NETWORK (within Tennessee).**

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

The RFP Coordinator will calculate the raw scores as explained in the raw score calculation notes below, and, then, multiply each raw score by the associated Evaluation Factor (indicating the relative emphasis of the item). The resulting product will be the itemõs raw, weighted score for purposes of calculating the Section D score as indicated.

**RAW SCORE CALCULATION NOTES:**

**D.1.3 Board-Certified Psychiatrist and Advanced Practice Psychiatric Nurses -Board Certified Network Accessibility Analysis Raw Score Calculation**

**Raw Score = Rnp + Rdp**

Where:

Rnp = (total number of board-certified psychiatrists and Advanced Practice Psychiatric Nurses -Board Certified offered by the Respondent) / (highest total number of board-certified psychiatrists among all responses)

Rdp = (proportion of members with access to a network board-certified psychiatrists or Advanced Practice Psychiatric Nurses - Board Certified within 30 miles) / (highest proportion of members with access to a network board-certified psychiatrists or Advanced Practice Psychiatric Nurses - Board Certified within 30 miles among all responses)

The RFP Coordinator will use the data in the GeoAccess reports submitted by Respondents to populate the variables of Rnp and Rdp described above.

For reference only, the subscript õnòis for õnumber of providers,ò the subscript õpòis for õRespondent Name,ò and the subscript õdòis for õdesired access.ò

**D.1.4Psychiatric Inpatient Hospital Network Accessibility Analysis Raw Score Calculation**

**Raw Score = Hnp + Hdp**

Where:

Hnp = (total number of psychiatric inpatient hospitals offered by the Respondent) / (highest total number of psychiatric inpatient hospitals among all responses)

Hdp = (proportion of members with access to at least one psychiatric inpatient hospital within 30 miles offered by the Respondent) / (highest proportion of members with access to at least one psychiatric inpatient hospital within 30 miles among all responses)

The RFP Coordinator will use the data in the GeoAccess reports submitted by Respondents to populate the variables of Hnp and Hdp.

For reference only, the subscript ñmòis for ñnumber of providers,òthe subscript ñpòis for ñRespondent Name,ò and the subscript ñdòis for ñdesired access.ò

**D.1.5Counselor Disruption Analysis Raw Score Calculation**

Using the Respondent-completed table in Appendix 7.3, the State will calculate the product of the arrays in the Excel spreadsheet columns H and I, sum the result, and then divide the result by the sum total in Column H. Expressed mathematically:

**Respondent's Counselor Disruption Score = (∑ (array of column H * array of column I)) / ∑ (column H))**

The raw score for the item will equal the Respondentõs Counselor Disruption Score divided by the highest Counselor Disruption Score from all responses and then, multiplied by the weight of 30 (*i.e.,* the respondent with the highest score will earn all available item points (30) and all other respondents will earn points in relative proportion). Expressed mathematically:

$$\textbf{Raw Score} = \frac{\textbf{Proposer's Counselor Disruption Score}}{\textbf{Highest Counselor Disruption Score of all proposals}} \times 30$$

| RESPONDENT LEGAL ENTITY NAME: | | | | | |
|---|---|---|---|---|---|
| **Response Page # (Respondent Completes)** | **Item Ref.** | **Section D— Technical Qualifications, Experience & Approach Items** | **Item Raw Score** | **Evaluation Factor** | **Raw Weighted Score** |
| | **D.1.1** | Detail the voluntary and involuntary network provider turnover rate (calculated as the number of provider agreements terminated divided by the total number of provider agreements) for CY 2013 and CY 2014 for (a) board-certified psychiatrists in Tennessee and (b) psychiatric inpatient hospitals in Tennessee. Report the voluntary and involuntary turnover rates separately. | | **25** | |
| | **D.1.2** | Describe how members will be able to access service when residing or traveling **outside** of Tennessee and the proposed network areas defined in *pro forma* Contract Section A.5.aa. Specify the extent to which members will receive benefits, including provider discount pricing arrangements, from your national and regional network(s).<br>NOTE: Tennessee has a small number of members who reside out of state (*e.g.*, retirees, dependents who are students and employees living in other states). | | **10** | |
| | **D.1.3** | Board-Certified Psychiatrists and Advanced Practice Psychiatric Nurses - Board Certified Network Accessibility Analysis Data. For the proposed network, conduct and submit a GeoNetworks Provider Accessibility Analysis for your participating board-certified psychiatrists, IN TENNESSEE ONLY, as required in Appendix 7.7. and 7.8. and using the State's total participant population data provided in Appendix 7.2**,** TN Zip Code Counts. | | **25** | |
| | **D.1.4** | Psychiatric Inpatient Hospital Accessibility Analysis Data. For the proposed network, conduct and submit a GeoNetworks Provider Accessibility Analysis for your participating psychiatric inpatient hospitals, IN TENNESSEE ONLY, as required in Appendix 7.8 and 7.9. and using the State's total participant population data provided in Appendix 7.2, TN Zip Code Counts. | | **25** | |
| | **D.1.5** | Outpatient Provider Disruption Analysis Data. Using the outpatient provider listing in Appendix 7.3. and following the instructions within said appendix, indicate which counselors are in the proposed as of the response date**.** | | **15** | |

| | | |
|---|---|---|
| ***The RFP Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.*** | **Total Raw Weighted Score:** ***(sum of Raw Weighted Scores above)*** | |
| **Total Raw Weighted Score** | **X 20** | |
| **Maximum Possible Raw Weighted Score** ***(i.e., 5 x the sum of item weights above)*** | ***(maximum possible score)*** **= SCORE:** | |
| ***State Use – RFP Coordinator Signature, Printed Name & Date:*** | | |

**RFP ATTACHMENT 6.3.**

## COST PROPOSAL & SCORING GUIDE

*NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED*

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

Complete every shaded cell with one (1) numerical amount having no more than two (2) digits to the right of the decimal point (e.g., "$ 9.99").
All entries must be numerical. Text is not permitted. Enter ONLY one (1) number per cell.
ALL Cost Proposal cost information and fee amounts shall be applicable regardless of the public sector plan or the benefit option (the proposal of different cost information or amounts based on these factors is NOT permitted).

Fees not identified in the Cost Proposal will not be honored by the State.

**EVERY SHADED CELL BELOW MUST BE COMPLETED WITH A NUMBER AMOUNT AS INDICATED (even if "0.00" is entered).**

**NOTICE:** If the prevailing vendor is able to achieve the State's goal of increased EAP utilization, the State has the ability to switch from a self-funded model (refer to Table A, SHEET #2) to a fully insured payment model (refer to Table B, SHEET # 2) for future EA services. The State will decide which payment method to utilize prior to each calendar year. Within Table B, SHEET # 2, the Proposer is asked to provide a fully insured EAP rate based on employees currently eligible for EA benefits (approximately 152,000 contracts).

**COST PROPOSAL XLS FORMAT SPREADSHEET FILE** (provided by the State with this RFP). One (1) Cost Proposal XLS format spreadsheet file posted here; http://www.tn.gov/generalservices contains multiple, required worksheets (spreadsheets) which must be completed (copies of the worksheets that must be completed are replicated within the following pages of this RFP attachment). The Proposer must complete **each** required worksheet within an exact duplicate of the Cost Proposal XLS spreadsheet file. **The Proposer should provide the cost proposal in a pdf format and also in XLS spreadsheet format as described in RFP Section 3.2.2.2.**

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

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

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

| | |
|---|---|
| **RESPONDENT SIGNATURE:** | |
| **PRINTED NAME & TITLE:** | |
| **DATE:** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| | TABLE A – Administrative Fees for Self-Funded BHO/EAP Model | | | | | |
|---|---|---|---|---|---|---|
| Fee Per Employee Per Month (PEPM) – NO Medical | Rates for services/benefits for employees that do not participate in the medical program (Fully Insured Active Employees and their dependents), but are only covered in the EAP 5-visit model. (Currently approximately 7,000 employees)* | | | | | State Use Only |
| | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 | Evaluation Cost (sum*12) |
| Administrative Fee per employee per month | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | |
| Fee Per Employee Per Month (PEPM) – WITH Medical | Rates for BHO/EAP services/benefits for members that participate in the medical program (Self-funded Active Employees, Retirees, COBRAs, and their dependents (currently approximately 145,000 contracts) ** | | | | | Evaluation Cost (sum*12) |
| | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 | |
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | |
| | PEPM fees should include all costs to deliver the services outlined in the Scope of Services of the RFP Attachment 6.6., Pro Forma Contract, except actual claim payments to covered persons.<br>*This rate includes both members enrolled in the medical plan (approximately 145,000) and employees eligible, yet not enrolled in the medical plan who are covered by the EAP (approximately 7,000) for a total of approximately 152,000.<br>** Services include: BHO and EAP claims processing/member services, claims fiduciary, administration/banking, account management/reporting (standard and ad hoc), member communication materials, quality assurance management, and the five (5) session EAP model. Employee education sessions/topical seminars, manager/supervisor training, critical incident debriefing and employee orientation. These services are to be provided via an annual "bank" of six hundred (600) hours that is available at the discretion of the State. Any unused hours at the end of each year will roll forward to the next year's bank, up to a maximum of three hundred (300) hours that do not expire until twelve (12) months prior to contract termination. These services are to be provided on an Administrative Services Only (ASO) basis. | | | | | |
| | **EVALUATION COST AMOUNT** (sum of evaluation costs above)**:**<br>The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. | | | | | |

| | | | | |
|---|---|---|---|---|
| **lowest evaluation cost amount from all proposals** | | **x 8 (Table A score)** | **= SCORE:** | |
| **evaluation cost amount being evaluated** | | | | |

| | TABLE B – Administrative Fees for Optional Fully Insured EAP Model |
|---|---|

| Fee Per Employee Per Month (PEPM) – EAP Services | Rates for EAP services/benefits for all employees, covered in the EAP 5-visit model.* Fully Insured Active Employees, Retirees, COBRAs, and their dependents (currently approximately 152,000 contracts) | | | | | State Use Only |
|---|---|---|---|---|---|---|
| | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 | Evaluation Cost (sum*12) |
| Administrative Fee per employee per month | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | |
| Fee Per Employee Per Month (PEPM) – BHO Services | Rates for BHO services/benefits for members** (Self-funded Active Employees, Retirees, COBRAs, and their dependents (currently approximately 145,000 contracts) ** | | | | | |
| | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 | |
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | |
| | PEPM fees should include all costs to deliver the services outlined in the Scope of Services of the RFP Attachment 6.6., Pro Forma Contract, except actual claim payments to covered persons.<br>*This rate includes both members enrolled in the medical plan (approximately 145,000) and employees eligible, yet not enrolled in the medical plan who are covered by the EAP (approximately 7,000) for a total of approximately 152,000.<br>** Services include: BHO claims processing/member services, claims fiduciary, administration/banking, account management/reporting (standard and ad hoc), member communication materials, and quality assurance management. These services are to be provided on an Administrative Services Only (ASO) basis. | | | | | |
| | **EVALUATION COST AMOUNT** (sum of evaluation costs above)**:**<br>The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. | | | | | |

| | | | | |
|---|---|---|---|---|
| **lowest evaluation cost amount from all proposals** | | **x 1 (Table B score)** | **= SCORE:** | |
| **evaluation cost amount being evaluated** | | | | |

| | TABLE C – Administrative Fees for Optional TeleBehavioral Health Services | | | | | |
|---|---|---|---|---|---|---|
| | Rates for services/benefits for the members that participate in the medical program (Self-Funded Active Employees, Retirees, COBRAs, and their dependents) (currently approximately 145,000 contracts).** | | | | | State Use Only |
| | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 | Evaluation Cost (sum*12) |
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | |
| | **EVALUATION COST AMOUNT** (sum of evaluation costs above)**:**<br>The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. | | | | | |

| | | | | |
|---|---|---|---|---|
| **lowest evaluation cost amount from all proposals** | | **x 1 (Table C score)** | **= SCORE:** | |
| **evaluation cost amount being evaluated** | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **TABLE D – Discounted Claims (Provided by State's Actuary)** *Reference Appendix 7.1, Instructions and Data Specifications. This table is to be left blank and that figures for it will be provided by the State's Actuary as a result of respondent's completion and submission of Appendix 7.1b.* | | | | | |
| **Claims** | | **State Use Only** | | | | |
| | **1/1/2017 – 12/31/2017** | **1/1/2018 – 12/31/2018** | **1/1/2019 – 12/31/2019** | **1/1/2020 – 12/31/2020** | **1/1/2021 – 12/31/2021** | **Evaluation Cost (sum*12)** |
| Discounted Claims Amount | $ | $ | $ | $ | $ | |
| | **EVALUATION COST AMOUNT** (sum of evaluation costs above)**:** The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. | | | | | |

| | | | | |
|---|---|---|---|---|
| **lowest evaluation cost amount from all proposals** | | **x 20 (Table D score)** | **= SCORE:** | |
| **evaluation cost amount being evaluated** | | | | |

| **State Use Only** **Cost Proposal Total Score** | | |
|---|---|---|
| **Table A Score** | | |
| **Table B Score** | | |
| **Table C Score** | | |
| **Table D Score** | | |
| **TOTAL SCORE:** The Solicitation Coordinator will add the scores from Table A, Table B, Table C, and Table D to determine the total Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. | **= SCORE:** | |

**RFP ATTACHMENT 6.4.**

## REFERENCE QUESTIONNAIRE

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

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

**RFP # 31786-00133 REFERENCE QUESTIONNAIRE**

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

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

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

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

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

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

| | |
|---|---|
| **NAME:** | |
| **TITLE:** | |
| **TELEPHONE #** | |
| **E-MAIL ADDRESS:** | |

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

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

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

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| **least satisfied** | | | | | | **most satisfied** |

**RFP # 31786-00133 REFERENCE QUESTIONNAIRE — PAGE 2**

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

**(5) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.**

**(6) If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.**

**(7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?**

**(8) In what areas of goods or service delivery does/did the reference subject excel?**

**(9) In what areas of goods or service delivery does/did the reference subject fall short?**

**(10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?**

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

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| **least satisfied** | | | | | | **most satisfied** |

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

**RFP # 31786-00133 REFERENCE QUESTIONNAIRE — PAGE 3**

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

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

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| **least satisfied** | | | | | | **most satisfied** |

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

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

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

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| **least satisfied** | | | | | | **most satisfied** |

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

**REFERENCE SIGNATURE:**
(by the individual completing this request for reference information)

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

**DATE:** _____

**RFP ATTACHMENT 6.5.**

## SCORE SUMMARY MATRIX

| | *RESPONDENT NAME* | | *RESPONDENT NAME* | | *RESPONDENT NAME* | |
|---|---|---|---|---|---|---|
| **GENERAL QUALIFICATIONS & EXPERIENCE** (maximum: **§ 5.1. NUMBER**) | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *REPEAT AS NECESSARY* | | | | | | |
| | **AVERAGE:** | | **AVERAGE:** | | **AVERAGE:** | |
| **TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH** (maximum: **§ 5.1. NUMBER**) | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *REPEAT AS NECESSARY* | | | | | | |
| | **AVERAGE:** | | **AVERAGE:** | | **AVERAGE:** | |
| **COST PROPOSAL** (maximum: **§ 5.1. NUMBER**) | **SCORE:** | | **SCORE:** | | **SCORE:** | |
| **TOTAL RESPONSE EVALUATION SCORE:** (maximum: **100**) | | | | | | |
| *Solicitation Coordinator Signature, Printed Name & Date:* | | | | | | |

**RFP ATTACHMENT 6.6.**

**RFP # 31786-00133 *PRO FORMA* CONTRACT**

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

# CONTRACT

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

| Begin Date | End Date | Agency Tracking # | Edison Record ID |
|---|---|---|---|
| | | | |

| Contractor Legal Entity Name | Edison Vendor ID |
|---|---|
| | |

**Goods or Services Caption** (one line only)

| Contractor | CFDA # |
|---|---|
| ☒ Contractor | |

**Funding —**

| FY | State | Federal | Interdepartmental | Other | TOTAL Contract Amount |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| **TOTAL:** | | | | | |

**Contractor Ownership Characteristics:**

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

☐ Woman Business Enterprise (WBE)

☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)

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

☐ Other:

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

| | |
|---|---|
| ☐ Competitive Selection | Describe the competitive selection process used |
| ☐ Other | Describe the selection process used and submit a Special Contract Request |

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

| Speed Chart (optional) | Account Code (optional) |
|---|---|
| | |

**CONTRACT**
**BETWEEN THE STATE OF TENNESSEE,**
**STATE INSURANCE COMMITTEE,**
**LOCAL EDUCATION INSURANCE COMMITTEE,**
**LOCAL GOVERNMENT INSURANCE COMMITTEE,**
**AND**
**CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, State Insurance Committee, Local Education Insurance Committee, and the Local Government Insurance Committee, hereinafter referred to as the ñStateò and xxxxxxxx, hereinafter referred to as the ñContractor,ò is for the provision of Employee Assistance Program (EAP) and Behavioral Health Organization (BHO) services for the Stateõs Public Sector Plans, as further defined in the "SCOPE OF SERVICES."

The Contractor is a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.
Contractor Place of Incorporation or Organization: Location
Contractor Edison Registration ID # Number

## A. SCOPE OF SERVICES

A.1. General

a. The Contractor shall provide all services and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines specified by this Contract.

b. The Contractor acknowledges the following:

(1) Self-funded, non-Federal, governmental plans may elect to "opt out" of the requirements of the Mental Health Parity and Addiction Equity Act of 2008 (Pub. L. 110-343) and certain other benefit mandates.
(2) Benefits Administration implemented the parity requirements, but it retains all rights to exercise its "opt out" election in subsequent plan years in a manner that conforms to the Federal law.

c. The Contractor shall provide Employee Assistance/Work-Life Services, as defined in Contract Section A.28 (see also Contract Section A.3.). Except as otherwise specified in the Plan Documents (as defined in Contract Section A.28), all State and Higher Education members enrolled in one of the Public Sector Plans, shall have access to a maximum of five Employee Assistance counseling sessions, per separate incident, through the Employee Assistance Program (EAP). All Employee Assistance counseling sessions for these members are provided on a fee for service basis.

d. Unless otherwise directed by the State, the Contractor shall also provide a maximum of five Employee Assistance counseling sessions, per separate incident, through the EAP to State and Higher Education employees, including eligible dependents, who are eligible for, but not enrolled in, one of the medical benefit options of the Public Sector Plans. Services for these participants are provided on a fully insured basis.

e. The Contractor shall provide Employee Assistance/Work-Life services to employees of Local Education and Local Government who are enrolled in one of the medical benefit options, and their dependents meeting the eligibility requirements of the medical benefit option. Dependents of enrolled members are not required to be enrolled in the medical benefit option to receive these services. All Employee Assistance counseling sessions for enrolled Local Government and Local Education members are provided on a fee for service basis. All Employee Assistance counseling sessions for non-enrolled dependents of an enrolled Head of Contract (HOC), are provided on a fully insured basis.

f. The Contractor shall provide behavioral health services to members, including eligible dependents, who are enrolled in one of the medical benefit options of the Public Sector Plans.

A.2. Implementation

a. The Contractorôs programs, services, and systems, including but not limited to Employee Assistance/Work-Life and Behavioral Health services, the Contractorôs call center, the Contractorôs website, and the Contractorôs claims management systems, shall be fully operational on the date specified in Contract Section A.25.

b. The Contractor shall implement the information systems and other processes required to perform all other services described herein. The Contractor shall work with the State to ensure the Contractor satisfies applicable requirements of this Contract, including requirements in the State Plan, Local Education Plan, and Local Government Plan Documents (referred to as the ñPlan Documentsò and which are located on the Stateôs website at http://www.tn.gov/finance/article/fa-benefits-publications and State and Federal law.

c. The Contractor shall have a designated full-time implementation manager who is responsible for leading and coordinating all contract implementation activities as well as a designated implementation team. Unless otherwise directed by the State, the implementation manager should be designated full-time to this implementation project through sixty (60) days after the go-live date. All other implementation team members that the Contractor referenced in its proposal to the State and reflected in Attachment F, shall be available as needed prior to and through the implementation date and available as needed at least thirty (30) days after the go-live date. The Contractorôs implementation team shall include a full-time Account Manager designated to this Contract, who will be the main contact with the State for all of the day-to-day matters relating to the implementation and ongoing operations of this Contract. Also, the Contractor shall assign an Information Systems Project Coordinator to coordinate information technology activities among the Contractor and the Stateôs existing vendors and all internal and external participating and affected entities. All of the Contractorôs implementation team members shall have participated, as team members, in the implementation of claims administration services for at least one other large employer (i.e., employer with behavioral health plans covering at least 10,000 lives).

d. All key Contractor project staff shall attend a project kick-off meeting at the State of Tennessee offices in Nashville, TN, unless otherwise agreed upon with the State, within the first twenty-one (21) days after the Contract award date.

e. The Contractor shall provide a project implementation plan to the State no later than thirty (30) days after the Contract award date. The Contractor shall maintain the plan and update it at least weekly. The plan shall be in a Microsoft Excel- or Microsoft Project-formatted file and sent to the State weekly or upon the Stateôs request.

f. The project implementation plan shall comprehensively detail all aspects of implementation, which includes all tasks with deliverable dates necessary to satisfactorily implement all Employee Assistance/Work-Life and behavioral health services no later than the go-live date specified in Contract Section A.25. The plan shall also include a description of the members on the implementation team and their roles with respect to each item/task/function. The plan shall include a detailed timeline description of all work to be performed both by the Contractor and the State. The implementation plan shall also provide specific details on the following and shall require written approval by the State:

(1) Identification, timing, and assignment of significant responsibilities and tasks;
(2) Names and titles of key implementation staff;

(3) Identification and timing of the Stateôs responsibilities;
(4) Data requirements (indicate type and format of data required);
(5) Identification and timing for the testing, acceptance and certification of exchange of data between the Contractor and the Stateôs Edison system and other relevant information systems;
(6) Identification and timing for testing and certification of claims processing and payment and the reconciliation process;
(7) Member communications and their timing (consistent with Benefits Administrationôs communication strategy);
(8) Schedule of in-person meetings and conference calls with the State;
(9) Transition requirements with the incumbent EAP/BHO Contractor.

g. The Contractor shall provide for a comprehensive operational readiness review (pre implementation audit) by the State, and/or its authorized representative, at least ninety (90) days prior to the go-live date. Such review by the State, and/or its authorized representative, may include, but not be limited to, an onsite review of the Contractorôs operational readiness for all services required in this Contract (e.g., claims processing and payment, member services, training, and website development). The review may also include desk reviews of documentation that includes but is not limited to:

(1) Policy and Procedures Manual(s);
(2) Call center scripts;
(3) Information systems documentation; and
(4) The process governing the preparation of any and all deliverables required under this Contract.

h. At its discretion, the State may conduct an additional, pre-implementation review of the Contractorôs progress towards fulfilling the information systems requirements of this Contract. Such review by the State, and/or its authorized representative, may include both onsite and desk reviews, including but not limited to staff interviews, system demonstrations, systems testing, and document review.

i. During onsite visits as part of readiness review or a pre-implementation review, the Contractor shall provide the State, and/or its authorized representative onsite workspace and access to a telephone, fax, printer, copy machine, and wireless internet connection. The Contractorôs staff members shall be freely available to the State officials to answer questions during these visits.

j. Unless otherwise directed by the State, the Contractor shall conduct status meetings with the State concerning project development, project implementation and Contractor performance at least once a week during implementation through the first month following the go-live date, with additional meetings as needed. Thereafter, all ongoing operational meetings shall be conducted on a State-specified schedule, but shall occur no less than weekly unless otherwise directed by the State. Such meetings shall be either by phone or onsite at the offices of the State, as determined by the State, and shall include the Account Manager and appropriate Contractor staff. Any costs incurred by the Contractor as a result of a meeting with the State shall be the responsibility of the Contractor.

k. No later than forty-five (45) days post-implementation, the State will complete an Implementation Performance Assessment. The Contractor will provide an assessment tool for the State to complete. This assessment will be used to document the Stateôs satisfaction with the implementation process and identify any necessary corrective action(s). The Contractor shall comply with all recommendations/requirements made in writing by the State within the timeframes specified by the State.

l. ñLessons Learnedò Debriefing. The Contractor shall conduct a self-assessment regarding implementation of this Contract, prepare a report summarizing its findings, including

success, challenges, and lessons learned, and provide an in-person debriefing, with discussion period, to the State. The report shall be provided to the State no later than the date specified in Contract Section A.25., and the debriefing shall be provided at the request of the State.

A.3. Covered Services

a. The Contractor shall provide a five (5) session, per separate incident Employee Assistance Program and Behavioral Health services.

b. The Contractor shall provide Employee Assistance/Work-Life services to all EAP-eligible members (see Appendix 7.11) that shall include at a minimum the following:

(1) Financial counseling;
(2) Legal consultation;
(3) Child/Elder care assistance;
(4) Supervisor support;
(5) Critical Incident Stress Management (CISM) services; and
(6) Employee and supervisor education and training.

c. Employee education sessions/topical seminars, manager/supervisor training, critical incident debriefing, employee orientation, and train-the-trainer sessions with State of Tennessee personnel are to be provided via an annual "bank" of 600 hours, available at the discretion of the State. Any unused hours at the end of the year will roll forward to the next year's bank, up to a maximum of 300 hours. These hours do not expire until 12 months before the termination of the contract.

d. The Contractor shall provide the services in Contract Section A.3.b.(1) through (6) in accordance with the service definitions specified in Contract Attachment D, and the Contractor shall ensure these services are provided by qualified, trained Employee Assistance/Work-Life consultants who meet, at a minimum, the qualifications and licensure/certification specified for each service in Contract Attachment D.

e. The Contractor shall submit an annual employee and supervisor education and training plan (education and training plan) for prior approval by the State. The Contractor shall submit the education and training plan for the first benefit year under this Contract by the date specified in Contract Section A.25.

f. Members shall access Employee Assistance/Work-Life services in Contract Section A.3.b. by contacting the Contractor. The State shall access CISM services by calling the Contractor. Members shall access employee and supervisor education and training as specified in the annual education and training plan prior approved in writing by the State or shall access courses requested from the Contractorôs training catalog (see Contract Section A.15.), as specified in the Stateôs request. The State shall provide at least ten (10) business daysônotice for education/training from the Contractorôs training catalog ,which is not specified in the annual education and training plan. The Contractor shall provide behavioral health services in accordance with the Plan Documents, this Contract, and State and Federal law.

g. All trainings provided by the Contractor shall include a training evaluation, printed or electronically distributed handouts, and EAP promotional material to be distributed to each attendee and produced at the Contractorôs expense.

h. The Contractor shall provide Work-Life services using, at a minimum, the following modalities:

(1) Financial counseling: Telephone, video/web conferencing, secure chat

(2) Legal consultation: Telephone, video/web conferencing (as defined in Contract Section A.28.), secure chat, and/or in-person at the attorneyôs office, as selected by the member;
(3) Child/elder care assistance: Telephone, video, secure chat
(4) Supervisor support: Telephone (with direct access to Leadership consultants), video, secure chat
(5) CISM services: Telephone and/or in-person at the worksite, as determined by the State in a specific situation; and
(6) Employee and supervisor education and training: Video/web conferencing, online via the Contractorôs website, and/or in-person as specified in the training schedule prior approved in writing by the State or, for on-demand training, as requested by the State.

i. The Contractor shall have available for all EAP eligible employees, retirees, and dependents optional telephonic EAP services, in compliance with Tennessee law and specifically Tennessee Code Annotated (T.C.A.). 63-1-155 and State of Tennessee medical Board requirements and regulations, in addition to the other standard EAP delivery methods.

j. The Contractor shall have available for implementation at the Stateôs request a TeleBehavioral Health Services benefit option that meets or exceeds Tennessee Code Annotated (T.C.A.). 63-1-155 and State of Tennessee Medical Board requirements and regulations.

