STATE OF TENNESSEE
FINANCE & ADMINISTRATION, BENEFITS ADMINISTRATION

REQUEST FOR PROPOSALS # 31786-00157
AMENDMENT # ONE
FOR EAP/BHO SERVICES

DATE: February 10, 2021

RFP # 31786-00157 IS AMENDED AS FOLLOWS:

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

EVENT	TIME (central time zone)	DATE
1. RFP Issued		December 10, 2020
2. Disability Accommodation Request Deadline	2:00 p.m.	December 16, 2020
3. Pre-response Conference	10:30 a.m.	January 5, 2021
4. Notice of Intent to Respond Deadline	2:00 p.m.	January 6, 2021
5. Written "Questions & Comments" Deadline	2:00 p.m.	January 15, 2021
6. State Response to Written "Questions & Comments"		February 10, 2021
7. 2ND Round Written "Questions & Comments" Deadline ***NOTE: Vendors may submit no more than 5 questions to the State in the 2nd round of Written Questions and Comments.**	2:00 p.m.	February 17, 2021
8. State Response to 2nd Round Written "Questions & Comments"		March 12, 2021
9. Response Deadline	2 p.m.	March 22, 2021
10. State Opening of Cost Proposals	2 p.m.	March 22, 2021
11. State Completion of Technical Response Evaluations		April 12, 2021
12. Scoring of Cost Proposals	2:00 p.m.	April 13, 2021
13. State Notice of Intent to Award Released and RFP Files Opened for Public Inspection	3:00 p.m.	April 22, 2021
14. End of Open File Period		April 30, 2021
15. State sends contract to Contractor for signature		May 3, 2021
16. Contractor Signature Deadline	2:00 p.m.	May 7, 2021

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

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

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
	1.	Worklife is a benefit that provides additional supplemental resources alongside core EAP benefits which can lower stigma and drive utilization. Can we understand the strategy of why certain populations are eligible for EAP but not worklife?	Everyone who has access to EAP has access to the Work/Life services. There was an error in the chart provided in Contract Section A.3.b. Please see Amendment item #5 below.
	2.	What information will be provided to distinguish members eligible for EAP only and EAP/WL/BH? Will employee, dependent and population be provided via eligibility file?	If the member is eligible for both EAP/WL and EAP/WL/BH the file will include an entry for "EAP" **and** an entry for health benefits (HLT). For EAP/WL, the letters "EAP" will be found on the HD* line on the file for a record. For Health, the letters "HLT" will be on the HD* line. If a member has entries for both an EAP enrollment **and** a HLT enrollment, they are eligible for the EAP/WL/BH benefit. If a member **only** has an EAP enrollment and nothing about HLT on the file, the member is only eligible for EAP/WL. The file is a full population file each week therefore, each week all eligible employees will be transmitted. Only dependents enrolled in health (HLT) coverage will be transmitted on the file. Dependents eligible but not enrolled for EAP/WL are presumed eligible based upon the employee enrollment in "EAP".
	3.	In what format and frequency will [REDACTED] receive medical and Rx claims for CM identification/recruitment purposes?	The file frequency will be determined during implementation but will be no less than monthly.
	4.	Will we be provided the actual Plan Documents (SPD) for each plan?	2021 Plan documents are located at the links provided below. State Local Education Local Government
	5.	Are these ERISA Plans?	The State Plans are exempt from ERISA as "governmental plans." See 29 U.S.C. §1003(b)(1) and 29 U.S.C. §1002(32).

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	6.	What goals of the EAP are not being met by the current provider?	There are not any specific goals not being met. EAP presents challenges found across most employers as it relates to utilization. We would love to see higher uptake particularly for the Work/Life services that are so often underutilized.
	7.	What is the cost of the current contract annually for EAP Services?	The State paid $1,757,785.66 in EAP administrative fees in 2020.
	8.	What is the cost of the current contract annually for BHO Services?	The State paid $4,661,858.46 in BHO administrative fees in 2020.
	9.	Please provide EAP utilization data for the last two years including: a. Annual EAP client utilization percent b. The percent of EAP cases managed within the EAP only c. Total number of hours of EAP orientations and supervisory/management orientations d. Total number of provided hours of health and wellness training/seminars Total number of provided hours of Critical Incidence Stress Debriefings	All of these statistics can be found in Appendix 7.7 EAP_WL__MHSA Utilization. D. The hours provided specific to health and wellness seminars in 2020 was 12. Eight of the hours were used to develop a customized training and the remaining four were used to deliver the trainings.
	10.	What is the Work-Life utilization by type of service (legal, financial, child/elder care)?	Please refer to Appendix 7.7 EAP_WL__MHSA Utilization.
	11.	What is the State's Critical Incident Response Services annual utilization? Any unique expectations around Critical Incident Response Services?	For the first part of this question, see answer to question #10. In terms of unique expectations, we do ask that there be providers who are subject matter experts in child welfare, particularly, those trained to debrief a team on child death and child trauma to support the Department of Children Services as well as the Department of Human Services.
	12.	Given COVID restrictions in place, will the State accept temporary exceptions to any travel requirements until the Covid-19 vaccine is widely available?	The State is prepared to grant exceptions to travel requirements and in person meetings during the current Public Health Emergency due to COVID-19 until further guidance is provided by the CDC and HHS.
	13.	Please confirm that the State will allow an affiliate of the direct contracting entity to hold the NCQA/URAC accreditation	The State will allow an affiliate of the direct contracting entity to hold accreditations, business, and professional licenses for the services provided by the affiliate.