A.4. Employee Assistance/Work-Life Consultants

a. The Contractor shall employ or contract for appropriately qualified and trained Employee Assistance/Work-Life consultants to provide the services specified in Contract Section A.3.b.

b. The Contractor shall have a sufficient number of qualified and trained Employee Assistance/Work-Life consultants such that members are able to speak with/be offered an appointment with a qualified and trained consultant within the following timeframes (see Contract Section A.14. Call Center):

(1) Financial counseling: Intake shall be conducted at the time of the memberôs call/request, and the member shall be offered an appointment with a financial consultant for a time within the next three (3) business days. If the member needs to complete any forms or provide written information prior to talking with a financial consultant, the member shall be offered an appointment for a time within three (3) business days after submitting the required information.
(2) Legal consultation: Intake shall be conducted at the time of the memberôs call/request, and the member shall be offered an appointment with a legal consultant (licensed attorney) for a time within the next three (3) business days. If the member needs to complete any forms or provide written information prior to talking with the attorney, the member shall be offered an appointment for a time within the next three (3) business day after submitting the required information.
(3) Child/Elder care assistance: Intake and assistance shall occur at the time of the memberôs call. If the member needs to complete any forms or provide written information prior to talking with a child/elder care consultant, the member shall be offered an appointment for the next business day after submitting the required information.
(4) Supervisor support/management coaching: Intake and support shall occur at the time of the supervisorôs call/request.

(5) Critical Incident Stress Management (CISM) services: Intake and services shall occur immediately upon State request.

(6) Employee and supervisor education and training: Education and training shall be provided in accordance with the education and training plan prior approved in writing by the State (see Contract Section A.3.d.).Education/training provided from the Contractorôs training catalog at the Stateôs request shall be provided on the date specified by the State, which shall be no earlier than ten (10) business days from the Stateôs request.

c. Upon the Stateôs request, the Contractor shall, within the timeframe specified by the State, provide in writing any actions it intends to take to correct any deficiencies in access to Employee Assistance/Work-Life services identified by the State.

d. The Contractor shall exercise due diligence and reasonable care in its selection, training, monitoring, and retention of Employee Assistance/Work-Life consultants.

e. If the Contractor contracts with any person or organization to provide Employee Assistance/Work-Life services, the Contractor shall comply with the requirements in Contract Section A.18.m.

A.5. Behavioral Health/Employee Assistance Provider Network

a. The Contractor shall provide and maintain a national provider network for this Contract that provides high quality behavioral health and employee assistance services and includes a full spectrum and adequate number of behavioral health providers that provides adequate geographic and service access to members primarily located throughout the State of Tennessee.

b. The Contractorôs behavioral health provider network shall include appropriately licensed and credentialed behavioral health practitioners, including, but not limited to, psychiatrists, including addiction psychiatrists (70% of the Contractorôs network psychiatrists shall be board certified), Advanced Practice Psychiatric Nurses -Board Certified (70% of the Contractorôs network Advanced Practice Psychiatric Nurses shall be board certified), licensed psychologists, licensed clinical social workers (LCSWs), licensed marital and family therapists (LMFTs), licensed professional counselors (LPCs), Substance Abuse Professionals (SAPs), and drug and alcohol counselors representative of the culture, race, sex and age of the population to be served. The Contractorôs network shall also include a sufficient selection of licensed and credentialed programs and facilities (acute, residential, intensive outpatient, detoxification facilities and other necessary programs and services) in the network to provide access to behavioral health services. The Contractorôs network shall include providers with expertise related to domestic violence, sex addiction, eating disorders/body image disorders, and gambling addiction, as well as substance abuse providers that provide detoxification for adolescents.

c. For the state employee onsite clinic (ParTNers Health and Wellness Center), the Contractor shall include the onsite clinic/behavioral health provider in its provider network, subject to the clinicôs/providerôs compliance with the Contractorôs network provider requirements, which shall be no more stringent than the requirements for a comparable provider. The State shall not require the Contractor to provide or arrange for a behavioral health practitioner to provide services at a state employee onsite clinic.

d. The Contractor shall ensure that all Employee Assistance network practitioners have knowledge of and training in short term, solution focused therapeutic modalities. A minimum of 5% of the Contractorôs Employee Assistance Network shall be Certified Employee Assistance Professionals.

e. The Contractorâs behavioral health provider network shall meet, at minimum, the geographic access standards specified in Contract Attachment B.8., Liquidated Damages.

f. The Contractor shall maintain a sufficiently extensive and accessible behavioral health provider network such that members are able to schedule and receive appointments from a geographically-accessible provider within the following appointment standards Monday through Friday, 7:00 A.M. to 7:00 P.M. Central Time:

(1) Emergency/crisis service: four (4) hours
(2) Urgent visit: twenty-four (24) hours
(3) Routine/Initial visit: seventy two (72) hours

g. The Contractor shall submit a quarterly report to the State regarding appointment standards, including monitoring activities, findings, and corrective actions (see Contract Attachment C., Report # 3).

h. When requested by the State, the Contractor shall, within the timeframe specified by the State, submit a report to the State identifying any actions it intends to take to correct any access deficiencies identified in reports to the State or otherwise identified by the State (see Contract Attachment C, Report # 5).

i. The Contractor shall notify the State of any operations or plans to implement value oriented payments where provider payments are differentiated based on quality and/or efficiency. Examples of such payments include, but are not limited to, incentive payments (e.g. pay for performance), enhanced or reduced reimbursement, capitation, and reference pricing. The Contactor shall not implement such value oriented provider payments without prior approval from the State.

j. The Contractor shall report descriptive information and data about its value oriented provider payments in sufficient detail to enable the State to make an approval determination as well as adequately monitor the Contractorâs program and billings following approval. The information that may be requested shall include, but not be limited to, the following:

(1) The type(s) of arrangements, such as, withholds, bonus, capitation;
(2) The percent of any withhold or bonus the plan uses;
(3) The patient panel size and, if the plan uses pooling, the pooling method; and
(4) The projected financial impact to the plan as a result of the program.

k. The Contractor shall ensure that no specific payment be made directly or indirectly to a provider or behavioral health organization as an inducement to reduce or limit medically necessary services furnished to an individual.

l. Covered behavioral health services received through network behavioral health providers located in states contiguous to the State of Tennessee shall be consistent with covered behavioral health services provided through network providers located in Tennessee. The Contractor shall include in its provider network behavioral health providers located in the following statistical areas, as defined by the U.S. Office of Management and Budget (OMB):

- Alabama ï Huntsville Metropolitan Statistical Area (MSA); Scottsboro Micropolitan Statistical Area, Decatur MSA, Florence-Muscle Shoals MSA Arkansas and Mississippiï Memphis Metropolitan Statistical Area (MSA); Memphis-Forrest City Combined Statistical Area
- Georgia ï Chattanooga/Cleveland/Dalton Combined Statistical Area

- Kentucky ï Clarksville MSA; Bowling Green MSA, Union City, TN - KY Micropolitan Statistical Area; Murray, KY Micropolitan Statistical Area
- North Carolina ï Asheville/Brevard Combined Statistical Area; Boone Micropolitan Statistical Area Virginia ï Johnson City/Kingsport/Bristol Combined Statistical Area

m. The Contractor shall submit a quarterly network changes update report to the State by the twentieth (20th) business day of the end of each quarter that includes any changes in the Contractorôs behavioral health provider network, including whether a provider is accepting members as new patients The report shall include behavioral health provider turnover, both the Contractorôs voluntary and involuntary turnover rate by provider type. (see Contract Attachment C, Report # 4).

n. Unless otherwise directed by the State, the Contractor shall notify the State in writing of any termination of any network provider of inpatient care (as defined in Contract Section A.28), any network psychiatrist, or any other provider if termination of that provider jeopardizes the Contractorôs compliance with the access standards (e.g., geographic access and appointment standards), regardless of whether the termination was initiated by the Contractor or the provider, within one (1) business day of becoming aware of the termination.

o. For any provider termination, regardless of the type of provider, the Contractor shall provide written notice to the State and members who received treatment from the provider within the previous twelve (12) months. The notice shall include the providerôs name and the effective date of the termination and shall offer assistance with finding a new provider, including the option to call the Contractorôs toll-free number or access the provider directory on the Contractorôs website, as well as with transitioning to a new provider. The Contractor shall mail the notice to members no less than thirty (30) calendar days prior to the effective date of the termination. The contractor shall notify members upon becoming aware of the provider termination, as soon as possible and within a timeline agreed upon by the State, if the termination date is fewer than thirty (30) days away.

p. The Contractor shall assist members with chronic or acute behavioral health conditions in transitioning to another provider when there is a change in provider that is not initiated by the member. If the change is due to provider termination for any reason other than quality concerns or provider is ceasing their practice, the Contractor shall provide continuation of the terminated provider for ninety (90) days or until the member can be reasonably transferred to a network provider without disruption of care, whichever is less.

q. Provider directories of the national EAP and behavioral health network are to be available online. The online directories shall be available by November 1, 2016, or before and continuously updated throughout the term of this Contract. The provider directory shall include provider name, areas of expertise, sex, race, ethnicity, languages spoken, address, and phone number and shall be organized by county and type of service provided. The Contractor shall ensure that the member informational material complies with the branding and written materials requirements in Contract Section A.15.

r. The Contractor shall maintain the capability to respond to inquiries from members concerning participation by providers in the behavioral health network, by service, area of expertise (e.g., whether the provider offers short term, solution focused therapy), the language(s) spoken by the provider, the providerôs sex, race, and ethnicity, and the zip codes or counties where the provider renders services. Such capability shall be through the call center (see Contract Section A.14.) and an up-to-date web-based directory of providers on its website/portal (see Contract Section A.16.) that includes provider search capability deemed acceptable by the State. The online provider directory shall accurately reflect network providers who have joined or ceased participation in the network in the past fifteen (15) calendar days and whether or not the provider is accepting members as

new patients. The Contractor shall provide the online provider directory on its website/portal on or before November 1, 2016.

s. The Contractor shall provide the State with GeoNetworks® reports on a semi-annual (twice a year, after the first and third quarters) basis showing service and geographic access to behavioral health providers (see Contract Attachments B.8. and C, Report # 5). For the first report, and subsequent reports if so directed by the State, the Contractor shall submit two versions of the reports; one mapping to all network behavioral health providers and one mapping to network behavioral health providers that are accepting members as new patients. The State shall review the reports and inform the Contractor in writing of any deficiencies. The Contractor shall develop and implement an action plan to correct deficiencies. The State reserves the right to review the action plan and require changes, where appropriate.

t. The Contractor shall exercise due diligence and reasonable care in its selection, credentialing, re-credentialing, monitoring, and retention of each network behavioral health provider. The Contractor shall contract only with providers who are duly licensed to provide applicable behavioral health services and shall require that all providers maintain all licenses and accreditations in existence at the time of selection as a network provider in order to continue their status as a network provider. The Contractor shall perform on a continuous basis appropriate provider credentialing that assures the quality of network providers. The Contractorôs credentialing policies shall include clearly defined and documented procedures for assessing providersôqualifications and practice history. The Contractor shall complete processes necessary to reconfirm the licensure, accreditations, credentials, and standing of network providers no less frequently than every three (3) years. The Contractorôs re-credentialing process shall take into consideration the review of historical information on member complaints and satisfaction, participation and adherence to utilization management criteria and procedures, and performance in relation to applicable protocols. The Contractor shall initiate a corrective action plan to address any performance deficiencies.

u. The Contractor shall maintain face-to-face, telephonic, electronic, and written communication with network providers to ensure a high degree of continuity in the provider network and ensure that the providers are familiar with applicable requirements.

v. The Contractor shall require all network behavioral health providers to file claims associated with their services directly with the Contractor on behalf of members.

w. The Contractor shall notify the State in writing, at least thirty (30) days prior to any material adjustments in any behavioral health providerôs payment terms, including but not limited to provider fee schedules, contract rates, other provider payment arrangements, discounts, rebates, refunds, or credits negotiated with the provider. The notice shall include the name of the providers, the provider type, the amount of the adjustments, and the projected impact of the adjustments on annual claims payments by the State.

x. The Contractor shall notify all network behavioral health providers of, and enforce compliance with, all provisions relating to utilization management and other procedures as required for participation in the Contractorôs provider network. The Contractor shall hold members harmless and require providers to hold members harmless for provider non-compliance with utilization management procedures.

y. In no case shall network providers balance bill for covered services. Rather, the memberôs liability shall be limited to the allowable member cost-sharing.

z. If the Contractor is unable to deliver covered behavioral health services through network providers, the Contractor shall arrange and pay for such services to be rendered by out-of-network behavioral health providers. When the Contractor arranges for covered services to be provided through an out-of-network provider, the memberôs financial liability shall be limited to any cost-sharing that would have applied had the service been

rendered by a network provider (e.g., in-network co-insurance percentage and in-network deductible amount). Balance billing is prohibited. The Contractor shall report to the State on a monthly basis all unique care exception requests and whether they were granted or denied (see Contract Attachment C, Report # 6).

aa. The Contractor shall maintain a national network of Employee Assistance/Work-Life Providers and Behavioral Health providers. The Contractor shall report to the State on a quarterly basis all out-of-service area requests for out-of-state members and whether they were granted or denied (see Contract Attachment C, Report # 7).

A.6. Utilization Management for Behavioral Health Services

a. Unless otherwise directed by the State, the Contractor shall maintain a utilization management function designed to help individual members secure the most appropriate level of care consistent with their behavioral health condition and needs. In carrying out this function, the Contractor shall provide a system for reviewing the appropriateness and medical necessity of inpatient and certain outpatient behavioral health services and for prior authorizing these services. The Contractorôs utilization management program shall, at a minimum, meet Utilization Review Accreditation Commission (URAC)ôs most current Health Utilization Management (HUM) standards; regardless of whether the Contractor is currently accredited by URAC (see Contract Section A.8.l.).

b. The Contractor shall provide both short and long term utilization management services based on evidence-based formal written clinical guidelines utilized by experienced mental health and substance abuse clinicians for the entire term of contract. Should these clinical guidelines be revised, the Contractor shall notify the State thirty (30) days prior to the implementation of any revisions. In addition, the Contractor shall provide a report outlining the impact of the proposed changes on the program. Utilization management shall further consist of the following, when appropriate as determined on a case by case basis:

(1) Discussions between the Contractorôs clinical staff and appropriate combination(s) of: the patient, the patientôs family, and the attending provider(s);
(2) Development of alternative treatment plans when benefit coverage is no longer available;
(3) Consultation and review of all records by board certified specialty matched psychiatric advisors, in cases where peer-to-peer review leads to disagreements regarding medical necessity or appropriateness of care;
(4) Provisions for periodic onsite visits by utilization and case management clinical staff to high volume and non-compliant providers, in order to continually improve the efficiency and effectiveness of these services.

c. The Contractor shall have in place an effective process that identifies and manages members in need of inpatient care (as defined in Contract Section A.28.). This shall include:

(1) Identification of patients in need of inpatient care for the purpose of reviewing the level of care requested, determining the extent of care required, and identifying appropriate additional or alternative services as needed; this shall include admission review, or the pre-certification/authorization of inpatient care.
(2) Concurrent review during the course of a patientôs inpatient care stay, where qualified utilization management staff coordinates care with the facilityôs staff and patientsôproviders; this shall include review of the continued stay and identification of medical necessity for stays as well as available alternatives.
(3) Discharge planning, providing a process by which the Contractorôs utilization management staff work with the facility, patientôs providers, patientôs family, appropriate State vendors (as defined in Contract Section A.28.), and appropriate community resources to coordinate discharge and post-discharge needs of the patient and reduce the likelihood of readmission.

(4) Retrospective review of emergency inpatient care admissions within twenty-four (24) hours in order to determine medical necessity for the service.

d. The Contractor shall require prior authorization for certain outpatient behavioral health services including, but not limited to, applied behavioral analysis, transcranial magnetic stimulation, electroconvulsive therapy, psychological testing, and other behavioral health services as determined by the Contractorâs clinical staff.

e. If the Contractor determines that a covered service being provided to a member is no longer medically necessary, but the provider continues to render the service, the provider shall not charge the member for the non-authorized services unless: (a) prior to continuing the service beyond what was authorized by the Contractor, the provider gives the member an individualized notice that clearly states that the member will soon exceed his/her authorized services, provides the estimated cost for services that will not be covered by the Contractor (which shall not exceed the providerâs contract rate; see Contract Section A.9.i.), and gives the member the option to continue or discontinue the service; and (b) the notice is signed and dated by the member prior to continuing the service beyond the authorized amount but no more than one week prior to the date of service for which the provider is seeking payment. The Contractor shall develop a notice template, which shall be prior approved by the State, and shall provide copies of the notice template to providers. The Contractor shall submit the notice to the State by the date specified in Contract Section A.25.

f. The Contractor shall provide retrospective utilization review to identify provider practice patterns that are inconsistent with accepted clinical protocols, practice and standards. The Contractor shall take corrective action to address identified issues (see Contract Section A.5.t.).

g. The Contractor shall collaborate with the State and its vendors to develop a discharge planning and notification protocol. Consistent with this protocol, the Contractor may ensure that network providers complete a written discharge plan (including, for example, the dates of admission and discharge, follow-up care required, secured appointment date and time with outpatient behavioral health provider, and current medications) prior to the discharge of, at a minimum, any member who is being discharged from inpatient care (as defined in Contract Section A.28.).

h. The Contractorâs utilization management (UM) reviewers shall be appropriately qualified, licensed, and trained behavioral health professionals who are familiar with the terms of the Plan Documents.

i. Unless otherwise directed by the State, the Contractor shall adhere to the following standards for timeliness of utilization management (UM) decision making:

(1) For non-urgent pre-certification or prior authorization decisions, the Contractor shall make the decision within fifteen (15) calendar days of receipt of the request;
(2) For urgent prior authorization decisions, the Contractor shall make the decision within seventy-two (72) hours of receipt of the request;
(3) For urgent pre-certification or concurrent review decisions, the Contractor shall make the decision within twenty-four (24) hours of receipt of the request; and
(4) For retroactive decisions, the Contractor shall make the decision within thirty (30) calendar days of receipt of the request.

j. If the Contractor is missing any information necessary to make a pre-certification, prior authorization, or concurrent review decision, the Contractor shall immediately contact the provider by phone or email to obtain the missing information. If the information is still missing one (1) business day after contacting the provider, the Contractor shall make at least one follow-up contact by phone or email to obtain the missing information.

k. The Contractor shall have an electronic utilization management system that contains complete (i.e., sufficient to accurately portray the events of the review during an independent medical audit of the utilization management record) documentation of the review process by capturing administrative and clinical data as well as clinical notes by the UM staff.

l. The Contractor shall use protocols that are diagnosis/procedure-specific, consistent with efficient medical practices, and that provide qualified reviewers with guidelines regarding the type of care that is indicated during each day of treatment. Psychiatrists and other behavioral health professionals shall be actively involved in the review process in accordance with industry standards. Any provision of the Plan Documents and any protocol adopted by Benefits Administration shall take precedence over any protocol used by the Contractor.

m. The Contractor shall maintain a comprehensive internal audit program for utilization management services and shall take prompt corrective action to correct any deficiencies or quality of care issues.

n. The Contractor shall submit to the State, by the date specified in Contract Section A.25., a description of its utilization management program, evaluation methodology, and audit plan. The State reserves the right to review these documents and require changes, where appropriate. The Contractor shall notify the State, in writing, within thirty (30) days of any significant changes to its utilization management program. The State reserves the right to review the change and require changes, where appropriate.

o. The Contractor shall provide a written report to the State on a quarterly basis regarding the utilization of services and the demonstrated effectiveness of its utilization management program (see Contract Attachment C, Report # 8).

p. If applicable based on contract award, the Contractor shall transition members receiving services from the incumbent EAP/BHO Contractor, as follows:

(1) For members receiving inpatient care (as defined in Contract Section A.28.) as of midnight on December 31, 2016, the incumbent EAP/BHO Contractor shall be responsible for payment of claims and continuation of coverage until the patient is discharged to a different level of care. The Contractor shall coordinate with the incumbent Contractor in identifying these patients and developing a discharge plan.

(2) For members authorized to receive inpatient or outpatient behavioral health services on or after January 1, 2017, the Contractor shall be responsible for payments of claims and continuation of coverage for the authorized services, regardless of whether the services are provided by network or out-of-network providers, for the period authorized by the incumbent EAP/BHO or ninety (90) days, whichever is less. However, the Contractor may require prior authorization or concurrent review (as applicable) for continuation of services beyond thirty (30) days. The Contractor shall coordinate with the incumbent Contractor in identifying these members and receiving authorization information.

(3) The Contractor shall provide inpatient coverage upon termination of this contract in accordance with Contract Section A.9.kk.

A.7. Specialized Case Management

a. The Contractor shall provide specialized case management services through its staff who are experienced Mastersô or PhD level clinicians with a minimum of five (5) years of experience in mental health and/or substance abuse treatment, including two (2) years with mental health and/or substance abuse case management. The Contractor shall provide appropriate clinical supervision of case managers, including medical review of all alternative treatment plans for specific patients.

b. The Contractor shall provide two specialized case managers acceptable to the State and dedicated to the Public Sector Plans. At least one of the case managers shall be located in the Nashville, Tennessee vicinity, at a location arranged for and supplied by the Contractor. The State's expectation is for the Nashville vicinity based case manager to be highly knowledgeable about both behavioral health resources as well as behavioral health integration in primary care.

c. Case managers shall provide the following services:

(1) Patient advocacy;
(2) Twice monthly meetings with the medical Third Party Administrator case managers in order to facilitate behavioral health integration, additional referrals, and overall collaboration, unless otherwise directed.
(3) Clinical coordination of care and services for high risk members requiring or admitted to facility-based care;
(4) Telephonic, electronic, and onsite visits, when necessary in order to ensure the quality, effectiveness, and appropriateness of treatment and discharge planning;
(5) Consultations with the patient (if clinically appropriate), family and attending provider;
(6) Development of alternative treatment plans, where benefit coverage allows flexibility in determining the most clinically appropriate, cost-effective alternative treatment for the member;
(7) Participation, as necessary, in the appeals process (see Contract Section A.13.); and
(8) Coordination of care with medical Third Party Administrator (TPA) providers, Pharmacy Benefit Manager (PBM), Health Management/Wellness Vendor (HM/W), and other appropriate State vendors (as defined in Contract Section A.28.).

d. Unless otherwise directed by the State, the Contractor shall identify members for specialized case management through referral (including self-referral), prior authorization, review of medical, behavioral, and pharmacy claims data, and review of other data maintained by the Contractor.

e. The Contractor shall develop criteria to identify members appropriate for specialized case management, which may include members who have a serious or persistent mental illness or who have had an inpatient admission for a behavioral health condition within the past two (2) years and meet additional criteria, which may include the following:

(1) The member is an adolescent;
(2) The member has co-occurring (physical health and mental health or substance abuse) disorders;
(3) The member had an inpatient readmission within sixty (60) days of discharge;
(4) The member had a mental health or substance abuse admission during the previous twelve (12) months;
(5) The member is expected to generate $15,000 or more in claims; or
(6) The member is over sixty (60) years of age.

f. The Contractor's specialized case managers shall work with the member, medical TPA providers, primary caregivers, the Health Management/Wellness (HM/W) vendor (as defined in Contract Section A.28.), and other State vendors to coordinate the most appropriate, cost-effective care settings.

g. The Contractor shall submit a description of its case management program to the State by the date specified in Contract Section A.25. The State reserves the right to review the description and require changes. The Contractor shall notify the State, in writing, thirty (30) days prior to any significant changes to the program. The State reserves the right to review the proposed change(s) and require revisions.

h. The Contractor shall provide a written report to the State on a quarterly basis regarding the utilization of case management services, including but not limited to the number of hours of case management provided and the number of members receiving case management (see Contract Attachment C).

A.8. Quality Assurance Program

a. The Contractor shall maintain a comprehensive quality assurance program that prospectively, concurrently and retrospectively ensures the quality of care provided by network providers as well as the quality of services provided by both network providers and the Contractor.

b. The Contractorôs quality assurance program shall, at a minimum, meet National Committee for Quality Assurance (NCQA)ôs quality management and quality assurance (QA) standards as specified in the most recent ñStandards and Guidelines for the Accreditation of Managed Behavioral Health Organizations (MBHOs),òregardless of whether the Contractor is currently accredited by NCQA (see Contract Section A.8.j.).

c. The Contractor shall adopt and implement evidence-based clinical practice guidelines, protocols or pathways incorporating national criteria and local provider input as appropriate. Any provision of the Plan Documents and any guideline, protocol, or pathway adopted by Benefits Administration shall take precedence over any guideline, protocol, or pathway used by the Contractor. The Contractorôs website/portal (see Contract Section A.16.) shall contain all such guidelines, protocols, or pathways that are applicable to the Public Sector Plans.

d. The Contractor shall create and make available a behavioral health toolkit for primary care medical providers. This multifaceted toolkit will be available via the contractorôs responsive web design website as well as printed copies that can be sent to any network provider requesting the information. The Contractor shall distribute material to providers within ten (10) business days of the request. The Contractor shall be responsible for the printing and distribution of these materials. The Contractor shall ensure that all materials comply with the branding and written materials requirements in Contract Section A.15.

At a minimum, this toolkit shall include:

(1) Evidenced based clinical care guidelines for depression, anxiety, post-traumatic stress disorder, attention deficient hyperactivity disorder, autism and autism spectrum disorder.
(2) Simple instructions on how to make a referral to an EAP or behavioral health provider.
(3) Medication therapy options including dosage forms, recommended starting dose, FDA maximum daily dose, and monthly cost all consistent with the Psychotropic Medication Guidelines specified in A.8.e.
(4) Informational handouts developed to be distributed directly to members.

e. Psychotropic Medication Guidelines.

(1) The Contractor shall adopt and implement evidence-based clinical practice guidelines for prescribing and monitoring psychotropic medications and shall review these guidelines at least annually.
(2) The guidelines shall address, at a minimum, drug-drug interactions, excessive/sub-therapeutic dosing, and over/under utilization.
(3) The Contractor shall adopt and implement standardized measurement and reporting on network provider prescribing patterns and compliance with the Contractorôs guidelines.
(4) The Contractor shall conduct an annual performance assessment of network providersôperformance measured against the guidelines.

(5) The Contractor shall provide the State with an annual report summarizing the Contractorôs monitoring activity, findings, best practices, and any corrective action to improve provider compliance with the guidelines (see Contract Attachment C, Report # 31).

f. Substance Abuse Outreach Program

(1) Unless otherwise directed by the State, the Contractor shall implement a project to monitor and identify areas of potential risks with our membersôopioid prescription activity. The Contractor shall analyze claims data from the Pharmacy Benefits Manager (PBM) (as defined in Contract Section A.28.), provider network information from each medical TPA, as well as other relevant data on a bi-weekly basis to identify members who may be dealing with untreated opioid addiction. This program shall provide medical providers with prescription, behavioral health, and substance abuse information as applicable for their patients who are prescribed opioids and/or benzodiazepines and who may be at risk for adverse reactions due to high doses, combinations of medications, or doctor shopping behavior. The Contractor shall provide the information to the prescriber directly and issue outreach calls and/or office consultations, allowing for frequent, crucial data sharing and clinical interventions as needed. Additionally, the Contractor shall offer the provider access to the BHOôs educational information and clinical services to assist the provider in providing safe and effective treatment.

(2) The Contractorôs program shall, at a minimum, include telephonic based consultations and education information for prescribers. The Contractor shall, upon written direction from the State, work in coordination with the Stateôs Pharmacy Benefits Managerôs substance abuse program to insure that provider outreach is not duplicated. A minimum of eighty-five percent (85%) of identified providers are to receive an outreach call and/or in-office consultations each month. The Contractor shall update the identified provider list monthly for the duration of the contract. The Contractor shall report quarterly results to the State (see Contract Attachment C, Report # 10).

g. The Contractor shall maintain standards and protocols for tracking all incidents/potential issues with network providers (e.g., member complaints, irregular billing practices, and quality of care issues). In addition to responding to each incident/issue, the Contractor shall initiate a provider review when the number of incidents/issues reaches a threshold defined in advance by the Contractor. The Contractor shall specify the content of this review, which may range from medical chart audits to an outcomes analysis. The Contractor shall submit a quarterly report to the State on its tracking activities and findings. The report shall include the information specified by the State, including but not limited to information on the incidents/issues identified by the Contractor, the Contractorôs response to incidents/issues, any provider reviews conducted by the Contractor, and the results of the reviews, including any corrective action. (See Contract Attachment C, Report # 11)

h. Whenever the Contractor identifies a potential quality of service or quality of care issue, the Contractor shall conduct appropriate follow-up, including taking corrective action as necessary to remedy a deficiency.

i. The Contractor shall work with the State to identify three (3) to five (5) topics/areas of focus supporting quality improvement and determine the appropriate metrics for measuring the Contractorôs performance in these areas, including the methodology for each metric. The Contractor shall conduct an annual evaluation of its performance on the specified metrics and shall submit an annual report to the State summarizing the results of the evaluation and identifying any activities the Contractor will/has taken to improve its performance, including any provider interventions (see Contract Attachment C, Report # 12).

j. The Contractorôs managed behavioral health product for this Contract shall be fully accredited by NCQA, and the Contractorôs utilization management program for this Contract shall be fully accredited by URAC. If the Contractor meets this requirement as of the start date of this Contract, the Contractor shall maintain such accreditation throughout the period of this Contract. If the Contractor does not currently meet this requirement, the Contractor shall obtain such accreditation by December 31, 2017 (or a later date as specified by the State) and shall maintain it thereafter throughout the period of this Contract. If the Contractorôs managed behavioral health product is not NCQA accredited or its utilization management program is not URAC accredited as of the start date of this Contract, the Contractor shall develop and implement a work plan including the accreditation schedule, approved by the State, to obtain the applicable accreditation(s) by the date specified in Contract Section A.25.

k. The Contractor shall submit to the State, at least one (1) month prior to the go-live date, a summary report of its quality assurance program. The State reserves the right to review the program documents and require changes, where appropriate. The Contractor shall notify the State, in writing, within thirty (30) days of any significant changes to its quality assurance program. The State reserves the right to review the change and require changes, where appropriate (see Contract Attachment C, Report numbers 14, 15, and 16).

l. Depression Care in Primary Care. Unless otherwise directed by the State, the Contractor shall implement a depression care program focused on members dealing with a chronic disease and who are receiving care for depression in the primary care setting. Analyzing medical claims and pharmacy data, the Contractor shall collaborate with the Stateôs various other vendor partners to identify qualifying members. For budgeting purposes, the Contractor should plan on a minimum of two hundred and fifty (250) members participating in this program on an annual basis.

The Contractor shall implement a disease management program to address this population. The program will supplement primary care services with brief web-based screening and, for employees who are qualified for the program, a series of telephonic mental health and functional improvement interventions. The intervention shall be provided by a masterôs level, licensed mental health professional. If successful, the program will increase screening rates for depression and, for those who screen-in for depression care, improve both their clinical outcomes and their subjective experience of care. The goal of the program is to: 1) improve the quality of primary care for employees with clinical depression, some of whom may not be diagnosed and/or treated; and 2) reduce the costs of unnecessary medical care. Key program components include evidenced based care, cognitive behavioral interventions, using technology to screen and interact with members in the program, and keeping primary care providers informed of referred membersôprogress in the program. Unless otherwise directed by the State, the Contractor shall report quarterly results to the State (see Contract Attachment C, Report # 29).

m. The Contractor shall use the Workplace Outcome Suite Cluster II measurement tool, or another valid and reliable measurement tool approved by the State to demonstrate the impact of all EAP interventions. Unless otherwise directed by the State, the Contractor shall report quarterly results to the State (see Contract Attachment C, Report # 30).

A.9. <u>Claims Processing, Payment and Reconciliation</u>

a. The Contractor shall operate a claims management system that tracks accumulations toward deductibles, tracks co-payments and co-insurance amounts and appropriately links claim history, enrollment information, call center, provider network, and utilization management information. This shall include the daily electronic exchange of member-level deductible and maximum out-of-pocket accumulator data with each of the medical TPAs. This shall include the daily electronic exchange of member-level deductible and

maximum out-of-pocket accumulator data with the Pharmacy vendor, medical TPAs and any other State contracted vendors as needed.

b. Claim Processing Standards

(1) Unless otherwise specified by the State, the claims management system shall automatically adjudicate no less than eighty percent (80%) of clean claims, i.e., without recourse to manual or other calculation methods external to the system.
(2) The Contractor shall process, including reimbursement of network providers for paid claims, within twenty-one (21) calendar days for ninety-eight percent (98%) or higher of all clean claims.
(3) The Contractor shall complete ninety-five percent (95%) of all claim adjustments within seven (7) calendar days.
(4) An incomplete claim may be resubmitted with the information necessary to complete the claim. This resubmission shall constitute a new claim only for the purpose of establishing a timeframe for claims processing and payment.

c. The Contractorôs claims management system shall be able to receive and process (i.e., without subsequent data entry) practitioner and facility claim submissions electronically.

d. The Contractorôs claims management system shall retain claim history on-line for at least two (2) years (This does not limit the Contractorôs obligations to retain all records in accordance with Contract Section D.11.).

e. The Contractor shall test the accuracy of automated features of the claims management system (e.g., deductible calculation) at least twice a year as part of its internal audit program.

f. The Contractor shall use a clinical edit software program that automatically evaluates all claims for medical bills involving the use of current ICD-10 (International Classification of Diseases, 10th Edition/Revision) and CPT/ (Current Procedural Terminology) HCPCS (Healthcare Common Procedure Coding System.) codes. Clinical claim review software shall be updated no less than once every year, and all changes and new codes shall be incorporated by the Contractor within thirty (30) days of the change becoming effective.

g. The Contractorôs claims management system shall automatically price network claims using current network provider rate information. The claims management system shall store network provider information to determine provider status and reimbursement for claims from network providers. Network provider rate information shall be updated in the claims management system according to the following standards:

(1) 90% of network providers shall be updated within fifteen (15) days of the execution of the provider agreement.

(2) 100% of network providers shall be updated within thirty (30) days of the execution of the provider agreement unless additional information is needed from the provider.

h. The Contractorôs call center staff shall have access to claims management and other systems as necessary to respond to calls.

i. The Contractor shall process all claims for covered benefits provided to members in strict accordance with the Public Sector plan documents, applicable Contractor policies and procedures, in compliance with all applicable state and federal laws, rules and regulations and the terms of this contract including, but not limited to, timely filing. The Contractor shall not modify covered benefits during the term of this Contract without the prior written approval of the State.

j. Upon request by the State, the Contractor shall modify its systems and processes to reflect approved plan design changes, including but not limited to changes in covered services, scope of covered services, and cost-sharing, to the Public Sector Plan(s) within sixty (60) days of notification by the State. Should said change(s) not be effective within sixty (60) days, the Contractor shall have until the effective date of the change to modify its systems and processes.

k. The Contractor shall ensure claims submitted by network providers are paperless for the members. The Contractorâs agreement with providers shall require network providers to submit claims directly to the Contractor.

l. The Contractor shall process claims, either filed directly by members and/or provider(s), in an accurate and timely manner and in accordance with the requirements in Contract Attachment B.17. The Contractor shall submit to the State, at least one (1) month prior to the go-live date, a summary of its methodology for conducting internal claims audits, including audits to determine claims payment and processing accuracy and claims payment turnaround. The State reserves the right to review the methodology and require changes, where appropriate. The Contractor shall notify the State in writing at least thirty (30) days in advance of any significant changes to its methodology. The State reserves the right to review the change and require changes, where appropriate. The Contractor shall submit its audit methodology with each applicable performance measure report (see Contract Attachment B., 14-18 and Contract Attachment C, Reports # 18- 21).

m. The Contractor shall confirm eligibility of each member as claims are submitted, on the basis of the enrollment information provided by the State, which applies to the period during which the charges were incurred.

n. In concert with its claims payment cycle, the Contractor shall provide an electronic remittance advice (RA) to the provider indicating the disposition of every adjudicated claim submitted by providers. The remittance advice shall contain appropriate explanatory remarks related to payment or denial of each claim. If a claim is partially or totally denied due to insufficient information and/or documentation, then the remittance advice shall specify all such information and/or documentation. Providers that do not have the capability of receiving an RA electronically may have one mailed to them.

o. Explanation of Benefits (EOB). The Contractor shall generate and mail an EOB to the member each time the Contractor processes a claim submitted by the member. The Contractor shall mail the EOB within five (5) business days of processing the claim. The Contractor shall have a process in place to accept an alternative mailing address from the member for the EOB should the member have a safety or confidentiality concern. The EOB format and text shall be prior approved in writing by the State and shall include but not be limited to the identification number of the head-of-contract (if applicable), the patient name, and for each claim: the date the Contractor received the claim, the date the Contractor adjudicated the claim, the claim number, the date of service, the provider name, the Contractorâs contact information, submitted charges, total amount paid by the Contractor to the provider, the amount paid by a second insurance carrier, the amount the member owes the provider (any applicable co-payment/co-insurance and non-covered services), the deductible amount, the co-payment/co-insurance amount, any non-covered amount, the out-of-pocket amounts paid for the year, how to file an appeal, and a notice that if the member owes any amount, other than applicable cost-sharing, for emergency or urgent care services received from an out-of-network provider, the member should contact the Contractor. The EOB format and text shall be prior approved in writing by the State and shall include information similar to the EOB for provider-submitted claims but tailored to member-submitted claims. The Contractor may substitute an electronic EOB if requested or approved by the member.

p. If a member receives a covered benefit from a network provider, the providerâs contract rate shall be used to determine the memberâs applicable cost-sharing amount, and the member shall not be responsible for payment in excess of that amount. In addition, if a

member receives a behavioral health service that is a covered benefit from a network provider but the claim for the service is denied as ineligible for payment (e.g., because it was treatment for a pre-existing condition, the service exceeded the applicable service limitation, the service was not medically necessary, or the service was subject to prior authorization and was not approved by the Contractor) the member shall not be responsible for payment to the provider in excess of the providerôs contract rate. (See also Contract Sections A.5.y and A.5.z.)

q. The Contractor shall only pay claims for covered behavioral health services provided to eligible members and provided in accordance with the Contractorôs utilization management and other applicable requirements within the Plan Documents.

r. The Contractor shall not pay for services that result from a referral prohibited by Section 1877 of the Social Security Act (Limitation on Certain Physician Referrals).

s. The Contractor shall not pay for preventable events and conditions, e.g., hospital-acquired conditions, identified as non-payable by Medicare. In addition, as directed by the State, the Contractor shall not pay for other preventable events and conditions identified as non-payable by other Federal or state payers.

t. The Contractor shall pay claims for services from out-of-network providers submitted by members by directly reimbursing the provider. However, if the member has already paid said claim, then the Contractor shall reimburse the member directly. In either case the Contractor shall send the member an EOB as required by Contract Section A.9.o..

u. The Contractor shall pass directly to the State the payment terms the Contractor has negotiated with providers. The Contractor shall not receive any differential between the provider contract rate and the payment funded by the State; the Contractor shall ensure that the State and the member receives the full benefit of any provider payment terms, including but not limited to provider fee schedules, contract rates, other payment arrangements, discounts, rebates, refunds, or credits negotiated by the Contractor. All special pricing considerations and financial incentives shall accrue to the State and members. See also Contract Sections A.5.aa. and A.9.i.

v. The Contractor shall ensure any payments funded by the State are accurate and in compliance with the terms of this Contract, including the Liquidated Damages requirements of this Contract (see Contract Attachment B); agreements between the Contractor and providers; and State and Federal laws and regulations.

w. The State shall have the sole responsibility for and authority to clarify and/or revise the benefits available under the Public Sector Plans. It is understood between the parties that the Public Sector Plans cannot and do not cover all behavioral health situations. In a case where the benefits are not referenced in the Plan Documents or are not clear, the Contractor shall comply with any applicable policy issued by Benefits Administration to interpret the Plan Documents. If the benefits are not referenced in any policy or are not clear, the Contractor shall utilize its policies in adjudicating claims, and the Contractor shall advise Benefits Administration in writing, as to the difference along with the Contractorôs recommendation. Such matters as determined by the State to have a significant impact on administration of plan benefits shall be resolved by the State.

x. The Contractor shall identify and pursue claims that may be subject to coordination of benefits (COB) in accordance with the regulations promulgated by the Tennessee Department of Commerce and Insurance, Chapter 0780-1-53 Tenn. Comp. R. & Regs. and the Plan Documents. The Contractor shall provide a quarterly report of said activities to the State (see Contract Attachment C, Report # 17).

y. The Contractor shall notify the State on a weekly basis of receipt of any notices from Medicare that Medicare may have made primary payments for services when it should have been the secondary payer (a Medicare Secondary Payer demand letter). The

Contractor shall resolve issues as to whether Medicare is the primary or secondary payer within thirty-one (31) days of receiving the demand letter.

z. The Contractor shall determine whether eligible expenses are medically necessary.

aa. The Contractor shall have a process in place based on the most appropriate up to date clinical information for determining those procedures and services that are considered experimental/investigative. Unless otherwise directed by the State, the Contractor shall submit to the State, at least one (1) month prior to the go-live date, detailed information on the Contractorâs process for determining experimental/investigational procedures and services. The State reserves the right to review the process and require changes, where appropriate. The Contractor shall notify the State, in writing, within thirty (30) days of any significant changes to its process. The State reserves the right to review the change and require changes, where appropriate.

bb. The Contractor shall respond to all requests from the State for paid claims incurred within a specified period of time within seventy-two (72) hours of receiving the request using the template prior approved in writing by the State.

cc. Reconciliation

(1) The Contractor shall submit claims reports to the State in sufficient detail for the State to record and reconcile claims. The format of the claims reports shall be prior approved by the State and the frequency shall match the frequency of the Contractorâs bank drafts.
(2) The Contractor shall submit to the State a monthly recoveries report in a format prior approved by the State (refer also to Contract Attachment C, Reporting Requirements).
(3) The Contractor shall reconcile, within ten (10) business days of receipt, payment information provided by the State. Upon identification of any discrepancies, the Contractor shall immediately advise the State.
(4) The Contractor shall provide authorized State users with access to its internal client reporting system for use in the Stateâs reconciliation process.

dd. The Contractorâs provider agreements shall include the maximum recoupment periods permitted under TCA 56-7-110.

ee. For the payment of all claims under this Contract, the Contractor shall issue payments in the form of checks and/or Automated Clearing House (ACH) electronic funds transfer against the Contractorâs own bank account. The Contractor shall maintain security and quality controls over the design, printing and mailing of checks, as well as any fraud prevention feature of checks.

ff. In a format mutually agreed to, the Contractor on a daily basis, shall provide a detailed listing of the payment activity, including check serial numbers and ACH payment identifiers, payment amounts, plan name and plan group (State, Local Education and Local Government), balancing to the required funding amount for that day. Said listing shall enable the State to reconcile the payment detail to the required funding amount while providing related payment information needed to record the necessary accounting entries by expense classifications. The Contractor shall further provide monthly check Reconciliation Reports that provide detail (check number, issue date, check amount, paid or cancel date) of all checks issued or cancelled during the month, and detailed listing of outstanding checks at each month-end. On a quarterly basis, the contractor shall age the outstanding checks, cancel/reissue stale dated outstanding items, and report the details to the State.

gg. The State will only pay for approved and correctly paid claims, not for rejected, reversed, or duplicate claims, claims processed but not paid, or claims paid in error. Additional requirements related to payments are listed in Contract Section C.3.

hh. The Contractor shall reimburse the State for one hundred percent (100%) of claims paid in error. If the Contractor is unable to withhold the amount from the providerõs next payment then the Contractor shall reimburse the State within thirty (30) days of identification of the overpayment, or within a time frame agreed to by the State.

ii. The Contractor shall issue all related U.S. Internal Revenue Service (IRS) Form 1099 reports, submit required 1099 information directly to the IRS utilizing the Contractorõs tax ID number, and shall maintain responsibility in matters relating to such information provided to payees and to the IRS, including the payment of any penalties or fees related to such 1099 reporting.

jj. Upon termination of this Contract, the Contractor shall be responsible for the processing of all claims incurred for behavioral health services rendered during the term of this Contract with no additional administrative cost to the State. The claims run out period shall extend through the final day of the eighteenth (18th) month following Contract termination. The Contractor shall comply with the audit provisions contained in Contract Section A.11.

kk. Upon termination of this Contract, the Contractor shall continue to provide and pay claims for inpatient care (as defined in Contract Section A.28.) to any member who is receiving inpatient care on the effective date of termination. Said coverage shall discontinue when the member is discharged from inpatient care.

A.10. Fraud and Abuse

a. The Contractor shall implement procedures to prevent and detect fraud or abuse by providers or members and shall perform fraud investigations of members and providers, in consultation with the State, for the purpose of recovery of overpayments due to fraud.

b. The Contractorõs procedures for preventing and detecting fraud and abuse shall include, at a minimum, claims edits, post-processing review of claims, utilization management, provider profiling and credentialing, and provisions in the Contractorõs provider agreement and/or provider manual. The Contractorõs claim edits shall include, at minimum, edits to identify upcoding and duplicate claims. The Contractor shall report to the State any provider who violates the Medicare and/or Medicaid fraud and abuse policy, as well as any disciplinary actions taken.

c. As a means to prevent õprovider shoppingò and mitigate risks relating to fraud, waste, and abuse, the Contractor shall establish a mutually agreeable process with and approved by the State. The Contractor shall maintain the ability, as may be deemed necessary, to õlock inò or otherwise restrict selected members to one or more specific network providers for accessing covered services

d. In the event the Contractor discovers evidence that an unusual transaction has occurred that merits further investigation, the Contractor shall simultaneously inform Benefits Administration and the Division of State Audit, in the Office of the Comptroller of the Treasury. The State will review the information and inform the Contractor whether it wishes the Contractor to:

(1) Discontinue further investigation if there is insufficient justification; or
(2) Continue the investigation and report back to Benefits Administration and the Division of State Audit; or
(3) Continue the investigation with the assistance of the Division of State Audit; or
(4) Discontinue the investigation and turn the Contractorõs findings over to the Division of State Audit for its investigation.

e. The Contractor shall submit to the State, by the date specified in Contract Section A.25., a description of its fraud and abuse program. The State reserves the right to review the

documents and require changes, where appropriate. The Contractor shall notify the State, in writing, within thirty (30) days of any significant changes to its programs related to insurance or provider fraud, abuse, and waste. The State reserves the right to review the change and require changes, where appropriate.

f. The Contractor shall provide a written narrative or report to the State on a quarterly basis regarding the effectiveness of the Contractorôs fraud and abuse program, including its fraud and abuse detection activities, findings from those activities, follow-up on findings, proposed improvement activities, and any estimated savings to the Public Sector Plans associated with the Contractor's detection of such fraudulent or wasteful activities. (See Contract Attachment C, Report # 22).

A.11. State Audits

a. Upon thirty (30) daysôwritten notice and the execution of any applicable third party confidentiality agreement(s, the State and/or its authorized representative has the right to examine and audit the Contractor services and pricing to ensure compliance with all applicable requirements. For the purpose of this requirement, the term, "Contractor," shall include its parent organization, affiliates, subsidiaries, subcontractors, and providers.

b. The Contractor shall provide access, at any time during the period of this Contract and for three (3) years after final contract payment (longer if required by law), to the State and/or its authorized representative to examine and audit the services, payments, and pricing provided under this Contract. The State reserves the right to request that documentation be provided for review at the authorized representativeôs location, the Stateôs location, or at the Contractorôs corporate site.

c. The Contractor shall, at its own cost, provide the State and/or its authorized representative with prompt and complete access to any data, documents, access to systems, and other information necessary to ensure the Contractor is complying with all requirements of this Contract.

d. The Contractor shall provide reasonable cooperation with requests for information, which includes but is not limited to the timing of the audit, deliverables, data/information requests and the Contractorôs response time to the Stateôs questions during and after the process. The Contractor shall also provide a response to all ñfindingsò received within thirty (30) days, or at a later date if mutually determined to be more reasonable based on the number and type of findings.

e. The State shall not be responsible for time or any costs incurred by the Contractor in association with an audit including, but not limited to, the costs associated with providing data, reports, documentation, systems access, or space.

f. If the outcome of the audit results in an amount due to the State, then the State will work with the Contractor to negotiate terms of repayment. In the absence of such agreement, the State will deduct one-sixth of the total amount due from the fees due to the Contractor pursuant to Section C.3 each month for six months. If the Contractor disagrees with a finding resulting in a payment to the State, the State will review the Contractorôs comments, but if the State retains the original audit findings the Contractor will be responsible for any payment to the State.

A.12. Member Services

a. All member services representatives handling calls related to this Contract shall be familiar with the terms and provisions of this Contract and the Plan Documents, including without limitation, eligibility, covered services, excluded services and procedures, deductibles, applicable cost-sharing, including co-payments and co-insurance, out-of-

pocket maximums, instructions for completing a claim form, determining the status of claims, how to handle a complaint, and the member appeals process.

b. The Contractorôs member services representatives shall be dedicated to this Contract. If the Contractor receives prior, written approval from the State, then the Contractor may use non-dedicated staff to handle call overflow during peak periods or in the event of unexpected call volume provided the staff members meet the requirements of this Contract.

c. The Contractor shall have sufficient staff to respond to inquiries, correspondence, complaints, and problems. The Contractor shall not answer technical questions regarding the Stateôs eligibility policy to enroll in the Public Sector Plans (which is governed by Article III of the Plan Documents) and shall refer these questions to Benefits Administration Service Center staff.

d. The Contractor shall provide appointment scheduling assistance to members who are unable to secure a behavioral health appointment with a geographically-accessible provider within the timeframes specified in Contract Section A.5.f. The State defines "appointment scheduling assistance" to include the following: (1) if the member is unable to secure an appointment with a network provider within a reasonable period of time through the member's own good faith efforts and the member requests the Contractor's assistance, then the Contractor has an affirmative obligation to contact the provider directly to facilitate appointment scheduling; additionally, (2) if a member is unable to locate a network provider who is accepting new patients through the memberôs own good faith efforts and the member requests the Contractor's assistance, then the Contractor has an affirmative obligation to assist the member in locating such a provider and securing an appointment within the timeframes specified in Contract Section A.5.f.

e. Unless otherwise specified by the State, the Contractor shall inform the member of the availability of the ñTake This to Your Behavioral Health Visitòchecklists (see Contract Section A.15.p.) on the Contractorôs website and offer to email the member the appropriate checklist for his/her appointment(s).

f. The Contractor shall have and implement procedures for monitoring and ensuring the quality of services provided by its member services representatives. The Contractor shall submit these procedures to the State, for review and approval, by the date specified in Contract Section A.25. Such procedures may include but are not limited to the following activities:

(1) Auditing calls/correspondence for each member services representative;
(2) Silent monitoring of calls;
(3) Recording calls for quality and training purposes;
(4) Skill refresher courses; and
(5) Call coaching.

g. Working in conjunction with the State, the Contractor shall set standards for member services representatives based upon, but not limited to, an evaluation of the following areas: documentation, greeting, courtesy, responsiveness, explanation and guiding techniques, and accuracy. Adherence to the standards shall be measured, monitored and reviewed by the Contractor each month. Unless otherwise directed by the State, the Contractor shall report monthly results to the State (see Contract Attachment C, Report # 22).

h. The Contractor shall provide a personalized response, in writing, to ninety-five percent (95%) of written (mail or email) inquiries from members concerning requested information, including the status of claims submitted and covered services, within five (5) business days and one hundred percent (100%) within ten (10) business days. The Contractor shall acknowledge receipt of email inquiries within one (1) business day and reply within the same timeframe established for standard mail.

i. The Contractor shall designate a client service liaison to respond to member-related issues identified by the State. For matters designated as urgent by the State, the Contractor shall contact the member and resolve the issue and then notify the State of the resolution.

j. The Contractor shall maintain a procedure for resolving complaints informally by phone. Where a complaint cannot be resolved to the memberôs satisfaction, the Contractor shall advise the member of his/her right to file an appeal and shall provide instructions for doing so.

k. Unless otherwise directed by the State, the Contractor shall conduct an annual member satisfaction survey using the Consumer Assessment of Healthcare Providers and Systems (CAHPS) adult survey. The Contractor shall contract with a vendor that is certified by NCQA to perform CAHPS surveys, and the vendor shall perform the CAHPS adult commercial survey. The Contractor shall report the results of the survey to the State by June 15 of each calendar year (refer also to Contract Attachment C, Reporting Requirements). Based upon the results of the survey, the Contractor shall develop an action plan to correct problems or deficiencies identified through this activity. The Contractor shall submit the action plan to the State by August 1st. The State reserves the right to review the action plan and require changes, where appropriate.