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	14.	Please confirm that the State will allow an affiliate of the direct contracting entity to hold appropriate business and professional licenses (e.g. Utilization Management and TPA licenses) to provide goods and services required by the contract, as contemplated in Section 4.7.2.	See answer to question #13.
	15.	Can you provide details about the composition of the provider network the State currently has in place? For example, is it a national network or geography specific?	The current provider network is a national network. The expectation of the provider network under the new contract is a national network. Geographical access requirements are measured and assessed on the state of Tennessee provider network.
	16.	For those members utilizing the no cost share services through the onsite clinic offered to State employees, are the EAP and behavioral claims adjudicated by the State directly, or will the expectation be for the vendor to process? If the vendor, can you share some detail of the mechanism of how this works presently?	The onsite clinic provider is a participating network provider. EAP authorizations are obtained to track member EAP authorizations against the allowed 5 visit per issue per year per individual model. BHO claims are submitted to the BHO contractor by the onsite clinic for members enrolled in the CDHP as those members are required to meet their deductible before clinic services are provided at no-cost. BHO claims for PPO members are not currently submitted to the BHO contractor for processing.
Section 1.1.: Page 3	17.	Are Take Charge at Work and Talk It our Tuesdays programs that are internally run and managed, or is this through your current EAP partner, or another third party?	Take Charge at Work is provided by our current EAP/BHO Contractor. Talk It Out Tuesday for the local education and local government plans is provided by our current Contractor. Talk it Out Tuesday for state employees is provided by our current Health Center Contractor.
Section 1.1.: Page 3	18.	Apps like Sanvello and TalkSpace are mentioned: are these relationships that you have directly, or are these offered through your current EAP partner.	Both Sanvello and TalkSpace are provided by our current EAP/BHO contractor
Section 1.2.: Page 5	19.	Should respondents provide an executed Pro Forma Contract document along with the proposal response, or will this only be requested of the successful respondent?	No. The State will send the pro forma contract to the new Contractor after the contract has been awarded.
Appendix 7.1	20.	In Appendix 7.1 “Provider & Facility Disruption,” worksheet “Incumbent Information” provides statistics for in-network versus out-of-network utilization. Will the State please provide these same	No. The State will not be providing additional information to the Respondents regarding this information. This information is for State and Evaluator use only.

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		data points broken out between In State and Out of State providers?	
Appendix 7.1	21.	Please note that we identified a number of inconsistencies in NPI Type within Appendix 7.1, including providers listed with facility NPIs and facilities listed with provider NPIs. This could lead to discrepancies if, for example, a provider is listed with a facility NPI and the facility is in network but the provider is not.	Please see updated Appendix 7.1. Please respond utilizing the best match of the listed NPIs as possible.
Appendix 7.5	22.	Please confirm the total number of employees to be included in the bid is approximately 138,994 for EAP and Behavioral Health.	138,994 is the confirmed number of employees enrolled in medical that are eligible for both EAP and BHO services. An additional 2,753 employees are currently not enrolled in medical but are still eligible for EAP services.
Appendix 7.7	23.	Please provide the split EAP utilization by service type (face to face, telephonic, video, and general telephone contact). Are there additional work-life services beyond child and elder care, and legal and financial services, such as concierge services, marital and family counseling that is not included in utilization?	Jan-September 2020 EAP visits by modality: Face to face or phone: 10,352 Virtual Visits: 5,066 Yes, members do have access to concierge services. Marital and family counseling utilization is included in EAP counseling data.
Appendix 7.7	24.	Regarding Behavioral Health utilization, please provide the corresponding covered lives (employee and dependents) that corresponds to each exhibit (acute, residential, IOP, etc.).	Total enrollment of employees and dependents applies to all three MHSA exhibits (acute, residential, IOP, etc.): 2018: 280,195 2019: 283,125 2020: 283,247
RFP A.5	25.	Provide EITHER: (a) Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a satisfactory credit score for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will not be considered responsive.) OR (b) Provide a current credit rating from Moody's, Standard & Poor's, Dun & Bradstreet, A.M. Best or Fitch Ratings, verified and dated within the last three (3) months and indicating a positive credit rating for the Respondent.	Documents provided to answer RFP Section A questions should be included in the exhibits portion of the Technical Response and will not be counted against the page limit.

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		Credit rating reports can be lengthy documents. Will this documentation be counted against the page limit?	
RFP A.6.	26.	Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements must… Audited financial statements can be quite lengthy. Will those statements be counted against the page limit?	See the State's response to Question #25.
RFP Section B.13.: Page 27	27.	Regarding the 12.5 percent supplier diversity goal mentioned on the pre-response call, is this goal per program/contract or for all programs/contracts combined?	This is the average goal for all programs/contracts combined.
RFP Section B.15.: Page 27	28.	Please confirm that the customer reference questionnaires can be submitted via email as suggested on the Attachment 6.4 (page 45).	Confirmed. The State has modified the language. Please see Amendment #3 below.
	29.	Can you clarify what is meant by "current" and "completed" projects in Question B.15?	Current is an active, ongoing project, program, or contract. Completed is one that is finished.
	30.	Please confirm that Client References can email their completed questionnaires to the Solicitation.	See the State's response to Question #28.
	31.	Please confirm that Client References can email their completed questionnaires to the Solicitation Coordinators, in lieu of providing hard copies, as described in the Reference Questionnaire but not in Question B.15.	See the State's response to Question #28.
RFP Section C.56.: Page 34	32.	Can placeholders (such as the job description) be used to note positions for which the Respondent is actively hiring and intends to be filled by the contract signature deadline?	The State agrees that a job description and notation of a future hire is permissible with an identified back up who will fill the job requirements until the position is filled.
RFP Section D. Part 2: Page 40	33.	The instructions on RFP Attachment 6.2, Section D, Part 2 state: "Provider Network Access Analysis. For the currently established provider network to be used for this contract, coordinate with Quest and submit your Network Access Analysis Report for your participating Acute Care Hospitals, Primary Care Physicians, Pediatricians, Obstetricians/Gynecologists, Cardiologists and Endocrinologists IN TENNESSEE ONLY, as required in Appendix 7.2, as illustrated in Appendix 7.4. and using the State's total Tennessee	Confirmed. Please see Amendment item #4 below.

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		participant population data provided in Appendix 7.5, TN ZIP Code Counts." Please confirm that the references to the provider specialties listed above are not relevant to this RFP and that instead we should provide our network access analysis by the specialties detailed in the table, items D.2.1 to D.2.8. Please also confirm the numbering of the Appendices that are referenced.	
RFP Section D. Part 2: Page 40	34.	With regard to RFP Attachment 6.2, Section D, Part 2, please confirm that we should use "Appendix_7.4_TN_ZIP_Code_list" alone to run the requested network access analysis report (and not Appendix 7.5 as indicated in the instructions).	Confirmed. See response to question #33.
Attachment 6.4	35.	Please confirm that email is a suitable method of submission for references to the State of TN.	The State has modified the language. Please see Amendment item #3 below.
Attachment 6.3: Cost Proposal	36.	Should respondents use the current vendor's incurred claims as the Eligible Claims source, or our own book of business? Under the "Financial Analytic Model" number 1, the instruction is the use the current vendor's claims. But the current vendor does not have National claims that would apply. Under "National", the instruction is to use claims from our network. Please clarify.	In the tab 'Financial Analytic Model', the number 1 refers to Aon utilizing the State of TN's claims to determine the amount of claims by type (procedure code, facility type, etc.). In both "National" and "State of TN" tabs, provide your own book of business claims specific to your network.
Attachment 6.3: Cost Proposal	37.	Since Eligible Claims include member copayments, deductibles etc., and these are part of the projected discount, can you provide benefit plans with corresponding enrollment that include coverage limits, copayment information, etc. Is there an overall copayment percentage we could use to cover this portion of the discount?	The network discount will be applied to eligible claims before member cost share. Include all member cost share in both the eligible and allowed claims. State plan benefit grids can be found here. State and Higher Education Local Education and Local Government
Attachment 6.3: Cost Proposal	38.	Can you please clarify why trend is not being added to EAP claims given the current environment?	The projection period is from 2022-2026 where the current environment should return to normal.
Cost Proposal	39.	Please clarify how offeror's submitted information on national claims cost (Attachment 6.3 Cost Proposal, "National" worksheet) impacts Aon's calculation of	Aon evaluates both the National and State of TN claims costs. Aon will use each bidder's specific pricing in the State of TN for

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		the offeror's State of Tennessee projected discount/claims cost.	members with a home ZIP code in TN. We will use each bidder's national pricing term for members with a ZIP code outside of TN.
Cost Proposal	40.	Please clarify the "Total Cost Score" calculation methodology. The RFP formula states "Lowest Total Cost Score from all proposals" / "Total Cost Score being evaluated" x 35": a. Does the total cost score imply that the formula denominator is the sum of all offerors' Table A and Table B scores? If so then it would it appear that the more proposals the state receives, the lower the overall cost proposal score because more proposals will result in a smaller quotient multiplied by the 35% RFP cost proposal weight. b. Does the numerator "Lowest Total Score from all proposals" imply that all offers are assigned the same numerator score? If so how does the scoring methodology evaluate/differentiate individual offerors' prices?	a. No. The total cost score denominator is the sum for each respondent separately based upon that respondent's Table A and Table B scores. b. Yes. The numerator is the same for all respondents. All cost proposals will be reviewed, and Table A and Table B will be summed for each respondent resulting in a Total Cost Score for each respondent. The lowest total cost score from all of the respondents becomes the numerator for all respondents. Thus, the denominator is unique to each respondent while the numerator is the same for all respondents allowing for differentiation and evaluation. The respondent with the lowest total cost score for their Table A and Table B scores will receive the full 35 points. Other respondents will receive less than 35 points based upon their Table A and Table B sum relative to the lowest cost respondent. Example: If the lowest total cost score from all Respondents is $100, that Respondent's section score would be calculated by taking $100 (the lowest total cost score of all respondents) and dividing it by $100 (total cost score being evaluated) which equals 1. Then 1 is multiplied by 35, which equals 35. That Respondent would receive 35 points for the section. If another Respondent's total cost score was $110, then their section score would be $100 (the lowest total cost score of all respondents) divided by $110 (total cost score being evaluated), which equals .90. Then .90 is multiplied by 35 for a