A.13. Member Appeals Process

a. The Contractor shall maintain an appeals process in compliance with Section 2719 of PPACA (42 U.S.C. 300gg-19) and 45 CFR 147.136, including all minimum consumer protection standards, by which members may appeal adverse benefit determination decisions including, but not limited to, determinations based on: medical necessity; appropriateness; health care setting; level of care; medical effectiveness; determinations that treatments are experimental or investigational; whether treatments are ñemergency careò or ñurgent careò; coverage of items or services based on medical conditions; frequency, method, treatment, or setting of a recommended preventive services to the extent not specific in HHSôs published lists of recommended preventive services; whether the plan is complying with the nonquantitative treatment limitation provisions of the Mental Health Parity and Addiction Equity Act; if applicable, whether participants or beneficiaries are entitled to a reasonable alternative standard for a reward under a wellness program; and a rescission of coverage (whether or not the rescission has any effect on any particular benefit at that time). If any part of section A.13. conflicts with the Federal review and appeal requirements of Section 2719 of PPACA (42 U.S.C. 300gg-19) or 45 CFR 147.136, the Contractor shall follow the federal requirements.

b. The Contractor shall maintain formal appeal procedures affording an internal review as well as an external review which allows claimants to review their file, to present evidence and testimony as part of the appeals process. The internal review shall be conducted by a committee designated by the Contractor that is designed to ensure the independence and impartiality of the persons involved in making the decision. The external review shall be conducted by an Independent Review Organization (IRO).

c. The Contractor must assign an IRO that is accredited by URAC or a similar nationally-recognized accrediting organization to conduct the external review. The Contractor must contract with at least three (3) IROs and rotate assignments among the IROs to prevent bias and ensure independence. The IRO cannot be eligible for any financial incentives based on the likelihood that the IRO will support a denial of benefits.

d. The Contractor shall include notification of the memberôs right to appeal in any member communication regarding benefit coverage decisions, including but not limited to, letters to members and providers, member handbooks, and Explanation of Benefit (EOB) statements. The notices must be provided in a culturally and linguistically appropriate manner and are subject to prior written approval from the State.

e. At a minimum, the Contractor shall provide a description of available internal appeals and external review processes, including information on how to initiate an appeal, in member handbooks, on the state specific website and any other documents as requested by the State.

f. The Contractor must provide notification of decisions within the following time frames and all decision notices shall advise of any further appeal options:

(1) No later than 72 hours after receipt of the claim for urgent care. The Contractor must defer to the attending providerós determination as to whether the claim involves urgent care.
(2) 30 days for denials of non-urgent care not yet received
(3) 60 days for denials of services already received

g. The Contractor must provide continued coverage pending the outcome of an appeal. Benefits for an ongoing course of treatment cannot be reduced or terminated without providing advance notice and an opportunity for advance review.

h. The Contractor must disclose the availability of, and contact information for, any applicable office of health insurance consumer assistance established to assist individuals with the internal claims and appeals and external review processes.

i. Any appeals of denied requests for continued hospitalization shall be promptly processed and shall involve physician-to-physician consultation between the Contractorós staff and attending physician.

j. At least one (1) month prior to the go-live date, the Contractor shall provide the State information describing in detail the Contractorós appeals process and procedures along with copies of sample determination letters for internal and external appeals. The State reserves the right to review the appeals process and procedures and letters and require changes, where appropriate.

k. The Contractor shall submit quarterly appeals reports with information regarding each appeal filed with the Contractor and the IROs (refer also to Contract Attachment C, Reporting Requirements).

l. The Contractor shall ensure that all records and information related to appeals are preserved as required by other provisions of this Contract or state or federal law.

m. The Contractor shall allow a member one hundred and eighty (180) days to initiate an internal appeal following notice of an adverse determination. Where an internal determination is unfavorable, the Contractor shall advise the member of their right to initiate an external appeal within four (4) months of notice of the internal decision.

A.14. Call Center

a. The Contractor shall operate a call center that uses the toll-free telephone number, 855.437.3486 (855.HERE4TN) dedicated to the Public Sector Plans as the entry point for members contacting the Contractor.

b. The toll-free telephone number is the property of the State of Tennessee and shall be retained upon the termination of this Contract. The Contractor shall transfer said number to the State at no cost to the State such that the State or its designee can maintain this same number for continuous, uninterrupted use by members needing assistance with Employee Assistance/Work-Life and Behavioral Health services after the termination of this Contract.

c. The Contractorôs call center shall be open and staffed with trained and qualified member service representatives, who are, at minimum, licensed behavioral health professionals (masterôs level or higher), preferably Certified Employee Assistance Professionals, on the date specified in Contract Section A.25.

d. When applicable, calls to the Contractorôs call center seeking Employee Assistance/Work-Life and Behavioral Health services shall be transferred via ñwarmò transfer to qualified and trained consultants as follows:

(1) Calls from members requesting Financial Counseling or Legal Consultation (see Contract Section A.3. and Contract Attachment D) shall be transferred to consultants who are appropriately qualified and trained in the Contractorôs protocols for intake and referral for the applicable Work-Life service. These consultants shall conduct intake and schedule appointments with work-life consultants who meet, at a minimum, the qualifications specified in Contract Attachment D for financial counseling or legal consultation (as applicable).

(2) Calls from members seeking child/elder care assistance shall be transferred to a Work-Life consultant who meets, at a minimum, the qualifications specified in Contract Attachment D for child/elder care assistance.

(3) Calls from supervisors seeking supervisor support services shall be transferred to the leadership support team, which shall be a dedicated team of work-life consultants who meet, at a minimum, the qualifications specified in Contract Attachment D for supervisor support. Supervisors shall have the ability to speak with the same leadership support consultant for ongoing and follow up support.

(4) Calls from the State seeking Critical Incident Stress Management (CISM) services shall be transferred to consultants who meet, at a minimum, the qualifications specified in Contract Attachment D for CISM Services.

e. The Contractor shall refer calls seeking member or supervisor education or training to a dedicated member of the Contractorôs team.

f. On every telephone contact with a member, the member services representative shall verify the memberôs contact information, including home address, phone number and email address. A substance abuse assessment shall be administered for every primary telephone contact with a member. If the change is to a memberôs home address or phone number as reflected in the Stateôs enrollment file, the Contractor shall refer the member to their employer to update their address and contact information and send the member a ñNotice of Address Change Instructionsòwithin three (3) business days.

g. The Contractorôs call center and staff shall be located in the continental United States.

h. The Contractorôs call center shall accept crisis calls twenty-four hours a day, every day of the year. The Contractorôs call center shall accept all other calls Monday through Friday for a continuous nine (9) hour period beginning no later than 8:00 a.m. Central Time except on official State Holidays. The Contractorôs hours of operations are subject to prior State approval.

i. The Contractorôs call center shall be equipped with TDD (Telephone Device for the Deaf) in order to serve the hearing impaired population.

j. The Contractor shall offer and provide oral interpretation services via a telephone interpretation service free of charge to any caller who has limited English proficiency as defined by a caller whose native language is not English and whose difficulty in speaking or understanding English limits their ability to access services. These services shall be available twenty-four (24) hours a day, every day of the year.

k. The Contractor shall refer calls regarding eligibility or enrollment systems issues to the State.

l. The Contractor shall have policies and procedures related to the operation of its call center, including scripts and referral protocols. These policies and procedures shall be submitted to the State for review and prior approval on or before the date specified in Contract Section A.25.

m. The Contractorôs call center shall meet each of the following performance standards:

(1) The Contractor shall maintain an Average Speed of Answer (ASA) of thirty (30) seconds after answering the call the Contractor may only put callers on hold in order to (a) make outbound calls as necessary or (b) to research a callerôs issue.
(2) The Contractorôs call center shall maintain a blocked call rate of less than one percent (1%) per quarter.
(3) The Contractorôs call center shall maintain an abandoned call rate of not more than three percent (3%).
(4) First Call Resolution of 92% as measured by one or more of the following methods: a member post-call phone or web survey; an end of call script where the customer service representative asks if the memberôs issue has been resolved; a voice menu allowing the member to indicate if this is the first call theyôve made to resolve their inquiry or problem; or another method prior approved by the state.

n. The Contractor shall provide call center statistics related to the performance standards above to the State on a daily basis during the thirty (30) days prior to the go-live date through the sixty (60) days after the go-live date. The Contractor shall also submit, by the first business day of each week, a report with data for the preceding week, and by the fifth business day of the month, a summary report with data for the preceding month. The monthly report shall include weekly and monthly data. (See Contract Attachments B and C.)

o. The Contractorôs call center shall have call management systems and communications infrastructure that can manage the potential call volume and achieve the performance standards described in this Contract.

p. The Contractorôs call management systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes where applicable, in response to program, benefit, or enrollment changes.

q. The Contractorôs call management systems shall be equipped with caller identification. In addition, the Contractorôs call center shall adopt caller identification for itself that is prior approved in writing by the State. Testing protocols shall be established by the Contractor at least thirty (30) days prior to go-live date to ensure address descriptors appear consistent on land and cellular telephone lines.

r. The Contractorôs call management systems shall provide greeting messaging when necessary. The Contractor may play music and/or messages prior approved by the State for the callers while they are on hold and shall play messages as directed by the State. The Contractor shall not play advertising or informational messages for callers while they are on hold unless prior approved in writing by the State (or the State directs the Contractor to play certain messages). Additionally, the Contractorôs systems shall provide a message that notifies callers that calls are being recorded and may be monitored by the Contractor for quality control purposes.

s. The Contractorôs call management system shall record and index at least a statistically valid sample of calls. The index shall include the phone number of the caller, the callerôs name, the date/time of the call, and the staff member who handled the call. The Contractor shall be able to provide a full recording of each call upon the Stateôs request. The Contractor shall have policies and procedures related to providing State access to recorded calls, including who can request and who can approve access to a recorded

call. These policies and procedures shall be submitted to the State for review and prior approval on or before the date specified in Contract Section A.25.

t. The Contractorôs call management systems shall facilitate the processing of all calls received and assign incoming calls to available call center staff in an efficient manner. The system shall transfer calls to other telephone lines as necessary and appropriate, including transfers to other vendors (e.g., a medical TPA, the PBM, or the HM/W vendor).

u. The Contractor may use an automated interactive voice response (IVR) system for managing inbound calls, provided that the caller always has the ability to leave the IVR system and wait in queue in order to speak directly with a live-voice call center staff member rather than continue through additional prompts. The Contractor shall not have more than one level of menu choices (limited to five (5) options) unless prior approved in writing by the State, and the first option shall be for crisis/emergency calls. The Contractorôs decision tree and menu are subject to State review and prior written approval.

v. For non-crisis calls the Contractor shall inform callers of their likely wait times (based on real-time information, including call volume and member services representative availability) as they enter the queue. The Contractor shall also provide a õdial backò option that allows callers to receive a call back from the next available member services representative as applicable. Note that calls receiving a call back pursuant to this provision are not counted as õabandoned.ò All crisis calls shall be answered within sixty (60) seconds.

w. The Contractor shall have the ability to make outbound calls without interrupting the ability of callers to continue to access the call center.

x. The Contractor shall have the ability to allow third parties (the State or its authorized representative) to monitor recorded calls from a remote location. The Contractor shall have the ability to provide a random sample of de-identified (recordings of interactions that have been stripped of identifying information) calls to the State on a monthly basis.

y. The call management system shall enable the logging of all calls, including:

(1) The callerôs identifying information (e.g., employee ID);
(2) The call date and time;
(3) The reason for the call (including a reason code using a coding scheme prior approved by the State in writing);
(4) The member services representative that handled the call;
(5) The length of call; and
(6) The resolution of the call (including a resolution code using a coding scheme prior approved by the State in writing) and if unresolved, the action taken and follow up steps required.

z. Additionally, the call management systems shall maintain a history of correspondence and call transactions for performance management, quality management and audit purposes. This history shall contain the actual information, a date/time stamp that corresponds to when the transaction took place, the origin of the transaction (e.g., the State and/or one of its authorized representatives or the member), and the member services representative that processed the transaction. Related correspondence and calls shall be indexed and properly recorded such that they can be treated in reporting and analysis as part of a distinct transaction.

A.15. Member Information and Communication

a. The Contractor shall, in consultation with and following written approval by the State, conduct member information and communication, including development of information and communication materials (hereinafter member materials).

b. Unless otherwise specified in this Contract, the Contractor shall be responsible for all costs related to the design, development, mailing, if applicable, and revision of all member materials produced under the terms of this Contract.

c. Unless otherwise directed by the State, the Contractor shall obtain approval in writing from the State prior to using or distributing any member materials. Any and all communication directed to the State's Group Health Plan employees and/or members including; digital media, telephonic outreach, texts, email or written materials, must be prior approved by the State.

d. Following review and written approval by the State, the Contractor shall annually update and print EAP brochures. The brochures shall include a tear off card with essential EAP contact information. The Contractor shall be responsible for design, production and distribution of EAP brochures and other similar informational material for members. The Contractor shall, upon the State's request, distribute brochures and other similar informational material to Agency Benefits Coordinators (ABC's) and other plan representatives within ten (10) business days of the State's request to provide copies.

e. General Requirements for Member Materials

(1) The Contractor shall ensure that all member materials, both print and digital media, are consistent with the State's creative plan and communication framework for "ParTNers for Health".

(2) All materials shall be cobranded to reflect the State's "ParTNers for Health" brand and the vendor's brand. With respect to pre-printed, large-volume stock materials, the Contractor shall also include the "ParTNers for Health" logo and receive prior approval from the State.

(3) The Contractor shall have the exclusive responsibility to write, edit, and arrange for clearance of materials (such as securing full time use of a stock photograph used in brochures for perpetuity) for any and all member materials developed under this Contract within the applicable timeframe.

(4) The Contractor shall ensure that its member materials are culturally sensitive and professional in content, appearance, and design.

(5) The Contractor shall prominently display the Contractor's call center telephone number and website address in large, bolded typeface on all member materials.

(6) The Contractor shall, to the extent practicable, use large and legible fonts in its member materials. Additionally, the Contractor shall make maximum use of graphics to communicate key messages to populations with limited literacy or limited English proficiency.

(7) Unless otherwise prior approved in writing by the State, the Contractor shall design all member materials at the sixth (6.0) grade reading level or lower using the Flesch-Kincaid Index or other suitable metric that the State prior approves in writing. The Contractor shall evaluate materials using the entire text of the materials (except return addresses). When submitting draft materials to the State for approval, the Contractor shall provide a reading level analysis and certification of the reading level of each piece of material.

(8) As part of its submission of draft material to the State for approval, the Contractor shall specify whether the material will be sent by email or regular mail. The State shall have exclusive responsibility for sending mass-distribution emails and determining the frequency and scheduling, unless otherwise directed. If the use of regular mail is prior approved by the State for a member communication beyond those communications listed in Contract Section A.15.v., the State shall pay the cost of postage, printing and production costs of such mailings pursuant to Contract Section C.3.h. The Contractor shall use first class rate for all mailings, unless otherwise directed or prior approved in writing by the State. The Contractor may use bulk mail and medical mail rates, if prior approved in writing by the State.

(9) The Contractor shall provide electronic templates of all finalized member materials in a format that the State can easily alter, edit, revise, and update. Absent gross negligence or malfeasance by the Contractor, the Contractor has no liability for errors on other deliverables that the State did not find or correct before giving final approval for the individual materials. However, the Contractor shall produce and distribute corrected versions of the individual materials at the State's direction. Costs incurred by the Contractor for producing and mailing corrected versions of materials as directed by the State shall be paid by the State pursuant to Contract Section C.3.h.

(10) The Contractor covenants that all materials distributed to members and prepared or produced by the Contractor shall be accurate in all material respects.

(11) The Contractor shall ensure that up-to-date versions of all printed member materials can be downloaded from its website/portal.

(12) The Contractor shall develop, design, print, and distribute all descriptive brochures, letters and administrative forms pertaining to or sent to members. The number of plan descriptive brochures to be printed shall be in sufficient quantities for the State's members and shall be mailed to requesting organizations or members' homes. The cost of designing, printing, and distributing brochures and administrative forms shall be the responsibility of the Contractor.

(13) The Contractor shall conduct a bi annual review of awareness materials for supervisors, life event letters, and substance abuse outreach materials

f. On Demand Communications

(1) The Contractor shall collaborate with the State to create a series of communication materials that will be mailed by first class mail to a member based on identified life events. The cost of designing, printing, and distributing these communication materials, reviewed and approved on an annual basis, shall be the responsibility of the Contractor. During plan year 2014, there were approximately nine thousand (9,000) of these transactions. These life events include but are not limited to;

i. The birth or adoption of a child
ii. The death of a dependent or spouse
iii. Marriage or divorce
iv. A job promotion or demotion
v. And other life events identified by the State

(2) The State will supply the Contractor with a list of members who fall into the categories referred to above on a bimonthly basis.

(3) The Contractor shall mail materials to applicable member within 5 business days of receiving list from the State.

(4) Using claims data provided to the BHO contractor from the state's pharmacy benefits manager (PBM) the Contractor shall implement a process of sending a customized communication piece intended to inform members of their EAP/Behavioral health benefit. The Contractor shall receive bi-weekly claim files from the State's pharmacy benefits manager and analyze for plan members with certain first fill behavioral health medications. In order to reduce duplicate letters to the same member, the Contractor shall analyze the prescription data for the previous six (6) months and only send one (1) letter per six (6) month period. Contractor shall send via first class mail at the contractor's expense and within ten (10) days a preapproved, customized communications piece to all plan members for the following medication groups;

i. Depression - The following digits apply to depression medications in the state group insurance program pharmacy benefit: 5803, 5810, 5812, 5816, 5818, 5820, 5830, and 6299.

ii. Anxiety - The following digits apply to anti-anxiety medications in the state group insurance program pharmacy benefit: 5720, 571000

iii. Sleep Aid - The following digits apply to sleep aid medications in the state group insurance program pharmacy benefit: 6020, 6025

(5) The State maintains the ability to add additional medication groups to this ñon demandò communications list. The cost of designing, printing, and distributing these communication materials shall be the responsibility of the Contractor.

g. Annual Communication Plan

(1) The Contractor shall create an annual communication plan in collaboration with the State and other State vendors, particularly the Stateôs Health and Wellness Vendor, as a process to identify the theme(s) and potential messaging for member communications. The themes and potential messaging shall be consistent with the Stateôs communication framework for the Public Sector Plans. After the theme(s) and potential messaging has been identified, the Contractor shall develop and submit draft messaging to the State for review and approval. The annual communication plan shall be presented to the State by September 15 of the preceding year in which the plan outlines.

(2) Unless otherwise directed by the State, the messaging shall include:

i. Monthly Work-Life and behavioral health messages that focus on a specific condition or service. These messages will be provided to all members and shall provide action steps and practical tips as to how members can take steps for themselves as well as support families, friends and co-workers who might have the condition or need the service in question; and

ii. Periodic, population-based messages.

(3) With the submission of the draft messaging the Contractor shall include a description of communications to be used for messaging such as email, social media posts, postcard, brochures or other print material.

(4) The Contractor shall submit the first messaging for the 2017 plan year to the State, for review and approval, by the date specified in Contract Section A.25.

(5) The Contractor shall provide the text for work-life and behavioral health messages that will be sent via email to the State in HTML and plain text.

f. Consistent with Contract Section A.15.e. above, the State shall be responsible for sending e-mails, and the Contractor shall pay the cost of first class postage, printing, and production costs for all communications material (see also Contract Section C.3.h.).

h. Member Newsletter

(1) The Contractor shall develop twelve (12) times per year (monthly), beginning in January of 2017, a customized electronic member newsletter. At the direction of the State, articles may include, for example, information to educate members about the services available from the Contractor, how those services might benefit members, information and education on specific conditions or topics consistent with the annual communications plan (see Contract Section A.12.e), and news and upcoming events. At the Stateôs direction, the Contractor shall substitute other marketing pieces for the newsletters.

(2) The Contractor shall work collaboratively with the State and its vendors (e.g., medical TPAs, the HM/W vendor, and the PBM) to identify key topics for the newsletters/marketing pieces to be prepared by the Contractor.

(3) Upon State approval of the articles/marketing pieces, the Contractor shall provide the final newsletters/marketing pieces in electronic format to the State for the State to distribute via email. The Contractor shall post the final newsletters/marketing pieces on its website.

i. Welcome Packet

Unless otherwise directed by the State, the Contractor shall prepare and mail, by first class mail, a welcome packet to all members no later than twenty-one (21) days prior to the go-live date. Thereafter, all new members enrolled during the plan year shall receive a welcome letter within ten (10) days of the Contractorôs receipt of their enrollment information. There shall be one welcome packet tailored to members who are enrolled in one of the medical benefit options of the Public Sector Plans and one tailored to State and Higher Education employees who are eligible, yet not enrolled in one of the medical benefit options of the Public Sector Plans. Both distinct welcome packets shall include, at a minimum, a description of available services, the Contractorôs website address, the toll-free number for the Contractorôs call center, and a refrigerator magnet or other marketing engagement item approved in advance by the State. The welcome packets and magnet must be prior approved in writing by the State and shall be submitted for State approval by the date specified in Contract Section A.25. The Contractor shall pay the cost of printing and mailing welcome packets and magnet or other marketing engagement items approved in advance by the state.

j. Annual Mailing

Unless otherwise directed by the State, the Contractor shall prepare and mail, by first class mail, an annual EAP/Behavioral Health (if applicable) overview piece to each eligible household. There shall be one annual mailing tailored to members who are enrolled in one of the medical benefit options of the Public Sector Plans and one tailored to members State and Higher Education employees who are not enrolled in one of the medical benefit options of the Public Sector Plans, yet eligible for the EAP. Each annual mailing shall include, at a minimum, a description of available services, the Contractorôs website address, the toll-free number for the Contractorôs call center, and a refrigerator magnet or other marketing engagement item approved in advance by the State. The annual mailing item must be approved in writing by the State and shall be submitted for State approval by the date specified in Contract Section A.25. The Contractor shall pay the cost of designing, printing, and mailing the annual mailing approved in advance by the state.

k. Orientation Online Video for Members. The Contractor shall write and professionally produce an online video to orient members to EAP/Work-Life services, (see Contract Section A.3.b.), and other behavioral health services available to eligible members. The online video shall be no longer than eight (8) minutes. The Contractor shall review and revise the online video as necessary, but no less frequently than annually. The Contractor shall provide access to the online video on the dedicated splash page and its website so members can view the video. The video shall meet accessibility standards, and at a minimum be Section 508 compliant. The Contractor shall include closed captioning option in English for all video and multimedia content. The Contractor shall submit the initial online video to the State, for review and approval, by the date specified in Contract Section A.25.

l. Orientation Online Video for Supervisors. The Contractor shall write and professionally produce an online video to orient supervisors to EAP/Work-Life services, leadership support services, and management tools available on their website (see Contract Section A.3.b.), and other behavioral health services available to eligible members. The online video shall be no longer than ten (10) minutes. The Contractor shall review and revise

the online video as necessary, but no less frequently than annually. The Contractor shall provide access to the video on the dedicated splash page and its website so that supervisors can view the video online. The video shall meet accessibility standards, and at a minimum be Section 508 compliant. The Contractor shall include closed captioning option in English for all video and multimedia content. The Contractor shall submit the initial online video to the State, for review and approval, by the date specified in Contract Section A.25.

m. Awareness and Support Materials for Supervisors.

(1) Unless otherwise directed by the State, the Contractor shall develop at least one (1) electronic media piece each quarter that specifically targets supervisors. The goal of such media pieces is to increase awareness of, and referrals to, the Contractor. Such media pieces shall be consistent with the thematic messaging described in Contract Section A.15.e.

(2) Unless otherwise directed by the State, the Contractor shall develop and produce a monthly (twelve times per year) customized electronic newsletter for supervisors that focus on tools and resources available to organizational leaders. At the Stateôs direction, the Contractor shall substitute another marketing piece for the newsletter.

(3) Upon State approval of the materials described in (1) or (2) above, the Contractor shall provide the final version(s) in electronic format to the State for the State to distribute via email. The Contractor shall post the materials on its website and email them to supervisors upon request.

n. Supervisor Manual. The Contractor shall develop and produce a customized supervisor manual that references the Stateôs Department of Human Resources Division policies. The Contractor shall develop another supervisor manual for the Local Education, Local Government, and Higher Education groups represented in the State Group Health Insurance Plan. The supervisor manual shall be a support tool for supervisors to manage performance and behavior and mitigate risk. The manual shall include: information on the Work-Life services available from the Contractor and how members can access them; tips for identifying when an employee may be having a work-life problem and how the Leadership support team can help the supervisor address the potential problem; guidelines for documenting potential problems; tips for addressing the potential problem directly with the employee; how to refer employees to the Contractor and the types of referrals available; guidance on preventing workplace violence; the types of training available for both members and supervisors and how to request training. The Contractor shall review and revise the Supervisor Manual as necessary, but no less frequently than annually. Upon State approval of the supervisor manual, including updates, the Contractor shall post the supervisor manual on its website. The Contractor shall be responsible for the provision and distribution of hard copies of the Supervisor Manual at any supervisor training and upon State request. The Contractor shall submit the initial supervisor manual to the State, for review and approval, by the date specified in Contract Section A.25.

o. Training Catalog. The Contractor shall develop and maintain a training catalog that lists the courses provided by the Contractor and that are available to the State upon request. The catalog shall include at least fifty (50) courses on various topics. The Contractor shall include a course on suicide prevention using the ñQuestion, Persuade, and Referò (QPR) suicide prevention training curriculum. The Contractor shall offer the courses in-person, via telephone/web conferencing, on demand webinar and live online. The Contractor shall review and revise the training catalog as necessary, but no less frequently than annually. The Contractor shall submit the initial training catalog to the State, for review and approval, by the date specified in Contract Section A.25.

p. The Contractor shall develop ñTake This to Your Behavioral Health Visitòchecklists for members to use for appointments with behavioral health practitioners. These checklists shall vary by age group, sex, and general type of visit (e.g., medication monitoring,

addiction counseling) and shall include, but not be limited, to items to bring to the appointment, what to expect during the appointment, and questions to ask the provider. These checklists shall be available on the Contractorôs member website/portal and, pursuant to Contract Section A.12.d., shall be emailed to members who receive appointment scheduling assistance. The Contractor shall submit draft checklists, for review and approval by the State, by the date specified in Contract Section A.25.

q. On an annual basis, at least two (2) months prior to the Stateôs Enrollment Period, the Contractor shall provide to the State, in both hard copy and electronic format, information requested by the State, which shall include but not be limited to the website/portal address, website/portal logon information, a confidentiality statement, procedures for accessing services, and other updates and/or changes that may be helpful to potential members.

r. At the Stateôs request, the Contractor shall notify members, in writing, of any benefit changes no less than thirty (30) days prior to the implementation of the change. Postage and production costs incurred by the Contractor, which are the direct result of communications requested by the State for benefit changes that have been initiated by the State, shall be paid by the State pursuant to Contract Section C.3.h.

s. Unless otherwise directed by the State, the Contractor shall print and distribute any mass mailings developed by the State within seven (7) business days of receiving the text from the State. The State shall pay for printing and mailing these materials pursuant to Contract Section C.3.h.

t. At the Stateôs request, the Contractor shall create a mobile application for use by our members. The Contractorôs Mobile App(s) shall minimally include the ability to search for providers, directions to providersôoffice location, and stress management tools.

u. If member materials containing an error were approved by the State in writing and the error was detected after the materials were mailed, pursuant to Contract Section C.3.h, the State will reimburse the Contractor the production and postage cost of mailing the corrected version.