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			section score of 31.5 for that Respondent.
Cost Proposal	41.	Since the RFP cost proposal methodology applies network discounts only to providers identified as currently in an offeror's network, how will the RFP evaluate an offeror's commitment to expand its provider network in the State of Tennessee in order to improve member access? Will the State consider accepting a contractual network penetration guarantee with a minimum percentage of claims in-network?	The State will not accept. Our contract does not require the Contractor to expand their proposed network. The RFP is evaluated on the Respondent's current and existing network at the time of the RFP response which must meet the standards as outlined in the ProForma Contract.
Section A.3.b.: Page 55	42.	Can the State provide the average number of EAP sessions for each face to face, video, and telephonic counseling session?	Jan-September 2020 EAP visits by modality: Face to face or phone: 10,352 Virtual Visits: 5,066 We are unable to break out the face to face and telephonic counts.
Section A.3.b.: Page 55	43.	Please confirm all employees have a 5-session EAP model.	Yes. That is correct.
Section A.6.b.(6): Page 60	44.	Are the current on-site Critical Incident Debriefings included in the overall EAP fees? If not, what are the separate fees?	Yes, Critical Incident Debriefings are included in the overall EAP fees and count against the "bank of hours" as referenced in Contract Section A.5.c.
Section A.6.b.(7): Page 60	45.	Are the current supervisor and employee EAP orientations included in the overall EAP fees? If not, what are the separate fees?	Yes, supervisor and employee orientations are included in the overall EAP fees and count against the "bank of hours" as referenced in Contract Section A.5.c.
A.7.b	46.	A combined ninety percent (90%) of all the Contractor's psychiatrist and Advanced Practice Psychiatric Nurses shall be board certified and reported during the quarterly administrative review meetings. Access to psychiatric services is a high priority for [REDACTED]. There are a number of highly qualified psychiatrists and nurse practitioners who are not board certified. This increase in the requirement for board certification has the potential to limit access for members and cause member abrasion if members in treatment are receiving services from a board eligible psychiatrist who may have to be	The incumbent provider network has 91.9% board certified psychiatrists and 100% board certified advanced practice nurses. Setting the threshold at a combined 90% seems reasonable considering the current network. Please provide your network statistics as well as any national benchmarks such as the total number of national psychiatrists and the % that are board certified as well as the same metrics for Advanced Practice Nurses and your proposed threshold for consideration during Question and Answer round 2 and the State will take that information under advisement for a potential contract modification.

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		removed from the network to allow [REDACTED] meet this standard.	
A.7.e.	47.	The Contractor shall offer all Network Providers additional training in advanced suicide risk management and prevention at no cost to the provider or the State. It is typical, that licensing boards require CEUs and training in these areas. We would not seek to duplicate training that is already present for these providers and available from other sources.	The State is not asking the Contractor to require Network Providers to complete additional training. The State is only asking the Contractor to offer additional training to assist any providers who feel they would benefit from additional training at no cost to the provider.
A.8.c(3)	48.	Development of alternative treatment plans for complex or unusual cases where standard treatment guidelines may not meet the needs of the patient i.e. cases involving trauma, multiple diagnosis, transitional age from pediatric to adult, and gender specific programs, and other circumstances that may need additional consideration; The development of alternative treatment plans is the responsibility of the treating provider. [REDACTED] will collaborate and work closely to support the member and provider through our case management services. Our clinically licensed case managers focus on improving continuity of care and treatment adherence and work with both members and providers to assess gaps in care and identify community resource needs to ultimately prevent future readmissions.	The State is requesting that the Contractor's team work with individuals who are seeking admission into a program and potentially receiving a denial of care, a denial of care at a particular program, or a denial of care at a particular level of care because their case is complex and does not meet the basic standard treatment guidelines upon further review and discussion. In these cases, the State requests that a case manager be assigned on the front end of care prior to admission to ensure the individual is properly evaluated as a complex case and the best program, provider, facility, and/or level of care is approved. Denials because the Contractor refuses to go above and beyond to ensure a full understanding of the specific member's case and how it should be evaluated against standard treatment guidelines and blaming the provider is not member friendly or patient centric and does not meet the State's expectations.
Section A.9.g.: Page 68	49.	Does the State cover ABA services for autism and does the State look to their behavioral health partner to manage ABA services?	Yes. ABA services are covered by the State as deemed medically necessary by the Contractor. The State looks to the Contractor to manage ABA and all other related treatment, services, as well as family care coordination through enhanced case management as referenced in Contract section A.9.g.
A.10.d.2.	50.	Can you provide more detail about the capabilities offered by the State's PBM's substance use program? In an effort to avoid duplicating provider outreach as requested in Contract Section A.10.d.2, we	The PBM Safety and Monitoring Program tracks and evaluates multiple factors to help identify potential misuse or abuse of