**v. Summary of Printed Communication Materials**

| PRODUCT | TARGET GROUP(S) | QUANTITY |
|---|---|---|
| **EAP Brochures with detachable contact card** | Any person who qualifies for EAP services | Approximately 165,000 every two years |
| **Two Distinct Welcome Packets** | One for members of the health plan who qualify for both employee assistance and behavioral health services and a second piece created for those who only qualify for employee assistance services | Approximately 145,000 members with both employee assistance and behavioral health services<br>Approximately 7,000 who only qualify for employee assistance services |
| **Two Distinct Annual EAP Welcome Pieces** | One for members of the health plan who qualify for both EAP and behavioral health services and a second piece created for those who only qualify for EA services | Approximately 145,000 members with both EA and behavioral health services<br>Approximately 7,000 who only qualify for EA services |
| **First Fill Letter** | Member receiving first fill for anti-depressant, anti-anxiety, or sleep assistance medication | Approximately 28,100 annually |

| | | |
|---|---|---|
| **Supervisor Handbook** | Manager and supervisors who attend an EA leadership training or request a handbook | Approximately 400 annually |
| **Life Event Letters** | Any State employee who experienced the following life events;<br>• The birth or adoption of a child<br>• The death of a dependent or spouse<br>• Marriage or divorce<br>• A job promotion or demotion<br>• And other life events identified by the State | Approximately 9,000 annually |

A.16. Website

a. In addition to the Contractorõs own website where plan and member specific information shall be incorporated, the Contractor shall create and maintain a dedicated to and customized õsplashò page for this contract. (Hereinafter splash page). The splash page and website shall be easy-to-use, streamlined, and readable on a variety of mobile devices, with interactive pages dedicated to and customized for this Contract. The splash shall not require a member to login. The design of the splash page, inclusive of the site map, page layout, color/font scheme and branding, static content and any documents which can be accessed via or downloaded from the website, must be prior approved in writing by the State and shall be consistent with the Stateõs creative plan and communication strategy for õParTNers for Healthò The Contractor shall maintain a Responsive web design (RWD) website/portal. Additionally, the Contractor shall obtain prior, written approval from the State for any links from the site to an external (governmental and non-governmental) website/portal or webpage.

b. The Contractor shall agree to link to Benefits Administrationõs websites, other State contracted vendor websites, microsites, content or other web or mobile device enabled video/multimedia tools or apps as determined by the State that are useful or applicable for members (State approved tools from other approved vendors).

c. The website shall contain general behavioral health plan information available to members prior to login. All customizable pieces and sections of the Contractorõs website shall be reviewed and approved by the State.

d. The website shall be operational, with the exception of member data/Protected Health Information, on or before the date specified in Contract Section A.25.

e. The Contractor shall review and update the website as necessary, but no less frequently than monthly.

f. The Contractor shall update content and/or documents posted to or accessed via the website within five (5) business days of the Stateõs approval of changes to said content and/or documents.

g. In association with the Stateõs Annual Enrollment Period, the Contractor shall provide all information pertinent to each new plan year on the website fifteen (15) days in advance of said period.

h. The Contractor shall submit to the State a website design specifications document, inclusive of a comprehensive site map, page design documentation including õscreenshotsò of all pages, all links to external sites (governmental and non-

governmental) and all static content and documents associated with release #1 of the website for review and approval by the date specified in Contract Section A.25.

i. The Contractor shall host the website on a non-governmental server, which shall be located within the United States.

j. The Contractor shall ensure that the website meets all of the capacity, availability, performance and security requirements outlined in Contract Sections A.20., A.21. and A.22.

k. The Contractorôs domain name shall be specific to the Public Sector Plans. The Contractor shall obtain and pay the cost of the domain name (www.HERE4TN.com) for the website. The Contractor shall transfer ownership of the domain name to the State upon termination of this Contract without delay and at no cost to the State.

l. To ensure accessibility among persons with a disability, the Contractorôs member website shall comply with Section 508 of the Rehabilitation Act of 1973 (29 USC Section 794d) and implementing regulations at 36 CFR 1194 Parts A-D.

m. The Contractor shall include closed captioning option in English for all video and multimedia content.

n. At a minimum the Contractorôs customized website for this Contract shall include:

(1) An easy-to-navigate home page;

(2) General information about Employee Assistance/Work-Life services and behavioral health services;

(3) Frequently asked questions (FAQs) with answers;

(4) Communications Plan messaging (see Contract Section A.15.);

(5) Orientation for members (see Contract Section A.15.);

(6) Member newsletters/marketing pieces (see Contract Section A.15);

(7) Up-to-date web-based directory of behavioral health providers (see Contract Section A.5.q.);

(8) Written tips to help members select a provider, including potential questions to ask the provider and how to evaluate the providerôs responses;

(9) ñTake This to Your Behavioral Health Visitò checklists (see Contract Section A.15.);

(10) Legal forms (including but not limited to wills, advance directives, and durable power of attorney for health care) that are legally valid in Tennessee; the website shall allow members to complete, save to a disk, and print the completed forms an unlimited number of times;

(11) Links to appropriate public and private child/elder care online resources;

(12) Self-assessments and tests related to Employee Assistance/Work-Life or behavioral health services, including personal results;

(13) Community forums and other social networking features;

(14) Reliable and valid information resources on Employee Assistance /Work-Life and behavioral health topics;

(15) Evidence-based practice guidelines, protocols, or pathways applicable to this Contract;

(16) Provider quality comparative information;

(17) Appeals forms (if applicable);

(18) Claim forms;

(19) Information about the explanation of benefits (EOB), including a sample form with an explanation of each item;

(20) A member-specific portal that members can access securely and confidentially via specific member accounts and in which members can obtain information on eligibility and coverage, including cost-sharing requirements, submit and track claims online, and obtain prior authorization for Employee Assistance/Work-Life routine outpatient behavioral health visits;

(21) A web page specific to supervisors, which shall include, at a minimum, the following:

i. Orientation for supervisors;
ii. Awareness media pieces for supervisors;
iii. Supervisor newsletters and alternative marketing materials;
iv. The supervisor manual;
v. The member and supervisor education and training schedule;
vi. Specific information regarding how to reach the Leadership Support Team;
vii. The Contractorôs training catalog; and
viii. Other resources for supervisors.

(22) A secure vehicle through which members can post questions to the Contractor, and the Contractor can answer said question (the Contractor shall respond within the timeframe specified in Contract Section A.12.h. for email inquiries);

(23) Contact information, including mail, secure chat, email, toll-free call center number, and fax number for the Contractor; and

(24) The Contractor shall have the capability to suppress information on the website that is not applicable to the Stateôs members. For example, if the Contractor provides an online health risk assessment that members could potentially confuse with the Stateôs required health risk assessment, the Contractorôs health risk assessment would be suppressed.

A.17. Coordination and Collaboration

a. The Contractor shall coordinate with all other approved State vendors, including but not limited to the PBM, the medical TPAs, and the HM/W vendor as necessary to ensure that members receive appropriate services. This coordination shall include, but is not limited to, making referrals, providing information, exchanging data, and attending and participating in meetings.

b. The Contractor is responsible for coordinating with the PBM and the State as necessary to ensure that members receive appropriate outpatient behavioral health pharmacy services. Coordination by the Contractor shall include the following:

(1) Accepting and maintaining prescription drug data from the PBM in a manner and format and at a frequency specified by the State.

(2) Intervening with individual network providers, as identified by the Contractor, the PBM, the HM/W vendor, or the State, (1) whose prescribing practices appear to be operating outside industry or peer norms as defined by the State, (2) are non-compliant as it relates to adherence to the State's formulary and/or generic prescribing patterns, and/or (3) who are failing to follow required prior authorization processes and procedures. The goal of these interventions shall be to improve prescribing practices by the identified network provider. Interventions shall be individualized and face-to-face, as practical. As appropriate, the intervention may be a team effort that involves representatives from the Contractor, the PBM, the medical TPA, and/or the HM/W vendor.

c. The Contractor is responsible for working directly with the medical TPAs. Coordination by the Contractor shall include the following:

(1) Provision of information for the medical TPA to include in the member handbook and the member identification card, including Employee Assistance/Work-Life and behavioral health services information, the Contractor's toll-free telephone number, hours of operation, and website address.

(2) Provision of behavioral health benefits information for the medical TPA to include in the State's annual Enrollment materials for distribution to members. Such materials shall include network lists, website information, toll-free call center number, policies and procedures, confidentiality statement and other updates and/or changes that may be helpful to the State's members.

(3) Coordinating benefits administration with each medical TPA in order to ensure the proper determination of responsibility as well as the efficient and timely processing of claims, the adequate capture of data, and timely medical record request responses. The Contractor shall work with each medical TPA in order to appropriately manage split claims.

(4) Provision of claims data on a daily basis, or more frequently if requested by the State, using the agreed upon format and methodology. The medical TPAs will use this information to, among other functions, track a member's deductible and out-of-pocket expenses and subrogate behavioral health claims.

(5) Accepting and maintaining data, including claims data, from each medical TPA in a manner and format and at a frequency specified by the State.

(6) Working with each medical TPA in order to appropriately manage patients with co-occurring behavioral health and medical conditions, including co-management to include consultations when necessary between the clinical staff of the Contractor and the medical TPAs.

(7) Analyzing claims data from the medical TPAs and PBM and using other information to identify providers in each medical TPA's network that need additional education regarding prescribing patterns and clinical interventions/treatment for behavioral health conditions (except as provided in Contract Section A.8.f.). Each medical TPA shall be responsible for educating its providers.

(8) Participating as applicable in the medical TPA's discharge activities for individual members who have both medical and behavioral health needs.

(9) Collaborating with the State and other stakeholders to identify the appropriate depression screening and referral protocols in primary care environments.

(10) Other activities necessary for the appropriate coordination of benefits and claims payment of medical and behavioral health benefits.

d. The Contractor is not responsible for providing health management and wellness services; however, the Contractor shall coordinate with the HM/W vendor. Coordination by the Contractor shall include the following:

(1) The Contractor shall provide inpatient discharge planning information regarding specific members to the HM/W vendor using the process prior approved by the State (see Contract Section A.6.g.).

(2) The Contractorôs facility discharge planning process shall include, as appropriate for a particular member, coordination with the Stateôs HM/W vendor to provide health management services (e.g., case management and/or disease management services).

(3) As directed by the State, the Contractor shall implement cost-sharing incentives (e.g., lower rates of co-insurance, provision of co-payments in lieu of co-insurance, waiver of or provision of lower deductible amounts) for members engaged in disease management and other programs as reported to the Contractor by the State or the HM/W vendor.

e. Meetings with Other Vendors

(1) If requested by the State, the Contractor shall attend State-sponsored vendor summits with representatives from the State, the medical TPAs, the PBM, and the HM/W vendors. The purpose of the vendor summit is to identify issues, develop solutions, share information, leverage resources, and discuss and develop policies and procedures as necessary to ensure collaboration among vendors and the State.

(2) Unless otherwise directed by the State, qualified members of the Contractorôs clinical staff shall participate in regular conference calls with the medical TPAs, the PBM, and the HM/W vendors to address issues or concerns regarding individual members, particularly members with complex needs. In preparation for each call, the Contractor shall identify members and their issues/concerns, provide applicable documentation, including clinical information to the appropriate vendors, and develop recommendations for resolving the issue/concern. A medical TPA, the PBM, the HM/W vendor, and/or the State may also identify members, and the Contractor shall develop draft recommendations for resolving the issue/concern if applicable.

(3) Unless otherwise directed by the State, qualified members of the Contractorôs staff shall participate in monthly conference calls with the State and representatives from the medical TPAs, the HM/W vendor, and/or the PBM.

f. Transition of Services at Conclusion of Contract to Other Vendors

The Contractor shall provide the service of transitioning all existing services awarded under this contract to the next awarded contract holder at no additional cost to the State. A written transition plan shall be provided to the State within nine (9) months prior to the end of the current Contract.

A.18. Administrative Services

a. The State shall determine all policies and benefits related to the Public Sector Plans. Should the Contractor have a question on policy determinations, benefits, or operating guidelines required for proper performance of the Contractorôs responsibilities, the

Contractor shall request a determination in writing. The State will then respond in writing making a determination within thirty (30) calendar days. The Contractor shall then act in accordance with such policy determinations and/or operating guidelines.

b. The Contractor, upon request by the State, shall review and comment on proposed revisions to the benefits in the Public Sector Plans. When so requested, the Contractor shall comment in regard to:

(1) Industry practices;
(2) The overall cost impact to the Public Sector Plans;
(3) Any cost impact to the Contractorôs fee;
(4) Impact upon the Contractorôs performance;
(5) Necessary changes in the Contractorôs reporting requirements; and/or
(6) System changes.

c. The Contractor shall provide advice and assistance with regard to questions regarding effective dates, covered services, premiums, cost-sharing and cessation of coverage as requested by the State, members, and providers.

d. The Contractor shall serve as a subject-matter resource by responding to specific inquiries from and by providing information to the State on emerging best practices and applicable existing and proposed Federal and State laws and regulations that affect Work-Life and/or behavioral health services.

e. The Contractor shall respond to all inquiries in writing from the State within two (2) calendar days after receipt of said inquiry. In cases where additional information to answer the Stateôs inquiry is required, the Contractor shall notify the State immediately as to when the response can be furnished to the State. For matters designated as urgent by the State, the Contractor shall provide a response to the State within four (4) hours during normal business hours. During non-business hours the Contractor shall provide a response to urgent matters to the State within twenty-four (24) hours. Staff members, from the applicable business unit, with final decision making authority shall provide responses.

f. Unless otherwise directed by the State, the Contractor shall respond to all inquiries from the State regarding responses to proposed legislation within forty-eight (48) hours of the Stateôs request.

g. The Contractor, at the request of either party, shall meet with representatives of the State periodically, to discuss any problems and/or progress on matters outlined by the State. The Contractor shall have in attendance the staff requested by the State, which may include a Program Director and representatives from the Contractorôs organizational units required to respond to topics indicated by the Stateôs agenda. The Contractor shall provide information to the State concerning its efforts to develop cost containment mechanisms and improve administrative activities, as well as trends in the provision of benefits. The Contractor shall provide advice, assistance and information to the State regarding applicable existing and proposed Federal and State laws and regulations affecting the Public Sector Plans. The Contractor shall also provide information to the State regarding the administration of the benefit, internal procedures for billing and reconciliation of transactions, the provision of behavioral health treatment, and other administrative matters. These meetings will typically occur by teleconference, however, at its discretion, the State may request for the meeting to take place at the State of Tennessee offices in Nashville, TN. Any costs incurred by the Contractor as a result of a meeting with the State shall be the responsibility of the Contractor. Refer to Contract Section C.4.

h. To maintain the privacy of personal health information, the Contractor shall provide to the State a method of securing email for daily communications between the State and the Contractor. An ongoing issues log with a system for tracking resolution shall be sent to

the State on a weekly basis, and more often if requested. Refer to Contract Section A.20.j.12.

i. At the Stateôs request, the Contractor shall be responsible for conducting two (2) seminars per year, each of which shall be approximately one (1)-hour in length, on topics to be determined in collaboration with the State. The audience shall be other Public Sector Plan representatives, State staff, and other appropriate individuals as determined and requested by the State.

j. The Contractor shall not modify the services or benefits provided to members during the period of this Contract without the prior written consent of the State.

k. The Contractor shall refer all media and legislative inquiries to Benefits Administration, which will have the sole and exclusive responsibility to respond to all such queries. However, the Contractor shall respond directly to audit requests from the Comptroller, to audit requests from divisions within the Department of Finance & Administration, and to subpoenas; in all such instances, the Contractor shall copy Benefits Administration on all correspondence.

l. Unless prior approved in writing by the State and in compliance with State and Federal law, the Contractor shall not use information gained through this Contract, including but not limited to utilization and pricing information, in marketing or expanding non-State business relationships or for any pecuniary gain.

m. The Contractor shall not subcontract with any person or organization to provide any of the services to be performed under this Contract without obtaining the prior written approval of the State (see Contract Section D.7.). The Contractor shall not subcontract with any person or organization to meet the requirements in Contract Sections A.6., A.7., A.9., or A.12. The Contractor shall monitor any subcontractorôs performance consistent with the requirements of this Contract on an ongoing basis and take any necessary corrective action to address any identified issues. Upon the Stateôs request, the Contractor shall, within the timeframe specified by the State, provide a report that documents its monitoring activities, findings, and any corrective actions.

A.19. <u>Staffing</u>

a. The Contractor shall provide and maintain qualified staff at a level that enables the Contractor to meet the requirements of this Contract. The Contractor shall ensure all persons, including independent contractors, subcontractors and consultants assigned by it to perform under the Contract, shall have the experience and qualifications necessary to perform the work required herein. The Contractor shall include a similar provision in any contract with any subcontractor selected to perform work hereunder.

b. For its work under this Contract, the Contractor shall not use any person or organization on the U.S. Department of Health and Human ServicesôOffice of Inspector General (OIG) exclusions list unless the Contractor receives prior, written approval from the State.

c. The Contractor shall ensure all staff members receive initial and ongoing training regarding all applicable requirements of this Contract and the Public Sector Plans. The Contractor shall ensure staff members who provide services under this Contract have received comprehensive orientation and training regarding their functions, are knowledgeable about the Contractorôs operations relating to the Public Sector Plans, and are knowledgeable about their functions and how those functions relate to the requirements of this Contract.

d. The Contractor shall have on staff sufficient qualified, licensed and trained behavioral health professionals, whose primary duties are to conduct medical necessity reviews of claims, including review of complex or questionable claims.

e. The Contractor shall have on staff sufficient qualified, licensed and trained behavioral health professionals whose primary duties are to perform utilization management services.

f. The Contractor shall have an ongoing designated, full-time Account Team approved by the State that can provide daily operational support as well as strategic planning and analysis. All members of the Account Team shall have previous experience administering EAP/Work-Life or behavioral health services for large employers (over 10,000 members). The Account Team shall be available for consultation with the State during the hours of 8:00 a.m. to 4:30 p.m. Central Time, Monday through Friday, as required to fulfill the scope of services specified in this Contract. The Account Manager shall also be available via cell phone and email after hours, including weekends.

g. Consistent with Contract Section A.2.c., the Account Team shall include a designated full time Account Manager located in Nashville, Tennessee. Unless otherwise directed by the State, the designated Account Manager shall have had at least three (3) years of experience as an Account Manager for an EAP/BHO contract with at least 10,000 members. The Account Manager shall have the responsibility and authority to manage the entire range of services specified in this Contract and shall respond promptly to changes in benefit plan design, changes in claims processing procedures, or general administrative problems identified by the State. At a minimum, the Account Manager shall meet in person with the State once a month and more often if required by the State. At its discretion, the State may approve the Contractor to participate in such meetings by teleconference.

h. Consistent with Contract Section A.7.b., the Contractor shall have at least one of the two full-time specialized case manager designated to the Public Sector Plans and located in the Middle Tennessee Area, preferably Nashville.

i. The Contractor shall have at least one Certified Employee Assistance Professional consultant designated to coordinating services to members who are in safety sensitive jobs and violated an applicable drug and alcohol policy. These consultants shall be appropriately qualified, licensed, and trained and shall be familiar with and shall comply with applicable Federal and State law and policy regarding alcohol and substance abuse by individuals in safety sensitive jobs. These consultants shall ensure that members have access to Substance Abuse Professionals (SAPs) for services that must be provided by a SAP, as specified in State or Federal law or policy (e.g., evaluating the employee and making recommendations for treatment, follow-up drug and/or alcohol testing, whether the employee can return to safety-sensitive duties, and aftercare (continuing education and/or treatment needed after return to safety-sensitive duties). These consultants shall also facilitate the member's access to appropriate network providers to receive the treatment recommended by the SAP and shall monitor members for one year after they return to work. This monitoring shall include entering into a verbal agreement with the member to call the Employee Assistance consultant at a specified frequency (once or twice a month) for a thirty (30) minute "check in" session. If the member does not comply with the verbal agreement, the consultant shall notify the member's supervisor.

j. The Contractor shall have a designated staff member as the central contact for all State training requests, marketing materials distribution requests, and benefit and wellness fair requests. As needed and as part of its education and information role the Contractor shall, as requested by the State, attend Agency Benefits Coordinators (ABCs) trainings and benefits fairs for members at the State, Universities, Local Education Agencies (LEAs), Local Governments (and related entities participating in Local Government plan) and shall participate in ABC calls as needed and requested.

k. The Contractor shall survey the key State staff at Benefits Administration annually to determine the State's satisfaction with the Account Team and the Contractor's overall

performance, report the results of the survey to the State (see Contract Attachment C, Report # 24).

l. The Contractor agrees that the State may approve or disapprove the staff assigned to this Contract prior to the proposed assignment. The State may also direct the Contractor to replace staff members providing core services as the State deems necessary and appropriate. The decision of the State on these matters shall not be subject to appeal.

m. The Contractor shall not change any key personnel commitments unless requested by the State or prior approved by the State in writing. The Contractor shall notify the State at least fifteen (15) business days in advance, or as soon as the information is available, of proposed changes and shall submit justification (including proposed substitutions) in sufficient detail regarding education and experience equal to previous staff to the State to evaluate the impact upon the Contract. The decision of the State on these matters shall not be subject to appeal.

n. If any key position becomes vacant, the Contractor shall immediately provide a temporary replacement and shall provide a permanent replacement with commensurate experience and required professional credentials within sixty (60) days of the vacancy unless the State grants an exception to this requirement in writing. Refer to Contract Attachment B.

A.20. Information Systems

a. The Contractorâs systems shall have the capability of adapting to any future changes necessary as a result of modifications to the design of the Public Sector Plans or this Contract and its requirements, including e.g., data collection, records and reporting based upon unique identifiers to track services and expenditures across population types/demographic groups, regions/parts of the state. The systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes, e.g., in response to changes in Contract requirements or increases in enrollment estimates. The Contractorâs system architecture shall facilitate rapid application of the more common changes that can occur in the Contractorâs operation, including but not limited to:

(1) Changes in payment methodology;
(2) Provider reimbursement terms;
(3) Changes in service authorization and utilization management criteria;
(4) Changes in program management rules, e.g. eligibility for certain services; and
(5) Standardized contact/event/service codes.

b. The Contractor shall ensure that its electronic data processing (EDP) and electronic data interchange (EDI) environments (both hardware and software), data security, and internal controls meet all applicable Federal and State standards, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. Said standards shall include but not be limited to the requirements specified under each of the following HIPAA subsections:

(1) Electronic Transactions and Code Sets
(2) Privacy
(3) Security
(4) National Provider Identifier (NPI)
(5) National Employer Identifier
(6) National Individual Identifier
(7) Claims attachments
(8) National Health Plan Identifier
(9) Enforcement

c. Unless the State prior approves in writing the Contractorâs use of alternate mitigating controls, the Contractor shall use Federal Information Processing Standards (FIPS) 140-

2 compliant technologies to encrypt all Protected Health Information (PHI) in motion and/or rest, including back-up media.

d. All Contractor systems shall maintain linkages and head-of-contract-dependent (e.g., spouse to spouse and parent to child) relationships between initial and related subsequent interactions/transactions/events/activities. Additionally, when the Contractor houses indexed images of documents used by members, providers and subcontractors to transact with the Contractor, the Contractor shall ensure that these documents maintain logical relationships to certain key data such as member identification and provider/subcontractor identification numbers. The Contractor shall also ensure that records associated with a common event, transaction or customer service issue have a common index that facilitates search, retrieval and analysis of related activities, e.g., interactions with a particular member about the same matter/problem/issue.

e. Upon the State's request, the Contractor shall be able to generate a listing of all members and providers that were sent a particular document, the date and time that the document was generated, and the date and time that it was sent to particular members or providers or groups thereof. The Contractor shall also be able to generate a sample of said document.

f. Retention and Accessibility of Information

(1) The Contractor shall provide, one (1) month prior to go-live, and maintain thereafter a comprehensive information retention plan that is in compliance with State and Federal requirements.

(2) The Contractor shall maintain information on-line for a minimum of three (3) years, based on the last date of update activity, and update detailed and summary history data monthly for up to three (3) years to reflect adjustments.

(3) The Contractor shall provide forty-eight (48) hour turnaround or better on requests for access to information that is between three (3) years and six (6) years old, and seventy-two (72) hour turnaround or better on requests for access to information in machine readable form that is between six (6) and ten (10) years old. Such requests for information shall be made by the State or its authorized designee.

(4) If an audit or administrative, civil or criminal investigation or prosecution is in progress or audit findings or administrative, civil or criminal investigations or prosecutions are unresolved, information shall be kept in electronic form until all tasks or proceedings are completed.

g. Information Ownership. All information, whether data or documents, and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior written consent of the State.

h. System Availability, Business Continuity and Disaster Recovery (BC-DR)

(1) The Contractor shall ensure that critical member, provider and other web-accessible and/or telephone-based functionality and information including the website/portal described in Contract Section A.16. (to be agreed to by the State and the Contractor) are available to the applicable system users twenty-four (24) hours a day, seven (7) days a week, except during periods of scheduled system unavailability agreed upon by the State and the Contractor. Unavailability caused by events outside of the Contractor's span of control is outside of the scope of this requirement. Refer to Contract Section D.24. Any scheduled maintenance shall occur between the hours of midnight and 5:00 a.m. Central

Time and shall be scheduled in advance with notification on the member website/portal. The Contractor shall make efforts to minimize any down-time between 5:00 a.m. and 12:00 a.m. Central Time. Unavailability caused by events outside the Contractorôs span of control is outside the scope of this requirement. Refer to Contract Section D.24.

(2) The Contractor shall ensure that the systems within its span of control that support its data exchanges with the State and the Stateôs vendors are available and operational according to the specifications and schedule associated with each exchange.

(3) Regardless of the architecture of its systems, the Contractor shall develop and be continually ready to invoke a business continuity and disaster recovery (BC-DR) plan. The BC-DR plan shall encompass all information systems supporting this Contract. At a minimum the Contractorôs BC-DR plan shall address the following scenarios:

i. Central and/or satellite data processing, telecommunications, print and mailing facilities and functions therein, hardware and software are destroyed or damaged;
ii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage;
iii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of data maintained in a live or archival system; and
iv. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system.

(4) The Contractor shall provide the State results of its most recent test of its BC-DR plan at least one (1) month prior to the go-live date.

(5) The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore system functions. The Contractor shall submit an annual BC-DR Results Report to the State (see Contract Attachment C, Report # 25).

(6) In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall submit to the State a corrective action plan that describes how the failure will be resolved. The Contractor shall deliver the corrective action plan within ten (10) business days of the conclusion of the test.

(7) In the event of a declared major failure or disaster, as defined in the Contractorôs BC-DR plan, the Contractorôs critical functionality shall be restored within seventy-two (72) hours of the failureôs or disasterôs occurrence. The Contractor shall also ensure a Recovery Point Objective (RPO) of eight (8) hours in the event of any data loss.

(8) The Contractor shall maintain a duplicate set of all records relating to this Program in electronic medium, usable by the State and the Contractor for the purpose of disaster recovery or data restoration. Such duplicate records are to be stored at a secure fire, flood, and theft- protected facility located away from the storage location of the originals. The Contractor shall update duplicate

records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation. At the termination of this Contract, the Contractor shall convey the original and the duplicate records medium and the information they contain to the State on or before the date of termination.

i. Prior to implementing any major modification to or replacement of the Contractorôs core information systems functionality and/or associated operating environment, the Contractor shall notify the State in writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or modification: (a) would affect the Contractorôs ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users, members and providers; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of the Plan Documents and/or this Contract; or (d) would materially reduce the benefits payable or services provided to the average member. If so directed by the State, the Contractor shall discuss the proposed change with the State/its designee prior to implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.

j. System and Information Security and Access Management Requirements

(1) The Contractorôs systems shall employ an access management function that restricts access to varying hierarchical levels of system functionality and information. The access management function shall:

i. Restrict access to information on a "least privilege" basis, e.g., users permitted inquiry privileges only shall not be permitted to modify information;
ii. Restrict access to specific system functions and information based on an individual user profile, including inquiry only capabilities and the ability to create, change or delete certain data (global access to all functions shall be restricted to specified staff jointly agreed to by the State and the Contractor);
iii. Restrict unsuccessful attempts to access system functions to three (3), with a system function that automatically prevents further access attempts and records these occurrences; and
iv. Ensure that authentication credentials are not passed in clear text or otherwise displayed or presented.

(2) The Contractor shall make system information available to duly authorized representatives of the State and other State and Federal agencies to evaluate, through inspections or other means, the quality, appropriateness and timeliness of services performed.

(3) The Contractorôs systems shall contain controls to maintain information integrity. These controls shall be in place at all appropriate points of processing. The controls shall be tested in periodic and spot audits following a methodology to be developed jointly by and mutually agreed upon by the Contractor and the State.