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		would like to understand what capabilities the PBM is already providing to the State.	controlled substances. These factors include: • Total number of controlled substance claims • Total number of prescribers • Total number of pharmacies • Excessive utilization • Geographic distribution of prescribers and pharmacies • High total claim cost When the program identifies possible overutilization or other concerns, the PBM sends letter(s) to the prescribing physician(s) with a list of the medications in question and pharmacies where they were filled and requests a diagnosis or other information to justify the use of the medications.
A.11.c(6)	51.	The Contractor shall complete ninety-five percent (95%) of all claim adjustments within seven (7) calendar days. The Contractor shall report claim adjustment processing on a quarterly basis as outlined in Contract Attachment D, SLA scorecard. Please note that we can meet this for single adjustments (which is less than 50 claims).	This standard is inclusive of all adjustments.
A.13.	52.	Generally speaking, may we replace the negotiated and agreed upon audit provisions in Section A.11 of the current contract with those of Section A.13 of the template.	The State does not agree.
A.13.a.	53.	Upon thirty (30) days' written notice and the execution of any applicable third party confidentiality agreement(s), if any, reasonably required by the Contractor, the State and/or its authorized representative shall have 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, and subcontractors. May we add the following wording to the end of the second sentence of subsection A.13 (a):	The State agrees to this addition. Please see Amendment item #6 below.

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		"For the purpose of this requirement, the term, "Contractor," shall include its parent organization, Affiliates, subsidiaries, and subcontractors, who provide services under this Contract."	
A.13.b.	54.	The State has sole authority to determine who to choose for any kind of audit related to the services contained in the contract. This includes, but does not limit the selection to, state employees, state employees from the Comptroller's audit staff, and BA's consulting firm. Will the State allow "mutual agreement" of the audit firm as opposed to "sole authority" by the State?	The State does not agree.
A.13.c.	55.	If the State contracts with a private entity (non-state employees) to conduct an audit of the Contractor, the State will require the auditing entity to negotiate a reasonable confidentiality agreement with the Contractor. The Contractor shall not attempt to limit the State's audit rights in any way or timeframe; the State in its sole authority and with execution of any confidentiality document shall be allowed to audit the Contractor on any contracted service, claims processing, customer service, or any other provision of this contract by whomever the State in its sole authority deems appropriate. Will the State allow "mutual agreement" of the audit firm as opposed to "sole authority" by the State?	The State does not agree.
A.13.d.	56.	In no instance shall the Contractor advise the State that one set of auditors is appropriate while another set is not. In addition, the State may audit or re-audit any time period in accordance with the timeframe for audits listed in Contract Section D.11. Previous audits of a set of claims, providers, time periods, or any other sort of audit does not negate the State's right to re-audit the same information again later. There shall be no audit blackout periods at any point during a year and any charges or fees in any form for any audits that the State chooses to exercise. Will the State consider re-audit time period of 6 months or greater to allow adequate time for process improvement as mutually agreed?	The State will consider the complexity of any issues found during an audit and corrective actions taken by the Contractor in determining the correct interval to re-audit.

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A.13.f.	57.	The Contractor shall, at its own cost, provide the State and/or its authorized representative with prompt and complete access to any data, data extracts, documents, access to systems, and other information necessary to ensure Contractor compliance with all requirements of this Contract. Given the confidential nature of employee data that may be requested, [REDACTED] asks that the following two sentences be added to the end of Section A. 13, subsection (f): "The parties agree to abide by all applicable federal and state laws regarding the use and disclosure of protected health information, and particularly sensitive condition and substance use data regarding employees and other users of the Services. Furthermore, the parties acknowledge that users of some Services, including EAP and WorkLife Solutions have a heightened expectation of privacy that prevents [REDACTED] from sharing call recordings, transcripts or other information that contains confidential information about the employee or family members."	The State agrees to modify the language. Please see Amendment item #7 below.
A.14.k.	58.	The Contractor shall maintain a procedure for resolving complaints informally by phone including reconsiderations and peer to peer reviews. Where a complaint cannot be resolved to the Member's satisfaction, the Contractor shall advise the Member of his/her right to file an appeal and shall provide instructions and assistance as needed by the Member for doing so. Can the State clarify what they mean around "including reconsiderations and peer to peer reviews"?	The State wants members who receive an adverse response to a request or claim for BHO/EAP services to be able to call the BHO/EAP Contractor for assistance before filing a formal appeal. Calling does not constitute an appeal, but it allows an opportunity to resolve issues that might otherwise necessitate the need for a formal appeal. A member, with or without help from an authorized person or personal representative, can request additional consideration of questions or concerns about coverage responses and claims processing. During a peer to peer, a member's provider can talk with the BHO/EAP Contractor's medical professional (typically a clinical director involved in decision making) based on a shared professional understanding of the member's needs and necessary treatments. Reconsideration and peer to peer discussions encourage understanding of decisions made by the BHO/EAP Contractor and afford the opportunity for an exchange of