(4) Audit trails shall be incorporated into all systems to allow information on source data files and documents to be traced through the processing stages to the point where the information is finally recorded. The audit trails shall:

i. Contain a unique log-on or terminal ID, the date, and time of any create/modify/delete action and, if applicable, the ID of the system job that effected the action;
ii. Have the date and identification "stamp" displayed on any on-line inquiry;

iii. Have the ability to trace data from the final place of recording back to its source data file and/or document;

iv. Be supported by listings, transaction reports, update reports, transaction logs, or error logs; and

v. Facilitate batch audits as well as auditing of individual records.

(5) The Contractorôs systems shall have inherent functionality that prevents the alteration of finalized records.

(6) The Contractor shall provide for the physical safeguarding of its data processing facilities and the systems and information housed therein. The Contractor shall provide the State with access to data facilities upon request. The physical security provisions shall be in effect for the life of this Contract.

(7) The Contractor shall restrict perimeter access to equipment sites, processing areas, and storage areas through a card key or other comparable system, as well as provide accountability control to record access attempts, including attempts of unauthorized access.

(8) The Contractor shall include physical security features designed to safeguard processor site(s) through required provision of fire retardant capabilities, as well as smoke and electrical alarms, monitored by security personnel.

(9) The Contractor shall put in place procedures, measures and technical security to prohibit unauthorized access to the regions of the data communications network inside of the Contractorôs span of control.

(10) Unless the State prior-approves in writing the Contractorôs use of alternate mitigating controls, the Contractor shall use Federal Information Processing Standard (FIPS) 140-2 compliant technologies to encrypt all PHI in motion or rest, including back-up media.

(11) The Contractor shall commission through an independent source approved by the State a security risk assessment at least annually and communicate the results to the State as part of an information security plan. The first report shall be provided one (1) month prior to the start date of operations and annually thereafter. The risk assessment shall also be made available to appropriate State and Federal agencies. At a minimum the assessment shall contain the following: identification of loss risk events/ vulnerabilities; analysis of the probability of loss risk and frequency of events; estimation of the impact of said events; identification and discussion of options for mitigating identified risks; cost-benefit analysis of options; recommended options and action plan for their implementation. The assessment shall be conducted in accordance with the following: requirements for administrative, physical, and technical safeguards to protect health data (45 CFR §§164.304 - 318); rules for conducting risk analysis and risk management activities (45 CFR §164.308); requirements for security awareness training (45 CFR §164.308(a)(5)); requirements for entities to have security incident identification, response, mitigation and documentation procedures (45 CFR §164.308(a)(6)).

(12) To maintain the privacy of PHI, the Contractor shall enable Transport Layer Security (TLS) on the mail server used for daily communications between the State and the Contractor. TLS shall be enabled no later than January 1, 2017 and shall remain in effect throughout the term of the contract.

A.21. <u>Data Integration and Technical Requirements</u>

a. The Contractor shall maintain an electronic data interface with the Stateôs Edison System for the purpose of processing State member enrollment information. The Contractor shall

be responsible for providing and installing the hardware and software necessary. When the Contractor requires the exchange of Protected Health Information (PHI) with the State of Tennessee, the State requires the use of second level authentication. This is accomplished using the State's standard software product, which supports Public Key Infrastructure (PKI). The Contractor shall design a solution, in coordination with the State, to connect to the State's Secure File Transfer Protocol (SFTP) server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor shall, with adequate notice, cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.

b. Notwithstanding the requirement to maintain enrollment data, the Contractor shall not perform changes to enrollment data without the State's approval. This prohibition shall include, but not necessarily be limited to: initiation, termination, and/or changes of coverage.

c. At least two (2) months prior to the go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the eligibility/enrollment file from the State.

d. At least one (1) month prior to the go-live date, the Contractor shall load, test, verify and make available online for use the State's eligibility/enrollment information. The Contractor shall certify, in writing, to the State that the Contractor understands and can fully accept and utilize the eligibility/enrollment files as provided by the State.

e. The Contractor shall maintain, in its systems, in-force enrollment records of all individuals covered by the Public Sector Plans.

(1) Weekly Enrollment Update: To ensure that the State's enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium weekly enrollment files from the State, in the State's Edison 834 (5010 file format, see RFP 31786-00133 Appendix 7.10 for the current file format), which may be revised. Files will include full population records for all members and will be in the format of ANSI ASC X12N, Benefit Enrollment and Maintenance 834 (5010), version 005010X220A1, with several fields customized by the State.

(2) The Contractor shall complete and submit to the State a Weekly File Transmission Statistics Report within five (5) business days of receipt of the Weekly Enrollment Update. The Contractor shall submit this report via email to designated State staff. (See Contract Attachment C.)

(3) The Contractor and/or its subcontractors, shall electronically process one hundred percent (100%) of electronically transmitted enrollment updates, including the resolution of any errors identified during processing, within four (4) business days of receipt of the weekly file. The State and the Contractor shall work to develop a process for responding to invalid or non-processed records.

(4) The Contractor and/or its subcontractors shall resolve all enrollment discrepancies as identified by the State or Contractor within one (1) business day of identification

(5) The Contractor and/or its subcontractors, with collaboration from the State, shall resolve associated system errors, as identified through enrollment discrepancy resolution, in a timeframe mutually agreed upon with the State. The Contractor

shall document in an eligibility system modification log, the system error details, the proposed solution, and the final solution as agreed upon by the State. The Contractor shall update and submit this log quarterly (refer also to Contract Attachment C, Reporting Requirements). Subsequent errors identical in nature may be subject to Liquidated Damages as specified in Attachment B.

(6) State Enrollment Data Match: Upon request by the State, not to exceed four (4) times annually, the Contractor shall submit to the State, in a secure manner, its full file of members, by which the State may conduct a data match against the Stateôs Edison database. The purpose of this data match will be to determine the extent to which the Contractor is maintaining its database of members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.

f. CMS Data Match: The Contractor shall enter into an agreement with the Centers for Medicare and Medicaid Services (CMS) providing for a data match, no less frequent than quarterly, of Contractor's full file of members against CMS Medicare files for purpose of determining the primary payer. Furthermore, the data match shall generate a report of all Medicare enrollees identified, which shall be shared with the State. The Contractor shall also provide a monthly report of all Local Government retirees who will become eligible for Medicare in the subsequent month. Such reports shall be submitted to the State as specified in Contract Attachment C.

g. The Contractor shall reconcile, within ten (10) business days of receipt, payment information provided by the State. Upon identification of any discrepancies, the Contractor shall immediately advise the State.

h. The Contractor shall establish and maintain systems and processes to receive and provide all appropriate and relevant data from entities and vendors providing services to members, including vendors under contract with the State (e.g., the PBM, medical TPAs, HSA vendor, and HM/W vendor) and integrate such data into Contractorôs systems and processes as appropriate no later than one (1) month prior to go-live at no additional cost to the State.

i. Decision Support System

(1) The Contractor shall transmit all behavioral health claims data to the Stateôs current health care decision support system (DSS) vendor and, if directed by the State, to the Department of Finance and Administration, Office for Information Resources in the format detailed in RFP 31786-00133 Appendix 7.12 ñDSS Vendor File formatòor in a mutually agreed upon format. The data feed(s) shall be provided at no additional charge to the State. The Contractor shall transmit all the processed behavioral health claims data, via a mutually agreed upon secure methodology, no later than fifteen (15) days following the end of each calendar month, or more frequently as directed by the State, until all claims incurred during the term of this Contract have been paid. (Refer to Attachment B.15)

(2) The Contractor shall transmit all processed de-identified Employee Assistance counseling session claims data for members who are not enrolled with one of the medical benefit options of the Public Sector Plans to the Stateôs current health care decision support system (DSS) vendor and, if directed by the State, to the Department of Finance and Administration, Office for Information Resources in the format detailed in RFP 31786-00133 Appendix 7.12 ñDSS Vendor File formatò or in a mutually agreed upon format. The data feed(s) shall be provided at no additional charge to the State. The Contractor shall transmit the all processed claims data, via a mutually agreed upon secure methodology, no later than fifteen (15) days following the end of each calendar month, or more frequently as

directed by the State, until all claims incurred during the period of this Contract have been paid. (Refer to Attachment B.15)

(3) The Contractor shall ensure that all behavioral health and Employee Assistance counseling session claims processed for payment have financial fields, valid provider identifications, the most recent complete International Classification of Diseases codes and Current Procedural Terminology-4/Healthcare Common Procedure Coding System codes (and when applicable, updated versions of each). The file submitted to the State's current health care decision support system (DSS) vendor should contain data elements consistent with industry standards, such as those contained on the Uniform Bill-04, Center for Medicare and Medicaid Services 1450 and Center for Medicare and Medicaid Services 1500 forms and their successors. Examples of these forms are provided in Attachment E. The Contractor shall add data as required by the State's DSS vendor and/or the State for the purpose of processing claims data. The State has final approval for all file layouts.

(4) Claims data provided to the DSS vendor shall meet the quality standards detailed in the Liquidated Damages section of this Contract (Contract Attachment B.14) as determined by the State's DSS vendor. Contractor shall not withhold any behavioral health and Employee Assistance counseling session processed claims data from the file submission.

(5) The Contractor is responsible for the fee charged by the DSS vendor to develop, test and implement conversion programs for the Contractor's claims data. Furthermore, the Contractor shall pay during the term of this contract all applicable fees as assessed by the State's DSS vendor related to any data format changes or additions, which are Contractor-initiated or are due to meeting compliance with new regulations. The Contractor shall also pay all applicable fees related to any DSS vendor efforts to correct Contractor data quality errors that occur during the term of this contract.

(6) To the extent that the Contractor receives electronic lab results for laboratory tests performed by contract providers, the Contractor shall transmit these lab results to the State's DSS vendor in a mutually agreed upon format. The Contractor shall transmit the data, via a mutually agreed upon secure methodology, no later than fifteen (15) days following the end of each calendar month or more frequently as directed by the State.

(7) The Contractor shall recognize that the medical claims data transmitted pursuant to the provision of this Contract is owned by the State of Tennessee.

j. The Contractor shall adhere to the additional requirements related to the State's DSS vendor listed in Contract Section C.3.f.

k. The Contractor shall provide transmittal of claims data via secure medium to any additional third parties including the State's HM/W vendor, medical TPAs, or others as identified by the State.

l. The Contractor shall provide utilization data for Work-Life services in a mutually agreed upon format and using a mutually agreed upon methodology on a monthly basis (see Contract Attachment C, Report # 28). This data shall include, by Work-Life service, the number of units provided, by member (without identifying information other than whether the member or head-of-contract is enrolled with one of the medical benefit options of the Public Sector Plans).

m. The Contractor shall load all current prior authorizations and related data that exist for current members from the incumbent EAP/BHO Contractor no later than one (1) month

prior to the go-live date and update/refresh the data, as specified by the State, until go-live.

n. Unless otherwise directed by the State, the Contractor shall accept at least one (1) year of historical data from the incumbent EAP/BHO Contractor. This includes, but is not limited to, claims history (with proprietary pricing and discount information redacted), provider data, member data, and prior authorization data.

o. By the start of systems testing activities with the State, the Contractorõs systems shall be able to transmit, receive and process data in HIPAA-compliant or agency-specific methods and formats where applicable. Any State-specific methods and formats not otherwise specified in this Contract and associated references and attachments will be detailed in documents that will be provided to the Contractor within thirty (30) days of Contract execution.

p. The Contractorõs systems shall conform to future Federal and State standards for data exchange by the standardõs effective date.

q. The Contractor shall partner with the State in the management of current and future data exchange formats and methods and in the development and implementation planning of future data exchange methods not specific to HIPAA or other Federal effort.

r. The Contractorõs system(s) shall possess mailing address standardization functionality in accordance with U.S. Postal Service conventions.

s. Within sixty (60) days of notice of termination of this Contract, the Contractor shall transfer to the State all required data and records necessary to administer the plan(s)/program(s), subject to State and Federal confidentiality requirements. The transfer shall be made electronically via secure medium, in a file format to be determined based on the mutual agreement between the State and the Contractor.

A.22. Privacy & Confidentiality

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

b. The Contractor shall develop, adopt, and implement standards, which are, at a minimum, compliant with the HIPAA statute and the HIPAA privacy and security rules in 45 CFR Part 164, to safeguard the privacy and confidentiality of all Protected Health Information (PHI) about members. For example, the Contractor shall ensure it does not have completed forms containing PHI sitting in public view, left in unsecured boxes or files, or left unattended in any off-site location (e.g., in an automobile). The Contractorõs procedures shall include but not be limited to safeguarding the identity of members as members of a Public Sector Plan and preventing the unauthorized disclosure of PHI. The Contractor shall comply with the HIPAA as amended by the HITECH Act (part of the American Recovery and Reinvestment Act, Public Law 111-5), and any implementing regulations including new amendments when they become effective.

c. The Contractor shall not use or further disclose protected health information (PHI) other than as permitted or required by HIPAA and the Business Associate Agreement; or as required by law. Use of PHI for payment, treatment, or health care operations may include disclosure only as permitted by HIPAA, including HIPAAõs ñminimum necessaryò standard.

d. The Contractor shall use appropriate safeguards to prevent the unauthorized use or disclosure of the PHI. The Contractor shall immediately report to the State any unauthorized use or disclosure of the PHI. Contractor shall comply with the HIPAA Breach Notification Rules found in 45 CFR §, Section 164.400 et al, and shall cooperate

with the State in responding to any unauthorized use or disclosure of PHI related to this contract.

e. The Contractor shall mitigate, to the extent practicable, any harmful effect known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the Federal privacy rule.

f. The Contractor shall provide access to PHI in a "designated record set" in order to meet the requirements under 45 CFR §164.524.

g. The Contractor shall make any amendment(s) to PHI in a "designated record set" pursuant to 45 CFR §164.526.

h. The Contractor shall document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

i. The Contractor shall (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits, (ii) report to the State any security incident (within the meaning of 45 CFR § 164.304) of which the Contractor becomes aware, and (iii) ensure that any agent of the Contractor, including any subcontractor, agrees to the same restrictions and conditions that apply to the Contractor with respect to such information.

j. The Contractor shall not sell Public Sector Plan member or prescriber information or use member or prescriber identified information for advertising, marketing, promotion or any activity intended to influence sales or market share of a medical product or service.

k. At the request of the State, the Contractor shall offer credit protection for those times in which a memberôs PHI is accidentally or inappropriately disclosed.

l. The Contractor shall comply with all privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health (HITECH) Act.

m. The Contractor shall have full financial responsibility for any penalties, fines, or other payments imposed or required as a result of the Contractorôs non-compliance with or violation of HIPAA or HITECH requirements, and the Contractor shall indemnify the State with respect to any such penalties, fines, or payments.

n. The Contractor shall assure all Contractor staff is trained in all HIPAA requirements, as applicable.

A.23. <u>Reporting and System Access</u>

a. The Contractor shall provide a minimum of five (5) State employees with access to the Contractorôs eligibility system no later than nine (9) days prior to the go-live date. Additional or replacement users may be added at any time at the Stateôs request. Access shall include the ability to do real-time updates to the Contractorôs eligibility records. State access is limited to only eligibility data.

b. The Contractor shall train the requested State staff (and any additional or replacement users) regarding access to the Contractorôs system on all Contractor systems and tools no later less than one (1) month prior to the go-live date. Such training may be delivered remotely or in-person.

c. The Contractor shall submit reports in a mutually agreeable electronic format (e.g., Microsoft Word or Microsoft Excel), of the type, at the frequency, and containing the

detail described in Contract Attachment C. Reporting shall continue for the eighteen (18) month claims run out period following termination of this Contract.

d. The Contractor shall provide the State access to an ad-hoc reporting liaison to assist in the development of reports that cannot be generated using the Contractorôs standard reporting package. The Contractor shall deliver such reports to the State within five (5) business days of the Stateôs request. If requested by the State, the Contractor shall deliver up to five (5) reports annually deemed as ñurgentò by the State within two (2) business days. All ad-hoc reports shall be provided at no additional cost to the State.

e. Within thirty (30) days of the contract start date and annually thereafter, the Contractor shall provide the State the most recent copy of the Contractorôs SSAE 16 SOC1 Type 2 report as well as the SSAE 16 SOC1 Type 2 report for any subcontractor processing claims that represent more than twenty percent (20%) of behavioral health claim expenses for members.

f. The Contractor shall ensure reports submitted by the Contractor to the State meet the following standards:

(1) The Contractor shall verify the accuracy and completeness of data and other information in reports submitted.
(2) The Contractor shall ensure delivery of reports or other required data on or before scheduled due dates.
(3) Reports or other required data shall conform to the Stateôs defined written standards.
(4) All required information shall be fully disclosed in a manner that is responsive and with no material omission.
(5) Each report shall be accompanied by a brief narrative that describes the content of the report and highlights salient findings of the report.
(6) As applicable, the Contractor shall analyze the reports for any early patterns of change, identified trend, or outlier (catastrophic case) and shall submit a written summary with the report including such analysis and interpretation of findings. At a minimum, such analysis shall include the identification of change(s), the potential reasons for change(s), and the proposed action(s).
(7) The Contractor shall notify the State regarding any significant changes in its ability to collect information relative to required data or reports.
(8) The submission of late, inaccurate or otherwise incomplete reports shall be considered failure to report within the specified timeframe (see Contract Attachment B.25.).
(9) State requirements regarding reports, report content and frequency of submission may change during the period of the Contract. The Contractor shall have at least forty-five (45) days to comply with changes specified in writing by the State.

g. The Contractor shall provide a minimum of two (2) State representatives with access to the Contractorôs Executive Dashboard and analytics tools, no later than thirty days post go-live date, for the duration of this contract. In addition to access, orientation training shall be provided for the tool as well as ongoing technical support.

A.24. <u>Payment Reform</u>

a. Benefits Administration is participating in the state-wide initiative to transition Tennesseeôs healthcare payment system to better reward patient-centered, high-value health care outcomes for all Tennesseans. The Contractor shall collaborate with Benefits Administration, as needed for data sharing and information purposes, on payment reform initiatives, including but not limited to Episodes and patient centered medical homes (PCMH). The Contractor shall share claims and other related data with third party administrator vendors, as needed upon request by the State, to gain full episode spend.

b. The Contractor may implement, with prior Benefits Administration review and approval, retrospective or prospective episode as well as other value based initiatives that the Contractor deems of value or benefit to the State members.

A.25. Due Dates for Project Deliverables/Milestones

Unless otherwise specified in writing by the State, the Contractor shall adhere to the following schedule for the deliverables and milestones for which it is responsible under this Contract. Unless otherwise specified in this Contract or specified in writing by the State, the Contractor shall submit one electronic copy of each deliverable in MS Word or MS Excel.

| Deliverable/Milestone: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|
| **Implementation** | | |
| 1. Programs, services, and systems are fully operational | A.2.a. | December 1, 2016 |
| 2. Go-live | A.2. | January 1, 2017 |
| 3. Kick-off meeting for all key Contractor staff | A.2.d. | Within 21 days after Contract award date |
| 4. Implementation plan | A.2.e and A.2f. | 30 days after Contract award date, or before |
| 5. State readiness review | A.2.g. | October 1, 2016, or before |
| 6. Weekly status meetings | A.2.j. | Contract start date through February 1, 2017 |
| 7. Implementation performance assessment | A.2.k. | January 31, 2017, or before |
| 8. ñLessons learnedòreport | A.2.l. | March 31, 2017, or before |
| **Covered Services** | | |
| 9. Employee and supervisor education and training plan | A.3.c | October 15, 2016 or before and then annually |
| **Behavioral Health Provider Network** | | |
| 10. Quarterly Appointment Standards Report | A.5.f. and A. 5.g. and Attachment C | Quarterly after go-live |
| 11. Quarterly Network Changes Update Report | A.5.m. and Attachment C | By the twentieth (20th) business day of the end of each quarter |
| 12. Online Provider directories | A.5.r. | November 1, 2016, or before, and then continuously updated |
| 13. GeoNetworks® Report | A.5.s. and Attachment C | Semi-annually after the 1st and 3rd calendar quarters starting with a submission for the 2nd and 3rd calendar quarters after go-live |
| 14. Monthly Unique Care Exception Report | A.5.z. and Attachment C | Monthly after go-live |

| Deliverable/Milestone: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|
| 15. Quarterly Out-of-Service Area Report | A.5.aa. and Attachment C | Quarterly after go-live |
| **Utilization Management for Behavioral Health Services** | | |
| 16. Notice template with information for members prior to provider continuing services that are no longer medically necessary | A.6.e. | October 1, 2016, or before |
| 17. Description of UM program, evaluation methodology, and audit program | A.6.n. | October 1, 2016, or before |
| 18. Quarterly Utilization and Practice Report | A.6.o. and Attachment C | Quarterly after go-live |
| **Specialized Case Management** | | |
| 19. Description of case management program | A.7.g. | October 1, 2016, or before |
| 20. Quarterly Case Management Report | A.7.h. | Quarterly after go-live |
| **Quality Assurance Program** | | |
| 21. Psychotropic Medication Guidelines Report | A.8.e. and Attachment C | Annually on the date agreed to by the State |
| 22. Quarterly Report on Provider Incidents/Potential Issues | A.8.f. and Attachment C | Quarterly after go-live |
| 23. Performance Evaluation Report | A.8.i. and Attachment C | Annually |
| 24. Accreditation schedule (if not accredited per Contract Section A.8.l) | A.8.j. | December 31, 2016, or before |
| 25. NCQA Reports | A.8.k. and Attachment C | Annually on the date agreed to by the State |
| 26. NCQA QA Documents | A.8.k. and Attachment C | Annually on the date agreed to by the State |
| 27. URAC Reports | A.8.k. and Attachment C | Annually on the date agreed to by the State |
| **Claims Processing, Payment and Reconciliation** | | |
| 28. Methodology for internal claims audits | A.9.l. | December 1, 2016, or before |
| 29. EOB format and text | A.9.o. | November 15, 2016, or before |
| 30. Quarterly COB Report | A.9.x. and Attachment C | Quarterly after go-live |
| 31. Description of process for determining experimental/investigational procedures and services | A.9.aa. | December 1, 2016, or before |
| 32. Monthly Paid Claims Report | A.9.cc. and Attachment C | Monthly after go-live |

| Deliverable/Milestone: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|
| 33. Monthly Reconciliation Report | A.9.cc. and Attachment C | Monthly after go-live |
| 34. Monthly Recoveries Report | A.9.cc. and Attachment C | Monthly after go-live |
| 35. Description of fraud and abuse program | A.10. | October 1, 2016, or before |
| 36. Quarterly Fraud and Abuse Report | A.10. and Attachment C | Quarterly after go-live |
| **Member Services** | | |
| 37. Procedures for monitoring and ensuring quality of services provided by member services representatives | A.12.f. | September 1, 2016 |
| 38. Adherence to Customer Satisfaction Standards Report | A.12.g. and Attachment C | Monthly after go-live |
| 39. Description of member appeals process and procedures and sample determination letters | A.13. | December 1, 2016, or before |
| 40. Quarterly Appeals Reports | A.13.k. and Attachment C | Quarterly after go-live |
| **Call Center** | | |
| 41. Vanity number | A.14.a. | October 1, 2016 |
| 42. Call center open | A.14.c. | December 1, 2016 |
| 43. Call center operations policies and procedures | A.14.l. | September 1, 2016 |
| 44. Call center statistics | A.14.n. Attachment B, and Attachment C | Daily from December 1, 2016 through February 29, 2017; weekly starting December 5, 2016, and monthly starting January 5, 2017 |
| 45. Caller ID | A.14.q. | December 1, 2016 |
| 46. Policies and procedures regarding access to recorded calls | A.14.s. | December 1, 2016 |
| **Member Information and Communication** | | |
| 47. Annual thematic messaging and EAP brochure | A.15.d. and A.15.g. | November 1, 2016 and then by September 15 annually |
| 48. Initial welcome packet | A.15.i. | Draft to State November 1, 2016; to members by December 11, 2016 |
| 49. Ongoing annual mailing for 2018 plan year and annually until the termination of the contract | A.15.j. | Within 10 days of receipt of enrollment information during the 2017 plan year |
| 50. Orientation Online Video for members | A.15.k. | November 1, 2016 and then at least annually |
| 51. Orientation Online Video for supervisors | A.15.l. | November 1, 2016 and then at least annually |
| 52. Bi annual review of awareness materials for supervisors, life event letters, and substance abuse outreach materials | A.15.e.(13) | November 15, 2016 for January 2017 and then bi annually |

| Deliverable/Milestone: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|
| 53. Supervisor newsletter | A.15.m. | November 15, 2016 for January 2017 issue and then monthly |
| 54. Member newsletter | A.15.h. | November 15, 2016 for January 2017 issue and then monthly |
| 55. Supervisor manual | A.15.n. | November 1, 2016 and then at least annually |
| 56. Training Catalog | A.15.o. | December 1, 2016 and then at least annually |
| 57. ñTake this to your behavioral health visitòchecklists | A.15.p. | November 15, 2016 |
| 58. Materials for the annual enrollment period | A.15.q. | Annually two (2) months before the annual enrollment period |
| **Website/portal** | | |
| 59. Website/portal go-live | A.16.d. | December 1, 2016, or before |
| 60. State review of website/portal and all materials on website/portal associated with release # 1 | A.16.h. | November 1, 2016, or before |
| **Coordination and Collaboration** | | |
| 61. State-sponsored vendor summit | A.17.e. | Annual; date TBD by State |
| 62. Monthly conference calls with State, medical TPAs, PBM and HM/W vendors | A.17.e. | Monthly after go-live |
| 63. Meetings with State, medical TPAs, PBM and HM/W vendors | A.17.e. | If requested by the State, after go-live |
| 64. Transition to potential other vendor | A.17.f. | Due on or before March 31, 2016. |
| **Administrative Services** | | |
| 65. Monthly operational meetings | A.18.g | Monthly after go-live |
| 66. Quarterly meetings with the State | A.18.g. | Quarterly after go-live |
| 67. Benefits Administration Seminars | A.18.i. | Dates TBD by State |
| **Staffing** | | |
| 68. Account Team satisfaction survey | A.19.k. | Annually in January |
| 69. Account Team Satisfaction Survey Report | A.19.k. and Attachment C | Annually |
| **Information Systems** | | |
| 70. Business Continuity/Disaster Recovery (BC-DR) Test Results | A.20.h. | December 1, 2016 |
| 71. BC-DR Results Report | A.20.h. and Attachment C | December 1, 2016 and then annually in January beginning 2017 |
| 72. Duplicate data processing records | A.20.h.(8) | On or before the date of contract termination |
| **Data Integration & Technical Requirements** | | |
| 73. Completion of eligibility file testing | A.21.c. | November 1, 2016, or before |
| 74. Edison system interface/Eligibility file acceptance | A.21.d. | December 1, 2016, or before |

| | Deliverable/Milestone: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|---|
| 75. | Weekly enrollment update | A.21.e.(1) | Weekly after December 1, 2016 |
| 76. | Weekly File Transmission Statistics Report | A.21.e.(2) and Attachment C | Within five (5) business days of receipt of Weekly Enrollment Update |
| 77. | State enrollment data match | A.21.e.(6) | Up to four (4) times annually, as requested by the State |
| 78. | Quarterly and Monthly CMS Data Match and Report | A.21.f. and Attachment C | Quarterly or Monthly after go-live, as required by the contract |
| 79. | Completion of testing files from other vendors | A.21.h. | November 1, 2016, or before |
| 80. | Interface with other vendors/file acceptance | A.21.h. | December 1, 2016 |
| 81. | File acceptance from other vendors | A.21.h. | Daily, unless otherwise directed by the State |
| 82. | Send test claims file to DSS Vendor | A.21.i. | November 1, 2016 or before |
| 83. | Claims data transmission to DSS vendor | A.21.i. | 15 days following the end of each calendar month |
| 84. | De-identified claims transmission to the State | A.21.i. | 15 days following the end of each calendar month |
| 85. | Claims data transmission to third parties | A.21.k. | Daily, unless otherwise directed by the State |
| 86. | Electronic lab results transmission to DSS vendor | A.21.i. | 15 days following the end of each calendar month |
| 87. | Work-Life utilization data | A.21.l. and Attachment C | 15 days following the end of each calendar month |
| 88. | Load current prior authorizations and related data | A.21.m. | December 1, 2016, or before |
| 89. | Transmission of data and records to State | A.21.s. | Within 60 days of notice of termination |
| **Reporting & Systems Access** | | | |
| 90. | Reports specified in Contract Attachment C | A.23.c. and Contract Attachment C | As specified in Contract Attachment C |
| 91. | SSAE 16 report(s) | A.23.e. | Within thirty (30) days of the contract start date and annually thereafter |

A. 26. Warranty Contractor represents and warrants that the term of the warranty (ñWarranty Periodò) shall be the greater of the Term of this Contract or any other warranty general offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a ñDefectò and shall be considered ñDefective.ò If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractorôs industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the Stateôs rights under this Section shall not prejudice the Stateôs rights to seek any other remedies available under this Contract or applicable law.