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			information that might yield a different outcome. Also, an informal resolution is often faster than the formal appeals process.
A.16.l(3)	59.	Open call/inquiry closure rate of 90% within five (5) Business Days Please provide clarification on what is being asked in L3.	The State's expectation is that when an individual calls the Contractor's call center, the individual will receive the support they need during the call or if the issue cannot be resolved during the call, the call will be documented and follow up with the individual will be performed within 5 Business Days to close/resolve the caller's issue.
A.16.l(4)	60.	First Call Resolution of 85% 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 Member's issue has been resolved; a voice menu allowing the Member to indicate if this is the first call they've made to resolve their inquiry or problem; or another method prior approved by the state. The current contract states "First Call Resolution of 92% as measured by one or more of the following methods". Can the State please clarify why the percentage changed from 92% to 85%?	Benefits Administration is seeking to standardize call center performance standards across all contracts and the First Call Resolution rate of 92% did not align with the new performance standards used in our contracts.
A.19.g.15 and RFP C.18	61.	Regarding Contract provision A.19.g.15 and question C.18 - can you explain what "medical coverage policies" the State would like to be publicly available on the website?	"Medical coverage policies" are any policies used by the Contractor to determine medical necessity of care or any other basis for approving or denying care beyond what is specifically excluded in the State Plan Documents.
Section A.19.r.: Page 92	62.	Please confirm that all member materials will be mailed to homes, and manuals and catalogs will be in electronic format only.	Member mailings listed in section A.18.r are all mailed to members' homes. Some materials listed in A.17.c could also be mailed member pieces (letters, brochures, etc.). In addition, most of our contractor partners prepare and print marketing/training materials for in-person member benefits fairs historically held during the summer and fall months leading up to the annual enrollment period. The current provider directory is an internet-based searchable tool; however, it must be available as a PDF (if requested by the state). The supervisor manual and training

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			catalog are provided in electronic format; however, we are always looking for additional ways and resources to best serve the needs of our members and agency benefits coordinators.
Section A.24.a.: Page 105	63.	Regarding the State's Edison system interface, is it the expectation that Respondents use this system to document in real time? If so, how often would the State expect a download of information?	You are not expected to document in real time. The State will place a weekly file on the server for retrieval by the Contractor each week.
A.25.b.	64.	The Contractor shall provide the State access to its internal client financial reporting system, including program and fiscal information regarding members served, payable amounts, services rendered, claim level data etc. and the ability for said personnel to develop and retrieve reports. The Contractor shall provide training in and documentation on the use of this mechanism no later than two weeks prior to Go-Live. The Contractor shall provide access to this reporting functionality to a minimum of two (2) State employees no later than two weeks prior to the go-live date. Additional or replacement users may be added at any time at the State's request. [REDACTED] will continue to provide the State with a dedicated reporting analyst who has access to its internal client and financial reporting system for use in the State's reconciliation process.	The State agrees to modify the language. See Amendment item #8 below.
D.32	65.	Contractor shall provide the COI ten (10) Business Days prior to the Effective Date and again within thirty (30) calendar days of renewal or replacement of coverage. Completion of insurance renewal negotiations is not always possible 30 days from renewal. We propose the COI be submitted five days prior to renewal.	The State denies this modification but has proposed alternative language. Please see Amendment item #10 below.
D.32. paragraph 3	66.	Regarding D.32 paragraph 3, COI's are often not be available until just a few days prior to the expiration of the policy. In light of that, we proposed the following revision. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ~~ten (10) Business Days prior to the Effective Date and again thirty (30)~~	See the State's response to Question #65.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		~~calendar days~~ before renewal or replacement of coverage.	
D.32. paragraph 3	67.	Regarding D.32, paragraph 3, we require subcontractors to maintain appropriate levels of insurance based on the services that they are providing. We request the following revision to this sentence: "~~Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy.~~ Contractor shall require all subcontractors working under the context of this agreement to maintain appropriate levels of insurance based on the specific services that they're providing."	The State agrees. Please see Amendment item #10 below.
D.32, paragraph 3	68.	Regarding D.32, paragraph 3, as nearly all of our insurers require us to execute a confidentiality and non-disclosure statement as a precondition to obtaining preferential insurance coverage terms, we are unable to disclose copies of insurance policies outside of our organization. While we will gladly evidence insurance coverage via the industry-standard ACORD® Certificate of Insurance form, we request the following sentence be stricken: "The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time."	The State denies this modification but has proposed alternative language. Please see Amendment item #10 below.
D.32, paragraph 5	69.	Regarding D.32, paragraph 5, we request the following revisions: "The minimum insurance obligations under this Contract shall be maintained as outlined in this Agreement: ~~(1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater.~~ Any proceeds insurance for policies where the State is listed as an Additional Insured in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the	The State agrees with one modification to the proposed language. Please see Amendment item #10 below.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.”	
D.32.c(3)	70.	If the Contract involves the provision of services by medical professionals, a policy limit not less than three million ($3,000,000) per claim and three million dollars ($3,000,000) in the aggregate for medical malpractice insurance. And All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance (“TDCI”); and (c) rated A- / VII or better by A.M. Best. [REDACTED] provides medical malpractice through our wholly-owned Captives, which do not carry an A.M. Best rating. We would request the language be amended to: All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance (“TDCI”); and (c) rated A- / VII or better by A.M. Best, with the exception of medical malpractice.	The State agrees. Please see Amendment item #10 below.
D.32	71.	Regarding D.32, Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance statements, we propose the following amendment to the second paragraph. Such coverage shall include data breach response expenses, in an amount not less than ten million dollars ($10,000,000) ~~and payable whether incurred by the State or Contractor,~~ including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.	The State does not agree.
Contract Attachment B	72.	Would you confirm that the following PGs would not apply if the incumbent vendor is chosen:	All performance guarantees apply to any Respondent awarded this contract including the incumbent. A full implementation is expected and

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		• Edison System Interface • Implementation • Operational Readiness Guarantee • Call Center Operational • Program Go-Live Date • Enrollment Set-Up • Call Center Operational • Program Go-Live Date • Enrollment Set-Up	any processes, data connections, file transfers, etc. associated with implementation are expected to be tested and demonstrated as meeting the new contract standards.
Contract Attachment B	73.	Is there an overall CAP on total liquidated damages?	No. There is no overall CAP on liquidated damages.
Contract Attachment B	74.	Are you open to other modifications of these PGs and/or targets to clarify/operationalize measurement?	Any modifications or redlines to Performance Guarantee language or another language in the pro forma contract must be addressed during the Question/Answer process per RFP Section 1.6.2. Any suggested modifications should be submitted during round 2 Q&A for the State's consideration.
Contract Attachment F: Page 145	75.	Should respondents provide an executed HIPAA Business Associate Agreement along with the proposal response, or will this only be requested of the successful respondent?	No. The State will send an updated HIPAA BAA to the new Contractor after the contract has been awarded.