A.27. Inspection and Acceptance The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

A.28. Definitions

a. Abandoned Call: A call in which the caller elects an option and is either not permitted access to that option or disconnects from the system.

b. Advanced Practice Psychiatric Nurses: are health care professionals licensed to practice as specialists in psychiatric-mental health nursing. The advanced practice psychiatric nurse may be certified in Psychiatric Mental Health (PMH) as a Psychiatric-Mental Health Clinical Nurse Specialist (PMHCNS-BC) or Psychiatric-Mental Health Nurse Practitioner (PMHNP-BC).

c. Affiliate: A business organization or entity that, directly or indirectly, is owned or controlled by the Contractor, or owns or controls the Contractor, or is under common ownership or control with the Contractor.

d. Agency Benefits Coordinator (ABC): An Agency Benefits Coordinator serves as the liaison between the Public Sector Plans and members.

e. Average Seconds to Answer (ASA): The mean time between (a) the moment at which a caller to the Contractorôs call center first hears an introductory greeting and enters the queue and (b) the time at which a member services representative at the call center answers the call. For this definition, the term ñanswerò shall mean begin an uninterrupted dialogue with the caller. If a staff member asks the caller to hold during the first sixty (60) seconds of the dialogue, the Contractor shall not consider the call to be ñansweredò for purposes of this definition until the member services representative returns to the caller and begins an uninterrupted dialogue. If a caller requested a returned call using the dial-back feature described in Contract Section A.11. the ASA shall be defined as the time between (a) the moment at which a caller to the Contractorôs call center first hears an introductory greeting and enters the queue and (b) the time of the returned call (regardless of whether the member answered).

f. Balance Billing: Seeking payment from a member for any charged amount(s) over and above the allowable amount or contract rates.

g. Benefits Administration: The division of the Tennessee Department of Finance & Administration that administers the Public Sector Plans and the Cover Tennessee programs.

h. Behavioral Health Provider Network: Includes both employee assistance and behavioral health providers.

i. Behavioral Health Services: Mental health and substance abuse services.

j. BHO: Behavioral Health Organization.

k. Blocked Call: A call that cannot be connected immediately because no circuit is available at the time the call arrives or the telephone system is programmed to block calls from entering the queue when the queue backs up behind a defined threshold.

l. Business Days: Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Government Holidays are excluded.

m. Calendar Days: All seven days of the week.

n. Claims Payment Accuracy: The measurement of claims processed with an accurate payment of benefits divided by the total number of claims with payments in the audited population.

o. Claims Processing Accuracy: The measurement of claims processed without any type of error divided by the total number of claims in the audited population.

p. Claims Processing Turnaround: The time elapsed from the date all information necessary to process a claim is received to the date the claim is processed.

q. CFR: Code of Federal Regulations.

r. Clean Claim: A claim received by the Contractor for adjudication that requires no further information, adjustment, or alteration by the provider in order to be processed by the Contractor. In addition to the provider, this includes information, adjustment, or alteration by the Member, the Subscriber, third-party payers (i.e. ï Medicare), and/or Plan Sponsor.

s. Co-insurance: That percentage of the charge for a behavioral health or medical service provided to a member that is the responsibility of the member.

t. Co-payment: That portion of the charge (flat dollar amount) for each behavioral health or medical service provided to a member that is the responsibility of the member.

u. Consumer Driven Health Plan with Health Savings Account (CDHP/HSA): A consumer-directed health plan (CDHP) typically involves the combination of high-deductible health coverage with a health savings account (HSA) or health reimbursement arrangement (HRA). CDHPs typically have lower premiums and higher deductibles. HSA or HRA funds can be used for eligible healthcare expenses.

v. Day(s): Calendar day(s) unless otherwise specified in the Contract.

w. Deductible: The amount specified in the Plan Documents that must be paid by each member prior to payment of any covered behavioral health services by the Contractor.

x. Denied Claim: A claim that is not paid for reasons such as eligibility and coverage rules.

y. DSS: A decision support system, which is a database and query tool.

z. EAP: Employee Assistance Program. Up to five (5) counseling sessions (5 visit model), per separate incident.

aa. EAP Session Data: Data collected from EAP encounter that is transmitted to DSS vendor, allowing the State to obtain a complete longitudinal view of members' claim experience. At a minimum, data shall include all of the variables contained in the file layout approved by the State.

bb. Employee Training: Workshops and training to engage employee awareness and utilization of the employee assistance program. This includes seminars on promotion and prevention, supervisory training, employee orientations, and other training requests.

cc. Head-of-Contract: Eligible employee, retiree, or individual qualified under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) (not including dependents) who is enrolled in one the medical benefit options of the Public Sector Plans.

dd. HIPAA: Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and implementing regulations.

ee. HITECH: Health Information Technology for Economic and Clinical Health Act Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5 (Feb. 17, 2009) and implementing regulations.

ff. HM/W Vendor: The contractor providing health management and wellness services, including lifestyle management, disease management, and possibly case management services, to the Public Sector Plans.

gg. Information System(s): A combination of computing and telecommunications hardware and software that is used in: (a) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of information, i.e., structured data (which may include digitized audio and video) and documents as well as non-digitized audio and video; and/or (b) the processing of information and non-digitized audio and video for the purposes of enabling and/or facilitating a business process or related transaction.

hh. Inpatient Care: Inpatient behavioral health services, including hospital services, residential treatment services, partial hospitalization services, and intensive outpatient therapy.

ii. Lock-in: An action by the Contractor to limit the number or subset of providers from which a member can seek covered services so as to prevent õprovider shoppingò and mitigate risks of fraud and abuse.

jj. Medical Third Party Administrator (TPA): A contractor providing one of the medical benefit options of the Public Sector Plans.

kk. Member: Any person enrolled in one of the Public Sector Plans, this includes the Head of Contract and enrolled dependents.

ll. National Committee for Quality Assurance (NCQA): is an independent 501(c)(3) non-profit organization that works to improve health care quality through the administration of evidence-based standards, measures, programs, and accreditation.

mm. National Provider Identification Number (NPI): A 10-position, intelligence-free numeric identifier (10-digit number). The numbers do not carry other information about health care providers, such as the state in which they live or their medical specialty.

nn. Network Provider: A provider that has a provider agreement with the Contractor to provide services according to specific terms and rates.

oo. Out-of-Network: The services received and the reimbursement level available when provided by providers that do not have a provider agreement with the Contractor to provide services according to specific terms and rates.

pp. Out-of-Pocket Expenses: The sum of any deductibles, co-payments or co-insurance required of, or incurred by, enrolled members for any covered benefit.

qq. Paid Claim: A claim that meets all coverage criteria of the Public Sector Plans and is paid by the Contractor and submitted to the State for reimbursement.

rr. Payment Reform: A state-wide initiative to transition Tennesseeôs healthcare payment system to better reward patient-centered, high-value health care outcomes for all Tennesseans. The Tennessee Health Care Innovation Initiative is led by Division of Health Care Finance and Administration and the Division of Benefits Administration, and is engaged with a broad group of stakeholders, including the largest private insurers in Tennessee and leading Tennessee healthcare providers.

ss. PBM: The contractor providing pharmacy benefits management services to the Public Sector Plans.

tt. PEPM: Per employee per month. For purposes of this definition, ñemployeeòis any person who is enrolled in one of the medical benefit options of the Public Sector Plan and is also a head-of-contract as defined in Contract Section A.28.

uu. Plan Documents: The State Plan, Local Education Plan, and Local Government Plan Documents, which are located on the Stateôs website at www.tn.gov/finance/ins/publications.html and which govern coverage of services and eligibility under each plan.

vv. Plan year: The twelve-month period that commences at the time at which a memberôs annual benefit elections take effect. Currently, the Stateôs plan year is coterminous with the calendar year.

ww. Preferred Provider Organization (PPO): a managed care organization of medical doctors, hospitals, and other health care providers who have agreed with an insurer or a third-party administrator to provide health care at reduced rates to the insurer's or administrator's clients.

xx. Processed Claim: The action by the Contractor of adjudicating a claim which results in assigning a status to the claim of denied, paid, or externally pended for missing information needed to process a claim.

yy. Protected Health Information (PHI): As defined in the HIPAA Privacy Rule, 45 CFR § 160.103.

zz. Public Sector Plans: Benefit plans sponsored by the State, Local Government, and Local Education Insurance Committees, including the Standard PPO, the Partnership PPO, the Limited PPO and any other benefit options, such as a CDHP with HSA or HRA, as specified by the State.

aaa. Responsive Web Design (RWD): an approach to web design aimed at crafting sites to provide an optimal viewing and interaction experience. Key components include easy reading and navigation with a minimum of resizing, panning, and scrolling across a wide range of devices such as tablets, desktop computer monitors, and mobile phones.

bbb. Retrospective Episode Based Reimbursement - focuses on ñepisodes of careò(any clinical situations that have relatively predictable start and end points such as procedures, hospitalizations, acute outpatient care, and some treatments for cancer and behavioral health conditions). Retrospective Episode Based Reimbursement identifies which provider is in the best position to affect the clinical outcomes and total costs associated with an episode of care; it then assesses (through retrospective analysis of claims data) the outcomes achieved and costs incurred during each episode over a

specific period of time (e.g., quarterly). The identified providers are then rewarded or penalized based on their average performance across all the episodes.

ccc. RFP: Request for Proposals.

ddd. Section 508: Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and implementing regulations at 36 CFR 1194 Parts A-D requires that all Web site content be equally accessible to people with disabilities. This applies to Web applications, Web pages and all attached files. It applies to intranet as well as public-facing Web pages.

eee. Secure Chat: A specialized form of instant messaging that encrypts and decrypts the contents of the messages such that only the actual users can understand them.

fff. Span of Control: Information systems and telecommunications capabilities that the Contractor itself operates or for which it is otherwise legally responsible according to this Contract. The Contractorôs span of control also includes systems and telecommunications capabilities outsourced by the Contractor.

ggg. Spouse: Legally married spouse, as of date of marriage as defined in Chapter 3 of Title 36, Tennessee Code Annotated.

hhh. State: The State of Tennessee.

iii. State, Local Government, and Local Education Insurance Committees: Policy making bodies for the State, Local Government, and Local Education plans established under Tennessee Code Annotated 8-27-101, 8-27-207, and 8-27-301 respectively.

jjj. State Government Holidays: Days on which official holidays and commemorations as defined in Tennessee Code Annotated 15-1-101 et seq. are observed.

kkk. State Vendor: A vendor contracted by the State to provide services to the Public Sector Plans, including but not limited to the HM/W vendor, the medical TPAs, and the PBM.

lll. Subcontract: An agreement entered into by the Contractor with any other organization or person who agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract, when the intent of such an agreement is to delegate the responsibility for any major service or group of services required by this Contract.

mmm. Subcontractor: Any organization or person who provides any function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract.

nnn. Telecommunication Device for the Deaf (TDD): Special telephone devices with keyboard attachments for use by individuals with hearing impairments who are unable to use conventional phones. Also known as TTY.

ooo. Video/Web Conferencing: A real-time transmission of audio and video signals between two people in different locations for the purpose of communication.

ppp. Warm Transfer: Simultaneous transfer of a telephone call and its associated data from one agent to another agent or supervisor.

qqq. Work-Life Services: The services described in Contract Section A.3.b. and Contract Attachment D, including but not limited to financial counseling, legal consultation, child/elder care assistance, supervisor support, critical incident stress management services, and employee and supervisor education and training services.

rrr. Workplace Outcome Suite: A brief, valid and reliable measurement tool available at no cost. The Workplace Outcome Suite Cluster II objectively measures EAP outcomes, health care utilization, alcohol use lifestyle, drug use lifestyle, job satisfaction and emotional distress.

sss. Leadership Support Team: Dedicated team of licensed, Masters level behavioral health professionals devoted to supporting supervisors with coaching related to people management skills, leadership development, and other management duties. 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.

ttt. TeleBehavioral Health Services: Use of electronic information and telecommunications technologies to support long-distance clinical behavioral health care, patient and professional health-related education, and behavioral health administration.

**B. TERM OF CONTRACT:**

This Contract shall be effective on July 1, 2016 and extend for a period of eighty-four (84) months after the Effective Date (ñTermò). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. Maximum Liability**.** In no event shall the maximum liability of the State under this Contract exceed Written Dollar Amount ($Number) (ñMaximum Liabilityò). 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 Contractorôs 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:

| **Fee Per Employee Per Month (PEPM) – NO Medical** | **Rates for services/benefits for employees that do not participate in the medical program** | | | | |
|---|---|---|---|---|---|
| | **1/1/2017 – 12/31/2017** | **1/1/2018 – 12/31/2018** | **1/1/2019 – 12/31/2019** | **1/1/2020 – 12/31/2020** | **1/1/2021 – 12/31/2021** |
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM |
| **Fee Per Employee Per** | **Rates for BHO/EAP services/benefits for members that participate in the medical program** | | | | |

| Month (PEPM) – WITH Medical | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 |
|---|---|---|---|---|---|
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM |

| Fully Insured Active Employees, Retirees, COBRAs, and dependents (currently approximately 152,000 contracts) | Rates for EAP services/benefits for all employees, covered in the EAP 5-visit model.* | | | | |
|---|---|---|---|---|---|
| | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 |
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM |
| **Self-funded Active Employees, Retirees, COBRAs, and dependents (currently approximately 145,000 contracts)** | **Rates for BHO only services/benefits for members that participate in the medical program**** | | | | |
| | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 |
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM |
| *This rate includes both members enrolled in the medical plan (approximately 145,000) and employees eligible, yet not enrolled in the medical plan who are covered by the EAP (approximately 7,000) for a total of approximately 152,000. | | | | | |
| **Services include: BHO claims processing/member services, claims fiduciary, administration/banking, account management/reporting (standard and ad hoc), member communication materials, and quality assurance management. These services are to be provided on an Administrative Services Only (ASO) basis. | | | | | |

c. The Contractor shall be compensated based upon the following payment rates for **optional** TeleBehavioral Health Services.

| Optional Tele-Behavioral Health Services | 1/1/2017 – 12/31/2017 | 1/1/2018 – 12/31/2018 | 1/1/2019 – 12/31/2019 | 1/1/2020 – 12/31/2020 | 1/1/2021 – 12/31/2021 |
|---|---|---|---|---|---|
| Administrative Fee | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM | $ /PEPM |

d. The Contractor shall be paid based on enrollment counts calculated by the State's Enterprise Resource Planning (ERP) solution, otherwise known as Edison. Payments to the Contractor will commence with a payment to the Contractor for services provided as of January 1, 2017 and continue through the payment for services to December 31, 2021. Payments to the Contractor will be limited to services provided during these sixty (60) months.

e. Claims Payments. The State will fund the Contractor for the total issue amount of the claims payments, net of cancellations, voids or other payment credit adjustments. Unless otherwise mutually agreed in writing by the parties, the Contractor shall notify the State of the funding amount required and the State will fund the Contractor as often as daily, provided that the Contractor's payment process includes timely settlement of ACH transactions. As the parties shall mutually agree in writing, the transfer of said funding to the Contractor for claims payments shall be effected as often as daily by ACH debit from the Contractor to a

designated State bank account.

(1) The Contractor acknowledges and agrees that since the State intends to fund payments at the time of issuance, the State will not maintain a separate bank account or an escrow account with the Contractor or to otherwise pre-fund an account.

(2) The State reserves the right to review documentation either before or after the transfer of funding for claims payments and, as the State may deem appropriate, to adjust the funding amount to be transferred or withhold the amount of any overpaid funding from another funding transfer.

(3) The Contractor acknowledges that funding for Claims Payments shall be adjusted in full consideration of the Contract Scope of Service requirement that the Contractor shall identify and pursue claims that may be subject to coordination of benefits (COB); see Contract Section A.9.h.

f. The Contractor shall be responsible for the fee charged by the DSS vendor to develop, test and implement conversion programs for the Contractorôs claims data. Furthermore, the Contractor shall pay during the period of this Contract all applicable fees as assessed by the Stateôs DSS. The Contractor shall be responsible for all applicable fees related to Contractor data quality errors, Contractor negligence, or changes made at the Contractorôs request. Pursuant to Contract Section C.3.f, the State will reimburse the Contractor for all other applicable fees, including but not limited to fees related to data format changes at the Stateôs request or to comply with new regulations.

g. If member materials containing an error were approved by the State in writing and the error was detected after the materials were mailed, pursuant to Contract Section C.3.f, the State will reimburse the Contractor the production and postage cost of mailing the corrected version.

h. The State shall reimburse the Contractor for the following, selected actual costs in the performance of this Contract upon the Contractor providing documentation of actual costs incurred as required by the State.

(1) Postage. In a situation where unanticipated plan modifications would require notification to plan members that is not detailed in the terms and conditions of this Contract, the State may request the Contractor to produce and mail such notification to plan members. In such extreme situations, The State shall reimburse the Contractor only for the actual cost of postage for mailing materials produced at the specific direction of the State and authorized by the State.

(2) Printing / Production. The Contractor shall be responsible for the cost of document printing / production of all communications materials as detailed in Contract Section A.
Notwithstanding the foregoing, the State retains the right to authorize the Contractor to deliver a product to be printed, approve and accept the product but not use the Contractor to print the material. In those situations, the State shall have the discretion to use other printing and production services at its disposal.

i. The State authorizes the Contractor to retain monies received through subrogation, on a per patient basis, of no more than 5% of the gross recoveries received. The Contractor may retain an additional 20% of the gross recoveries, when such recoveries are made by subrogation subcontractor(s). The Contractorôs subrogation processes shall include the recovery of claims paid as a result of work related illnesses or injuries relative to workerôs compensation claims.

j. Value Oriented Payments. The State shall reimburse the Contractor the costs resulting from any State approved value oriented initiatives.

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

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

Seannalyn Brandmeir, Esq., Procurement and Contracting Manager
Finance and Administration, Division of Benefits Administration
312 Rosa L. Parks Ave. N
William R. Snodgrass TN Tower, 19th Floor
Telephone: 615-532-4598
seannalyn.brandmeir@tn.gov

a. Each invoice, on Contractorôs 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 & Administration, Benefits Administration Division;
(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. Contractorôs 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 Contractorôs taxes, which includes without limitation Contractorôs sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
(4) Include shipping or delivery charges only as authorized in this Contract.

c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

C.6. Payment of Invoice A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

C.7. Invoice Reductions The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

C.8. Deductions The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.

a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and

b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

## D. MANDATORY TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.

D.2. Communications and Contacts All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Seannalyn Brandmeir, Esq., Procurement and Contracting Manager
Finance and Administration, Division of Benefits Administration
312 Rosa L. Parks Ave. N
William R. Snodgrass TN Tower, 19th Floor
seannalyn.brandmeir@tn.gov
Telephone # 615-532-4598
FAX # 615-253-8556

The Contractor:

Contractor Contact Name & Title

Contractor Name
Address
Email Address
Telephone # Number
FAX # Number

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

D.3. Modification and Amendment This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.

D.4. Subject to Funds Availability The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The Stateôs 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 for any reason. The Stateôs election to terminate this Contract for convenience shall be effective upon the date specified and shall not be deemed a breach of contract by the State. 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 good or service that has not been provided, nor shall the Contractor be relieved 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 (ñBreach Conditionò), 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 Contractorôs obligations under this Contract.

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

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

D.9. Nondiscrimination The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.10. Prohibition of Illegal Immigrants The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Contract Attachment A, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractorôs records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.

e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

D.11. Records The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.12. Monitoring The Contractorôs 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 (ñPPACAò) with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractorôs failure to fulfill its PPACA responsibilities for itself or its employees.

D.17. Limitation of Stateôs Liability The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The Stateôs 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 Contractorôs Liability In accordance with Tenn. Code Ann. § 12-3-701, the Contractorôs liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

D.19. Hold Harmless The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

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

D.20. HIPAA Compliance The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (ñHIPAAò), Health Information Technology for Economic and Clinical Health (ñHITECHò) Act and any other relevant laws and regulations regarding privacy (collectively the ñPrivacy Rulesò). The obligations set forth in this Section shall survive the termination of this Contract.

a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.

b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.

c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT ñprotected health informationò 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 (ñTCRSò), 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 ñemployee/employerò 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 ï 608. Compliance with applicable registration requirements is a material requirement of this Contract.

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

a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;

b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and

d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

D.24. Force Majeure ñForce Majeure Eventòmeans 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 Contractorôs 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 Contractorôs performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

D.25. State and Federal Compliance The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.

D.26. Governing Law This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.

D.27. Entire Agreement This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Partiesô 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 Contractorôs 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 A, B, C, D, E, and F;
c. any clarifications of or addenda to the Contractorôs 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 Contractorôs response seeking this Contract.

D.31. Insurance. Contractor shall provide the State a certificate of insurance (ñCOIò) evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insuranceôs expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

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

If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractorôs letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to self-insure workersôcompensation.
All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractorôs policy.

The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workersôcompensation (employer liability) and professional liability (errors and omissions) (ñProfessional Liabilityò) insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.

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

Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

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

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

a) Commercial General Liability Insurance

1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

2) The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars ($2,000,000).

b) WorkersôCompensation and Employer Liability Insurance

1) For Contractors statutorily required to carry workersôcompensation and employer liability insurance, the Contractor shall maintain:

i. Workersôcompensation and employer liability insurance in the amounts required by appropriate state statutes; or

ii. 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 ï 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:

i. The Contractor employees fewer than five (5) employees;

ii. The Contractor is a sole proprietor;

iii. The Contractor is in the construction business or trades with no employees;

iv. The Contractor is in the coal mining industry with no employees;

v. The Contractor is a state or local government; or

vi. The Contractor self-insures its workersôcompensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

**E. SPECIAL TERMS AND CONDITIONS:**

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

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

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

E. 3. Ownership of Software and Work Products

a. Definitions

(1) ñContractor-Owned Software,ò shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial ñoff-the-shelfò software which is not developed using Stateôs money or resources.

(2) ñCustom-Developed Application Software,ò shall mean customized application software developed by Contractor solely for State.

(3) ñRights Transfer Application Software,ò shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.

(4) ñThird-Party Software,ò shall mean software not owned by the State or the Contractor.

(5) ñWork Product,ò shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State during the course of the project using Stateôs money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party Software.

b. Rights and Title to the Software

(1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted under this Contract.

(2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.

(3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted under this Contract.

c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.

E. 4. State Furnished Property The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractorôs use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.

E. 5. Contractor Commitment to Diversity The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractorôs proposal responding to RFP # 317816-00133 (Attachment 6.2 Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractorôs performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governorôs Office of Business Diversity Enterprise in the required form and substance..

E.6. Liquidated Damages. If the Contractorôs failure to perform in accordance with any term or provision of the Contract occurs; the State may assess damages on Contractor (ñLiquidated Damagesò). The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractorôs obligations under this Contract it would be difficult to specifically designate a monetary amount for Contractorôs failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Liquidated Damages Event, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.

E.7. Overpayments The Contractor shall have responsibility for overpayments to its providers resulting from the negligent, reckless, or willful acts or omissions of the Contractor, its officers, agents or employees, regardless of whether or not such overpayments can be recovered by the Contractor. The Contractor shall repay the State the amount of any such overpayment within thirty (30) calendar days of discovery of the overpayment. Overpayments due to provider fraud or fraud of any other type, other than fraud by employees or agents of the Contractor, will not be considered overpayments for purposes of this Section. The Contractor shall assist in identifying fraud and make reasonable efforts, in consultation with the State, to recover overpayments due to fraud.