3. Delete RFP Section B.15 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

B.15.	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: ▪ two (2) accounts Respondent currently services that are similar in size to the State; and ▪ three (3) completed projects. 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. 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 one of the two processes below. Written: (a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference. (b) Send a reference questionnaire and new, standard #10 envelope to each reference. (c) Instruct the reference to: (i) complete the reference questionnaire; (ii) sign and date the completed reference questionnaire;

	(iii) seal the completed, signed, and dated reference questionnaire within the envelope provided; (iv) sign his or her name in ink across the sealed portion of the envelope; and (v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response). (d) Do NOT open the sealed references upon receipt. (e) Enclose all sealed reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required. E-mail: (a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference. (b) E-mail the reference with a copy of the standard reference questionnaire. (c) Instruct the reference to: (i) complete the reference questionnaire; (ii) sign and date the completed reference questionnaire; (iii) E-mail the reference directly to the Solicitation Coordinator by the RFQ Technical Response Deadline with the Subject line of the e-mail as "[Respondent Name] Reference for RFP 31786-00157. NOTES: ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under no obligation to clarify any reference information.

4. **Delete RFP Section D Part 2 heading in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

RESPONDENT LEGAL ENTITY NAME:					
Proposal Page # (Respondent completes)	**Item Ref.**	**Section D— Technical Qualifications, Experience & Approach Items**	**Item Raw Score**	**Evaluation Factor**	**Raw Weighted Score**
Provider Network Access Analysis. For the currently established provider network to be used for this contract, coordinate with Quest and submit your **Network Access Analysis Report** for your participating Psychiatrists and Advanced Practice Psychiatric Nurses, Psychologists, Child/Adolescent Providers, All other Masters Level Providers, Medication Assisted Treatment Providers, Inpatient Acute Care Facilities, Intermediate Care Facilities, and Intensive Outpatient Facilities **IN TENNESSEE ONLY**, as required in **Appendix 7.2,**as illustrated in **Appendix 7.3**. and using the State's total Tennessee participant population data provided in **Appendix 7.4, TN ZIP Code Counts.** **Note: Evaluators will use the Network Access Analysis Report to score the following categories based upon the proposed Efficient network as it compares to the Comparative Provider Network Access Analysis in Appendix 7.4.**					

5. **Delete Pro Forma Contract A.3.b. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

The Contractor shall provide EAP, Work-Life Services, and Behavioral Health Services. Except as otherwise specified in the Plan Documents, eligible individuals as noted in the chart below shall have access to a maximum of five EAP counseling sessions, per separate incident, per individual, per year.

Population	**EAP** Five visits, per separate incident, per individual, per year (claims paid as fee for service)	**Work-Life Services** (provided under administrative fees)	**Behavioral Health Services** (claims paid as fee for service)
State and Higher Education employees, retirees, and their enrolled dependents (including COBRA) enrolled in a medical plan	Eligible	Eligible	Eligible
State and Higher Education employees, including eligible dependents (eligible for medical but not enrolled in a medical plan)	Eligible	Eligible	Not eligible
Local Education and Local Government employees, retirees, and their enrolled dependents (including COBRA) enrolled in a medical plan.	Eligible	Eligible	Eligible
Local Education and Local Government dependents, eligible but not enrolled in a medical plan (head of contract must be enrolled in a medical plan)	Eligible	Eligible	Not eligible

6. Delete Pro Forma Contract A.13.a. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Upon thirty (30) days' written notice and the execution of any applicable third party confidentiality agreement(s), if any, reasonably required by the Contractor, the State and/or its authorized representative shall have 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, and subcontractors, who provide services under this Contract.

7. **Delete Pro Forma Contract A.13.f. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

The Contractor shall, at its own cost, provide the State and/or its authorized representative with prompt and complete access to any data, data extracts, documents, access to systems, and other information necessary to ensure Contractor compliance with all requirements of this Contract. The parties agree to abide by all applicable federal and state laws regarding the use and disclosure of protected health information, and particularly psychotherapy notes as described in 45 CFR 164.501 and substance use data regarding employees and other users of the Services.

8. **Delete Pro Forma Contract A.25.b. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

Unless otherwise agreed upon by the State in Writing, the Contractor shall provide the State access to its internal client financial reporting system, including program and fiscal information regarding members served, payable amounts, services rendered, claim level data etc. and the ability for said personnel to develop and retrieve reports. The Contractor shall provide training in and documentation on the use of this mechanism no later than two weeks prior to Go-Live. The Contractor shall provide access to this reporting functionality to a minimum of two (2) State employees no later than two weeks prior to the go-live date. Additional or replacement users may be added at any time at the State's request. If agreed upon by the State in Writing, the Contractor must provide the State with an individual dedicated to developing, retrieving, and providing reports in the timeframe requested by the State.

9. **Delete Pro Forma Contract D.18 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

Limitation of Contractor's Liability. The Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to one times the total Paid Claims, as defined in Contract Section A.2., that have processed throughout the one year of contract performance immediately preceding the breach. If the breach occurs in the first year of the contract, the calculation will be based on processed claims from the beginning of contract performance until the date of the breach, prorated to equal one year 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.

10. **Delete Pro Forma Contract D.32 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best, with the exception of medical malpractice. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any Deductible or self insured retention ("SIR") over fifty thousand dollars ($50,000) must be approved by the State. The Deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

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

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) Business Days prior to the Effective Date and again at least ten (10) Business Days prior to renewal or replacement of coverage. Contractor shall require all subcontractors working under the context of this agreement to maintain appropriate levels of insurance based on the specific services that they're providing. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. In the event of a claim or lawsuit, the State reserves the right to request complete copies of all required insurance policies, including all endorsements required by these specifications.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

The minimum insurance obligations under this Contract shall be maintained as outlined in this Agreement: Any insurance proceeds for policies where the State is listed as an Additional Insured in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability ("CGL") Insurance

1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
The Contractor shall maintain single limits not less than one million dollars ($1,000,000) per occurrence. If a general aggregate limit applies, either the

general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:

i. Workers' compensation in an amount not less than one million dollars ($1,000,000) including employer liability of one million dollars ($1,000,000) per accident for bodily injury by accident, one million dollars ($1,000,000) policy limit by disease, and one million dollars ($1,000,000) per employee for bodily injury by disease.

2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:

i. The Contractor employs fewer than five (5) employees;

ii. The Contractor is a sole proprietor;

iii. The Contractor is in the construction business or trades with no employees;

iv. The Contractor is in the coal mining industry with no employees;

v. The Contractor is a state or local government; or

vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Professional Liability Insurance

1) Professional liability insurance shall be written on an occurrence basis or on a claims-made basis. If this coverage is written on a claims-made basis, then:

i. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services;

ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) full years from the date of the final Contract payment; and

iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date on or prior to the Contract Effective Date, the Contractor must purchase "extended reporting" or "tail coverage" for a minimum of five (5) full years from the date of the final Contract payment.

2) Any professional liability insurance policy shall have a limit not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) in the aggregate; and

3) If the Contract involves the provision of services by medical professionals, a policy limit not less than three million ($3,000,000) per claim and three million dollars ($3,000,000) in the aggregate for medical malpractice insurance.

d. Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance

1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Contractor's profession in an amount not less than ten million dollars ($10,000,000) per occurrence or claim and ten million dollars ($10,000,000) annual aggregate, covering all acts, claims, errors, omissions, negligence, infringement of intellectual property (including copyright, patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.

2) Such coverage shall include data breach response expenses, in an amount not less than ten million dollars ($10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.

11. Delete Pro Forma Contract E.8 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Contractor Hosted Services Confidential Data, Audit, and Other Requirements

a. "Confidential State Data" is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:

(1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.

(2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 validated encryption technologies.

(3) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.

(4) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State. The Contractor shall maintain a duplicate set of all records relating to this Contract in electronic medium, usable by the State and

the Contractor for the purpose of Disaster recovery. 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.

(5) In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, the Contractor shall destroy all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) Business Days after destruction.

(6) Contractor must enter into a Business Associate Agreement (BAA) with the State. See Contract Attachment F.

b. Minimum Requirements

(1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html.

(2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.

(3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

c. Comptroller Audit Requirements

Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.

The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's Information Systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning. Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.

The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.

For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

d. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:

(1) The BC-DR plan shall encompass all Information Systems supporting this Contract. At a minimum the Contractor's BC-DR plan shall address and provide the results for 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.

(2) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:

i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: one (1) hour.

ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: seventy-two (72) hours.

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

Recovery Capabilities meet the RPO and RTO requirements. The Contractor shall submit a written summary of its annual BC-DR test results to the State (see Contract Attachment C, Reporting Requirements).

e. The Contractor and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA") for a System and Organization Controls for service organizations ("SOC") 2 Type II audit. The SOC audit control objectives shall include all five trust services principles. The Contractor shall provide the State with the Contractor's and Subcontractor's annual audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor and in addition to periodic bridge reports as requested by the State, see Contract Attachment C, Reporting Requirements. The Contractor shall submit corrective action plans to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor and Subcontractor.

If the scope of the most recent SOC audit report does not include all of the current State fiscal year, upon request from the State, the Contractor must provide to the State a letter from the Contractor or Subcontractor stating whether the Contractor or Subcontractor made any material changes to their control environment since the prior audit and, if so, whether the changes, in the opinion of the Contractor or Subcontractor, would negatively affect the auditor's opinion in the most recent audit report.

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

12. **Add or replace the following as RFP Appendices and renumber any subsequent sections as necessary:**

Remove:
Appendix 7.1

Add:
Appendix 7.1 REVISED

13. **Delete RFP #31786-00157 in its entirety, and replace with RFP #31786-00157, Release #2.** Revisions of the original RFP document are emphasized within the new release. Any sentence or paragraph containing revised or new text is highlighted.

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