E.8. 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 ñPartial Takeoverò). 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 Stateôs exercise of a Partial Takeover shall not alter the Contractorôs 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 Stateôs 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 Stateôs 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.9. Personally Identifiable Information While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State (ñPIIò). For the purposes of this Contract, ñPIIò includes ñNonpublic Personal Informationò 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 (ñGLBAò) 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 (ñPrivacy Lawsò). 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 Stateôs 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 (ñUnauthorized Disclosureò) that come to the Contractorôs attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the

cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

**IN WITNESS WHEREOF,**

**CONTRACTOR LEGAL ENTITY NAME:**

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**CONTRACTOR SIGNATURE** **DATE**

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**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

**STATE OF TENNESSEE,**
**STATE INSURANCE COMMITTEE,**
**LOCAL EDUCATION INSURANCE COMMITTEE,**
**LOCAL GOVERNMENT INSURANCE COMMITTEE:**

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**LARRY B. MARTIN, COMMISSIONER** **DATE**

# ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

| | |
|---|---|
| **SUBJECT CONTRACT NUMBER:** | |
| **CONTRACTOR LEGAL ENTITY NAME:** | |
| **FEDERAL EMPLOYER IDENTIFICATION NUMBER:** (or Social Security Number) | |

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

**CONTRACTOR SIGNATURE**

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

**PRINTED NAME AND TITLE OF SIGNATORY**

**DATE OF ATTESTATION**

## PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES

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

1. **Performance Reporting:** The Contractor shall develop a Performance Report Card as a means to measure compliance on a quarterly basis. The Contractor shall provide the quarterly performance report card in a manner acceptable to the State, on or before the 20th day of the month following the reporting quarter. Supporting documentation used to calculate the performance guarantees shall be provided with the Performance Report Card. The Performance Report Card shall include cumulative data over the life of the contract.
2. **Payment of Liquidated Damages:** It is agreed by the State and the Contractor that any liquidated damages assessed by the State shall be due and payable to the State within forty-five (45) calendar days after Contractor receipt of the Invoice containing an assessment of liquidated damages. If payment is not made by the due date, said liquidated damages may be withheld from future payments by the State without further notice.
3. **Maximum Assessment:** The maximum amount of Liquidated Damages payable over any twelve (12) month period shall not exceed twenty percent (20%) of the annual fixed price billings. In the event that a single occurrence subjects the Contractor to Liquidated Damages in multiple subsections of this provision, the State is entitled to assess a single Liquidated Damage selected at the discretion of the State.
4. **Waiver of Liquidated Damages:** The State, in its sole discretion, may elect not to assess Liquidated Damages against the Contractor in certain instances, including but not limited to the following:
    a. Where the State determines that only inconsequential damage has occurred, unless the deficiency is part of a recurring or frequent pattern of deficiency, with regard to one (1) or more Contract deliverables or requirements
    b. For performance measures that are resolved based on the Contractorôs corrective action plan
    c. If the failure is not due to Contractor fault (i.e. caused by factors beyond the reasonable control and without any material error or negligence of the Contractor, its staff or subcontractors)
    d. Where no damage or injury has been sustained by the State or its members
    e. Where the failure does not result in increased Contract management time or expense
    f. Where the failure results from the Stateôs failure to perform
    g. For other reasons at the Stateôs sole discretion
5. **Performance Guarantees:** In the event that the Contractor has failed to meet a performance guarantee that is set out in the Contract, but for which the Liquidated Damage standards are not spelled out in this Attachment, the State may assess liquidated damages at the rate of five hundred dollars ($500.00) per business day until the guarantee has been met.
6. The Contractor shall pay to the State the indicated total dollar assessment upon notification by the State that an amount is due, through the term of this Contract.
7. Performance guarantees shall be measured specific to the Public Sector Plans. If prior approved by the State in writing, they may be measured on the Contractorôs book of business.

| | |
|---|---|
| 1. **Edison System Interface** | |
| Guarantee | The Contractorôs interface with the Edison System shall be fully operational by the date specified in Contract Section A.25. |
| Assessment | Five thousand dollars ($5,000) per day, for every day beyond the deadline that the interface is not fully operational. |
| Measurement | Measured and reported beginning the day after the date specified in Contract Section A.25 and continuing ï as necessary ï until the interface is fully operational. (Reconciled and paid upon final recognition of operational status.) |
| 2. **Operational Readiness** | |
| Guarantee | The Contractorôs program for the Public Sector Plans, including the provision of covered services and the performance of administrative services, including but not limited to establishment of a provider network, utilization management, claims processing, member services, call center, website/portal, and information systems, shall be fully operational on the go-live date specified in Contract Section A.25. |
| Assessment | One thousand dollars ($1,000) per finding if the issue is not resolved prior to go-live. |
| Measurement | Measured, reported, and paid no later than three (3) months after the go-live date. |
| 3. **Plan Design** | |
| Guarantee | The Contractor shall correctly adjudicate claims in accordance with the plan design. |
| Assessment | One hundred dollars ($100) per occurrence (defined as an individual claim) plus the actual costs incurred of the incorrectly-processed claim. |
| Measurement | Measured, reported, reconciled and paid after each occurrence. |
| 4. **Plan Changes** | |
| Guarantee | The Contractor shall correctly implement any plan design changes within sixty (60) days of written notification from the State as required in Contract Section A.9. |
| Assessment | One thousand dollars ($1,000) per day if the standard is not met. The State will not assess liquidated damages pursuant to both this guarantee and the guarantee related to Plan Design for the same deficiency. |
| Measurement | Measured, reported, and paid after each occurrence. |
| 5. **Average Seconds to Answer (ASA)** | |
| Guarantee | The Contractorôs call center shall maintain a daily average seconds to answer (ASA) of less than thirty seconds (30) and after answering the call the Contractor may only put callers on hold in order to (a) make outbound calls as necessary or (b) to research a callerôs issue. |
| Assessment | One thousand dollars ($1,000) for each day the guarantee is not met (including all hours the call center is open). |
| Measurement | Based on Contractorôs internal telephone support system reports. Measured, reported, reconciled and paid quarterly. |

| 6. **Appeal Decisions** | | |
|---|---|---|
| Guarantee | Ninety-five percent (95%) of non-urgent pre-service appeals shall be decided within thirty (30) days, ninety-five percent (95%) of post-service appeals within sixty (60) days, and one hundred percent (100%) of expedited appeals, not involving a third party review, shall be decided within seventy-two (72) hours. In the event that the Contractor requires an external medical consultation, the timeframe shall be extended from seventy-two (72) hours to seven (7) calendar days. | |
| Assessment | Five thousand dollars ($5,000) for each instance that the Contractor exceeds the standard. | |
| Measurement | Measured, reported, reconciled and paid quarterly. | |
| 7. **Member Notice of Provider Termination** | | |
| Guarantee | The Contractor shall provide written notice to members regarding terminated providers, as specified in Contract Section A.5.m. | |
| Assessment | Three thousand dollars ($3,000) per occurrence (defined as each provider termination) if the standard is not met. | |
| Measurement | Measured, reported, and paid after each occurrence. | |
| 8. **Provider Network Accessibility** | | |
| Guarantee | As measured by the GeoNetworks® Provider & Facility Network Accessibility Analysis, the Contractorõs provider network shall assure that 95% of all members shall have the Access Standard indicated. | |
| Definition | **Provider Type** | **Access Standard (Urban, Suburban, and Rural)** |
| | Outpatient Behavioral Health Network Providers | 2 providers within 10 miles<br>2 providers within 15 miles<br>2 providers within 30 miles |
| | Inpatient Behavioral Health Network Providers | 2 providers within 20 miles<br>2 providers within 30 miles<br>2 providers within 40 miles |
| | Psychiatrists (board certified and non-board certified) and Advanced Practice Psychiatric Nurses (board certified and non-board certified).<br>Note: 70% of the Contractorõs network psychiatrists shall be board certified and 70% of the Contractorõs network Advanced Practice Psychiatric Nurses shall be certified per Contract Section A.5.b. | 2 psychiatrists or Advanced Practice Psychiatric Nurses within 10 miles<br>2 psychiatrists or Advanced Practice Psychiatric Nurses within 15 miles<br>2 psychiatrists or Advanced Practice Psychiatric Nurses within 30 miles |
| Assessment | Seventy-five thousand dollars ($75,000) if any of the above listed standards is not met, either individually or in combination. For purposes of measuring compliance with the access standards delineated in this liquidated damage, the Contractor shall provide the State with a GeoNetworks report of provider access for urban, suburban, and rural areas. Unless otherwise directed by the State, the Contractor shall use GeoNetworks' default definitions for urban, suburban, and rural areas. At the Contractor's request, the State may also approve other methodologies. | |
| Measurement | Compliance report is the semi-annual GeoNetworks ® Analysis submitted by the Contractor. Measured, reported and reconciled and paid semi-annually. | |

| 9. **Appointment Standards** | |
|---|---|
| Guarantee | Ninety percent (90%) of all behavioral health appointments shall meet the timeframes specified in Contract Section A.5.f. Ninety Eight percent (98%) of all urgent and emergency appointments shall meet the timeframes specified in Contract Section A.5.f. |
| Assessment | Five thousand dollars ($5,000) for routine appointments for which less than ninety percent (90%) of appointments meet the timeframes specified in Contract Section A.5.f. One thousand dollars ($1,000) per occurrence for urgent and emergency appointments for which less than ninety eight percent (98%) of appointments meet the timeframes specified in Contract Section A.5.f. |
| Measurement | Measured, reported, and reconciled and paid quarterly. |
| 10. **Utilization Management Decisions** | |
| Guarantee | The Contractor shall complete ninety-seven percent (97%) of all pre-certifications, prior authorizations, and concurrent review decisions within the timeframes specified in Contract Section A.6.i. |
| Assessment | One thousand dollars ($1,000) for each timeframe for which the standard is not met. |
| Measurement | Measured, reported, and reconciled and paid quarterly. |
| 11. **Eligibility Set-Up** | |
| Guarantee | As required in Contract Section A.21., eligibility information shall be loaded, tested, verified and available online for use no later than sixty (60) days prior to the go-live date specified in Contract Section A.25. |
| Assessment | Five hundred ($500) for each day beyond the date specified in Contract Section A.25. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the go-live date. |
| 12. **Eligibility Posting** | |
| Guarantee | One hundred percent (100%) of electronically transmitted enrollment updates, including the resolution of any errors identified during processing, shall be processed within four (4) business days of receipt of the weekly file as required in Contract Section A.21.e. |
| Assessment | Five hundred dollars ($500) per day for the first (1st) and second (2nd) business days out of compliance; one thousand dollars ($1,000) per business day thereafter. |
| Measurement | Measured and reported weekly; reconciled and paid quarterly |
| 13. **Ongoing Data Loading** | |
| Guarantee | All data required for ongoing operations and collaboration, including data shared between vendors, shall be loaded correctly. |
| Assessment | One thousand dollars ($1,000) per day for the first (1st) and second (2nd) business days out of compliance; two thousand dollars ($2,000) per business day thereafter. |
| Measurement | Measured and reported quarterly; reconciled and paid annually. |

| 14. **Claims Data Quality** | | |
|---|---|---|
| Guarantee | As measured by the State's DSS vendor, the Contractor's BHO and EAP data submission to said vendor shall meet the following Data Quality measures. (see Contract Section A.21.i.(4)) | |
| Definition | Measure | Benchmark |
| | Gender | Data missing for </= (less than or equal to) 3% of claims |
| | Social Security Number or other personal identifier(s) as directed by the State | Data missing for </= (less than or equal to) 3% of claims |
| | Date of birth | Data missing for </= 3% of claims |
| | Outpatient diagnosis coding | Data invalid or missing for </= 5% of outpatient claims |
| | Outpatient provider type missing | Data missing for </= 1.5% of outpatient claims |
| | Provider ID missing | Data missing for </= 1.5% of claims |
| Assessment | Five thousand dollars ($5,000) if any of the above listed standards is not met, either individually or in combination. Quarterly Guarantee. | |
| Measurement | Measured and reported by the State's DSS vendor quarterly; reconciled and paid quarterly. | |
| 15. **Claims Data Submission** | | |
| Guarantee | The Contractor shall submit all processed behavioral health and de-identified Employee Assistance Counseling session claims data to the State's DSS vendor no later than fifteen (15) days following the end of each calendar month, or more frequently as directed by the State (see Contract Section A.21.i.(1) and Section A.21.i.(2)). | |
| Assessment | Five hundred dollars ($500) per day for the first and second business days out of compliance; one thousand dollars ($1,000) per business day thereafter. | |
| Measurement | Each file is measured, reported, and reconciled and paid monthly. | |
| 16. **Claims Payment Accuracy** | | |
| Guarantee | Claims payment accuracy shall be ninety-seven point five percent (97.5%) or higher. | |
| Assessment | Five thousand dollars ($5,000) when the guarantee is not met. | |
| Measurement | • Quarterly internal audit performed by the Contractor on a statistically valid sample.<br>• Measured and reported quarterly; reconciled and paid annually. | |
| 17. **Overall Claims Processing Accuracy** | | |
| Guarantee | Claims processing accuracy shall be ninety-six percent (96%) or higher. | |
| Assessment | Five thousand dollars ($5,000) when the guarantee is not met. | |
| Measurement | • Quarterly internal audit performed by the Contractor on a statistically valid sample.<br>• Measured and reported quarterly; reconciled and paid annually. | |

| 18. **Claims Processing Turnaround** | |
|---|---|
| Guarantee | The Contractor shall process within twenty-one (21) calendar days ninety-eight percent (98%) or higher of clean claims. |
| Assessment | Five thousand dollars ($5,000) when the either of the guarantees are not met. |
| Measurement | • Quarterly internal audit performed by the Contractor on a statistically valid sample.<br>• Measured and reported quarterly; reconciled and paid annually. |
| 19. **Reporting** | |
| Guarantee | The Contractor shall distribute to the State all reports required in the Contract within the time frame specified in the Contract. |
| Assessment | One hundred dollars ($100) for each report not delivered to the State within the time frame specified in the Contract. |
| Measurement | Measured, reported, reconciled and paid after each occurrence. |
| 20. **Authorization of Member Communications** | |
| Guarantee | The Contactor shall not distribute any materials to members prior to receiving the express, written authorization by the State for the use of such materials. |
| Assessment | Twenty ï five hundred dollars ($2,500) for each instance that the standard is not met (i.e., in which the Contractor distributes unauthorized materials to members). The assessment will be per occurrence or bulk mailing rather than per each mailed or distributed piece of information. |
| Measurement | The State will notify the Contractor of any such occurrence. Any amounts due for the Contractorôs noncompliance with this pre-approval provision shall be paid annually upon request by the State. |

| 21. **Accreditation** | |
|---|---|
| Guarantee | The Contractor shall be NCQA accredited for its behavioral health product and URAC accredited for its UM program as specified in Contract Section A. |
| Assessment | Seventy five thousand dollars ($75,000) if the standard is not met. |
| Measurement | Measured, reported, and paid annually. |
| 22. **Privacy, Security, and Confidentiality Breach** | |
| Guarantee | In accordance with Contract Section E.7., the Contractor shall not violate the Privacy and Security Rules (45 CFR Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 as amended by Public Law 111-5, Division A, Title XIII (the HITECH Act). |
| Assessment | For breaches affecting fewer than five hundred (500) members: Two thousand five hundred dollars ($2,500) for the first violation, five thousand dollars ($5,000) for the second violation and ten thousand dollars ($10,000) for the third and any additional violations.<br>For breaches affecting five hundred (500) or more members: Twenty-five thousand dollars ($25,000) per violation.<br>The assessment will be imposed on a per incident basis meaning regardless of how many members are impacted and the assessment will be levied on the graduated basis detailed above.<br>***In the event Contractor is responsible for Federal Penalties related to a Privacy or HIPAA violation, the State may, at their discretion waive any Liquidated Damages due the State in association with the same violation.*** |
| Measurement | Measured, reported, reconciled and paid after each occurrence. |
| 23. **Unauthorized Usage of Information** | |
| Guarantee | Unless prior approved in writing by the State, and in compliance with State and Federal law, the Contract shall not use information gained through this contract, including but not limited to utilization and pricing information, in marketing or expanding non-State business relationships or for any pecuniary gain. |
| Assessment | One hundred dollars ($100) per impacted member unless that cannot be determined in which case the assessment shall be on hundred dollars per enrollee. Not to exceed 20% of annual fixed price billings. |
| Measurement | Measured, reported, reconciled and paid upon identification of occurrence. |
| 24. **Timely Notification** | |
| Guarantee | Contractor shall notify the State, within three (3) business days of identification, about any situation that appears to negatively impact the administration or delivery of the program, plan, or benefits. |
| Assessment | Five Hundred Dollars ($500) per business day beyond the notification requirement. |
| Measurement | Measured, reported, reconciled and paid quarterly. |

## REPORTING REQUIREMENTS

As required by this Contract, the Contractor shall submit reports to the State. Reports shall be submitted electronically, in the format specified by the State, and shall be of the type and at the frequency indicated below. The State reserves the right to modify reporting requirements as deemed necessary to monitor the Public Sector Plans. The State will provide the Contractor with at least ninety (90) daysônotice prior to implementation of a report modification.

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

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

Unless prior approved in writing by the State, each report shall be specific to the Public Sector Plans (not the Contractorôs book of business).

Reports shall include:

1. **Performance Tracking**, as detailed at Contract Attachment B (each component to be submitted at the frequency indicated in Contract Attachment B), submitted by secure email using the template prior approved in writing by the State, which shall include:
   a. Status report narrative
   b. Detail report on each performance measure
2. **Employee Assistance/Work-Life Outreach/Education Report**, submitted quarterly by secure email using the template prior approved in writing by the State. This report shall include training evaluation outcome data.
3. **Quarterly Appointment Standards Report,** submitted quarterly by secure email using the template prior approved in writing by the State. Report shall include detailed information regarding the percentage of appointments meeting the standards outlined in Contract Section A.5.f.
4. **Quarterly Network Changes Update Report**, submitted quarterly by secure email in Excel by the 5th business day of the end of the quarter using the template prior approved in writing by the State.
5. **GeoNetworks® Report**, submitted semi-annually after the 1st and 3rd quarters by secure email using the template prior approved in writing by the State
6. **Monthly Unique Care Exception Report**, submitted monthly by secure email using the template prior approved in writing by the State.
7. **Quarterly Out-of-Service Area Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
8. **Quarterly Utilization and Practice Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
9. **Quarterly Case Management Report**, submitted quarterly by secure email using the template prior approved in writing by the State. The report shall include but not be limited to information regarding the twice monthly collaboration with the medical Third Party Administrator case managers including how many cases were staffed, the number of cross referrals, and the number of newly engaged members.
10. **Substance Abuse Outreach Program Report**, submitted quarterly using the template prior approved in writing by the State.

11. **Quarterly Report on Provider Incidents/Potential Issues**, submitted quarterly by secure email using the template prior approved in writing by the State.
12. **Performance Evaluation Report**, submitted annually using the template prior approved in writing by the State.
13. **Member Survey Report**, submitted annually by secure email using the template prior approved in writing by the State.
14. **NCQA Reports**, submitted by email within the timeframe and using the template prior approved in writing by the State.
15. **NCQA Documents**, including QA program description, annual QA work plan, and annual QA program evaluation, submitted by email within the timeframe and using the template prior approved in writing by the State.
16. **URAC Reports**, submitted by email within the timeframe and using the template prior approved in writing by the State.
17. **Quarterly Coordination of Benefits Report**, submitted quarterly by secure email using the template prior approved in writing by the State
18. **Monthly Paid Claims Report**, submitted monthly by secure email in Excel using the template prior approved in writing by the State.
19. **Monthly Reconciliation Report**, submitted monthly by secure email in Excel using the template prior approved in writing by the State.
20. **Monthly Recoveries Report**, submitted monthly by secure email in Excel using the template prior approved in writing by the State.
21. **Quarterly Fraud and Abuse Report**, submitted quarterly by secure email using the template prior approved in writing by the State.
22. **Adherence to Customer Satisfaction Standards Report**, submitted monthly by email using the template prior approved in writing by the State.
23. **Quarterly Appeals Report**, submitted quarterly by secure email in Excel using the template prior approved in writing by the State.
24. **Account Team Satisfaction Survey Report**, submitted annually using the template prior approved in writing by the State
25. **BC-DR Results Report**, submitted annually by email using the template prior approved in writing by the State.
26. **Weekly File Transmission Statistics Report**, submitted within five (5) business days of receipt of the Weekly Enrollment Update in compliance with contract section A.21.e(1).
27. **Quarterly and Monthly CMS Data Match Report**, submitted quarterly by secure email in Excel using the template prior approved in writing by the State. The Contractor shall also provide a monthly report of all Local Government retirees who will become eligible for Medicare in the subsequent month.
28. **Employee Assistance/Work-Life Utilization and Outcomes Report,** submitted monthly by secure email using the template prior approved in writing by the State. Additionally, the Contractor shall provide utilization data specifically for EAP participants who are not enrolled in a medical plan, yet eligible for EAP services.
29. **Depression Primary Care Program Report,** submitted quarterly by secure email using the template prior approved in writing by the State.
30. **Workplace Outcome Suite Cluster II Report,** submitted quarterly by secure email using the template prior approved in writing by the State.
31. **Other Reports**, as specified in this Contract and using templates prior approved in writing by the State.

## QUALIFICATIONS AND SERVICE DEFINITIONS FOR EMPLOYEE ASSISTANCE/WORK-LIFE SERVICES

| Work-Life Service | Minimum Consultant Qualifications | Service Definition | Additional Requirements, Limits, or Exclusions |
|---|---|---|---|
| **Financial Counseling** | Appropriately certified as prior approved in writing by the State | Assistance and advice regarding financial issues such as budget planning, debt management, credit counseling, college planning, retirement planning, and limited assistance and advice regarding tax issues | Financial consultants shall make members aware of the State's optional retirement plan vendor (e.g., TCRS, 401(K), and 457); |
| **Legal Consultation** | Attorney licensed in the State of Tennessee who is a member of his/her local bar association, has been in practice for at least five (5) years, is in good standing with any applicable state or local authority, and has professional liability insurance in the amount of at least $200,000 | Consultation on any legal issue except as otherwise excluded | Limit: One free hour per separate subject, per calendar year; twenty-five percent (25%) discount for ongoing legal services<br>Exclusions: Advice on issues relating to the member's job or business concerns or any matter that is frivolous, harassing, or otherwise would be a violation of ethical rules |
| **Child/Elder Care Assistance** | Certified geriatric case manager or licensed behavioral health professional | Assistance with child and elder care issues, including but not limited to identification of child/elder care needs, assistance formulating a strategy to move forward, assistance in locating child/elder care vendors, referral to a local certified case manager for elder issues, ensuring that the member receives a timely appointment with a local certified case manager, and working with the case manager to ensure a seamless integration of services | |
| **Supervisor Support** | Certified Employee Assistance Professional who is a licensed behavioral health professional with a master's level or above behavioral health license | Consultation and support regarding a specific employee or general workplace performance issues including strategies for performance improvement and risk management | N/A |

| Work-Life Service | Minimum Consultant Qualifications | Service Definition | Additional Requirements, Limits, or Exclusions |
|---|---|---|---|
| **Critical Incident Stress Management (CISM) Services** | Licensed behavioral health professional with a master's level or above behavioral health license with a current certificate of specialized training from the International Critical Incident Stress Foundation (ICISF) | A comprehensive, integrative, multi component crisis intervention system that provides interventions from the pre-crisis phase through the acute crisis phase and into the post-crisis phase that can be applied to individuals, small groups, large groups, families, organizations, and even communities. The core components of CISM are:<br>1. Defusing. This is a 3-phase, structured small group discussion provided within hours of a crisis for purposes of assessment, triaging, and acute symptom mitigation;<br>2. Critical Incident Stress Debriefing (CISD). A structured group discussion, usually provided 1 to 10 days post crisis, and designed to mitigate acute symptoms, assess the need for follow-up, and if possible provide a sense of post-crisis psychological closure;<br>3. One-on-one crisis intervention/counseling or psychological first aid support throughout the full range of the crisis spectrum; and<br>4. Follow-up and referral mechanisms for assessment and treatment, if necessary | N/A |
| **Employee and Supervisor Education and Training** | For education and training related to behavioral health, a licensed behavioral health professional with a master's level or above behavioral health license; for education and training regarding financial issues, appropriately certified as prior approved in writing by the State; for education and training regarding legal issues, meeting the requirements for legal consultation | Training to promote employee and supervisor awareness and utilization of Work-Life services, including seminars on promotion and prevention, supervisor training, employee orientations, and workshops | The Contractor shall provide training as specified in the annual training plan prior approved in writing by the State and shall also provide, upon State request, any training listed in the Contractor's EAP training catalog (see Contract Section A.3.) 600 hours of training and/or other like services as requested by the State |

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

THIS BUSINESS ASSOCIATE AGREEMENT (hereinafter ñAgreementò) is between **The State of Tennessee, Finance and Administration, Division of Benefits Administration** (hereinafter ñCovered Entityò) and **_____ (**hereinafter ñBusiness Associateò). Covered Entity and Business Associate may be referred to herein individually as ñPartyò or collectively as ñParties.ò

**BACKGROUND**

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

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

**LIST OF AGREEMENTS AFFECTED BY THIS BUSINESS ASSOCIATE AGREEMENT:**

| **Contract Name:** | **Execution Date:** |
|---|---|
| _____ | _____ |

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

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

**DEFINITIONS**

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

1.1 ñBreach of the Security of the [Business Associateôs Information] Systemò shall have the meaning set out in its definition at T.C.A. § 47-18-2107

1.2 ñBusiness Associateò shall have the meaning set out in its definition at 45 C.F.R. § 160.103.

1.3 ñCovered Entityò shall have the meaning set out in its definition at 45 C.F.R. § 160.103.

1.4 ñDesignated Record Setò shall have the meaning set out in its definition at 45 C.F.R. § 164.501.

1.5 ñElectronic Protected Health Informationò shall have the meaning set out in its definition at 45 C.F.R. § 160.103.

1.6 ñGenetic Informationò shall have the meaning set out in its definition at 45 C.F.R. § 160.103.

1.7 ñHealth Care Operationsò shall have the meaning set out in its definition at 45 C.F.R. § 164.501.

1.8 ñIndividualòshall have the same meaning as the term ñindividualòin 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

1.9 ñInformation Holderòshall have the meaning set out in its definition at T.C.A. § 47-18-2107

1.10 ñMarketingòshall have the meaning set out in its definition at 45 C.F.R. § 164.501.

1.11 ñPersonal informationòshall have the meaning set out in its definition at T.C.A. § 47-18-2107

1.12 ñPrivacy Officialòshall have the meaning as set out in its definition at 45 C.F.R. § 164.530(a)(1).

1.13 ñPrivacy Ruleò shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, subparts A, and E.

1.14 ñProtected Health Informationò shall have the same meaning as the term ñprotected health informationò in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

1.15 ñRequired by Lawòshall have the meaning set forth in 45 CFR § 164.512.

1.16 ñSecurity Incidentòshall have the meaning set out in its definition at 45 C.F.R. § 164.304.

1.17 ñSecurity Ruleòshall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Parts 160 and 164, Subparts A and C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.3 Business Associate shall ensure that any agent, including a subcontractor, to whom it provides electronic PHI received from or created for Covered Entity or that carries out any duties for the Business Associate involving the use, custody, disclosure, creation of, or access to PHI supplied by Covered Entity,

to agree, by written contract (or the appropriate equivalent if the agent is a government entity) with Business Associate, to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

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

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

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

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

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

With a copy to:

State of Tennessee
Benefits Administration
Contracting and Procurement Manager
312 Rosa L. Parks Avenue
1900 W.R.S. Tennessee Towers
Nashville, TN 37243-1102
Phone: (615) 253-8358
Facsimile: (615) 253-8556

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

_____
_____
_____
_____
_____
_____

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

## 4. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

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

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

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

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

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

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

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

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

## 5. OBLIGATIONS OF COVERED ENTITY

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

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

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

## 6. PERMISSIBLE REQUESTS BY COVERED ENTITY

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

## 7. TERM AND TERMINATION

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

7.2 Termination for Cause.

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

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

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

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

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

7.3 Effect of Termination.

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

7.3.2. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction unfeasible. Upon mutual agreement of the Parties that return or destruction of PHI is unfeasible, Business Associate shall extend the protections of this Memorandum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction unfeasible, for so long as Business Associate maintains such PHI.

## 8. MISCELLANEOUS

8.1 Regulatory Reference. A reference in this Agreement to a section in the Privacy and or Security Rule means the section as in effect or as amended.

8.2 Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Rules and the Health Insurance Portability and Accountability Act, Public Law 104-191, including any amendments required by the United States Department of Health and Human Services to implement the Health Information Technology for Economic and Clinical Health and related regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended, including, but not limited to changes required by the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

8.3 Survival. The respective rights and obligations of Business Associate under Section 7.3. of this Memorandum shall survive the termination of this Agreement.

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

8.5 Notices and Communications. All instructions, notices, consents, demands, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below, or to such other party, facsimile number, or address as may be hereafter specified by written notice.

| COVERED ENTITY: | BUSINESS ASSOCIATE: |
|---|---|
| State of Tennessee<br>Department of Finance and Administration<br>Benefits Administration<br>ATTN: HIPAA Privacy & Security Officer<br>312 Rosa L. Parks Avenue<br>1900 W.R.S. Tennessee Towers<br>Nashville, TN 37243-1102<br>Phone: (615) 770-6949<br>Facsimile: (615) 253-8556<br>E-Mail: XXXXX | |

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

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the date of hand delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the facsimile machine at the receiving location and receipt is verbally confirmed by the sender.

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

8.7 Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by

such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

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

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

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

**IN WITNESS WHEREOF,**

_____

**Date:**

_____

**Larry B. Martin, Commissioner of Finance & Administration** **Date:**

# Place holder for Contract Attachment F