



CONTRACT

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

Begin Date June 1, 2016	End Date May 31, 2019	Agency Tracking # 31865-00451	Edison Record ID 50122		
Contractor Legal Entity Name MAXIMUS Health Services, Inc. dba Ascend Management Innovations			Edison Vendor ID 0000191173		
Goods or Services Caption (one line only) Pre-Admission Screening and Resident Review (PASRR) Processes					
Contractor <input checked="" type="checkbox"/> Contractor		CFDA # 93.778 Dept of Health & Human Services/Title XIX			
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2017	\$2,335,015.35	\$7,005,046.05			\$9,340,061.40
2018	\$2,335,015.35	\$7,005,046.05			\$9,340,061.40
2019	\$2,335,015.35	\$7,005,046.05			\$9,340,061.40
TOTAL:	\$7,005,046.05	\$21,015,138.15			\$28,020,184.20
Contractor Ownership Characteristics:					
<input type="checkbox"/> Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American					
<input type="checkbox"/> Woman Business Enterprise (WBE)					
<input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE)					
<input type="checkbox"/> 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.					
<input checked="" type="checkbox"/> Other: For Profit Corporation					
Selection Method & Process Summary (mark the correct response to confirm the associated summary)					
<input checked="" type="checkbox"/> Competitive Selection			RFP		
<input type="checkbox"/> Other					
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)		
Program ID 546047 PASRR Pre-Admission Program ID 546057 PASRR Resident Review			70803000		



CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND
MAXIMUS HEALTH SERVICES, INC. DBA
ASCEND MANAGEMENT INNOVATIONS

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration (HCFA), Bureau of TennCare, ("State" or "HCFA") and MAXIMUS Health Services, Inc. dba Ascend Management Innovations ("Contractor"), is for the provision of Pre-Admission Screening and Resident Review (PASRR) processes, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a For-Profit Corporation.
Contractor Place of Incorporation or Organization: Virginia
Contractor Edlson Registration ID # 191173

A. SCOPE:

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Nothing in this Contract shall be deemed to be a delegation to the Contractor of the State's non-delegable duties under the TennCare program administered by the single state agency, as designated by the State and CMS, pursuant to Title XIX of the Social Security Act (42 U.S.C § 1396 et seq.) and the Section 1115 research and demonstration waiver granted to the State and any successor programs.
- A.3. Per Section B.1, the start date of this contract is June 1, 2016, which begins a three (3) month transition and implementation period that shall include but not be limited to, system configuration, staffing, training, and lease space acquisition (if necessary). The Contractor shall have completed by August 31, 2016 all necessary functions for assumption of assessment responsibilities.
- A.4. PASRR Service Definition
 - a. Pre-Admission Screening and Resident Review (PASRR) Level I is a statewide federally mandated process implemented to comply with federal law and regulation pertaining to nursing home admissions and the delivery of rehabilitative services in nursing facilities. The purpose of the Level I PASRR screening process is to identify individuals with a potential or known diagnosis of mental illness and/or intellectual disability (ID) or a related condition (RC);
 - b. Pre-Admission Screening and Resident Review (PASRR) Level II is a statewide federally mandated process implemented to comply with federal law and regulation pertaining to nursing home admissions and the delivery of rehabilitative services in nursing facilities. The purpose of the Level II PASRR evaluation process is to ensure each individual seeking admission to any Medicaid certified nursing facility (regardless of payer source) who has a mental illness (MI) or intellectual disability or a related condition (IDRC) is placed appropriately whether in the community or in a nursing facility (NF), and ensure the individual receives the services s/he requires for MI or IDRC wherever they are placed. This is accomplished by performing a comprehensive onsite, face-to-face evaluation, called a PASRR Level II evaluation, for each person referred through the Level I screening process;



- c. PASRR Level II evaluations may also be performed at the request of nursing facilities, the State, Managed Care Organizations (MCOs) and other agencies when a patient has a Change of Status affecting the need for specialized services. A Change of Status notification must be submitted to Department of Mental Health & Substance Abuse Services (DMHSAS) or Department of Intellectual & Developmental Disabilities (DIDD), as appropriate, when a person has a change of status.

A.5. PASRR Service Requirements

- a. All PASRR related processes and functions performed by Contractor shall be compliant with all federal requirements, applicable Tennessee statutes and rules, and this Contract;
- b. The State shall refer applicants identified and determined by the PASRR Level I Screening as a person with a potential or known diagnosis of MI or IDRC to the Contractor for a PASRR Level II evaluation;
- c. The Contractor shall have the ability to perform onsite face-to-face Level II evaluations for identified nursing home applicants statewide and share findings and outcomes with DMHSAS or DIDD who will have final review and approval of results;
- d. For each completed PASRR Level II evaluation, the Contractor shall provide a written Summary of Findings Report developed using the information from the onsite face-to-face evaluation and review of supplemental information;
- e. All completed Summary of Findings Reports shall include accurate specialized service determinations in accordance with State Rule;
- f. Contractor shall provide to the State all completed and approved Summary of Findings Reports in a compatible format to be received electronically via the State's web based system for capturing, tracking and sharing PASRR related information known as "T-MED" and provided to the applicant and service provider;
- g. The Level II evaluation and the written Summary of Findings Report shall conform to the requirements stated in 42 CFR §§ 483.100 through 483.138;
- h. The written Summary of Findings Report shall be person centered, identify services and supports the applicant would need in the community, identify natural and paid supports available to meet identified needs, include an assessment of overall needs, determine level of care and determine whether NF placement is appropriate, determine specialized service needs in the NF, include clinical recommendations for rehabilitative services, and include rationales, case abstracts, and appropriate demographic information as described in 42 CFR §§ 483.100 through 483.138;
- i. The Contractor shall have a system in place which allows for authorized access, tracking and reporting of Level II PASRR evaluations and outcomes, including Summary of Findings Reports;
- j. The submitting screener and other authorized entities (other than the submitting screener) shall have access to view and print Level II outcomes;
- k. Individuals who are in PASRR population shall be tracked when transferring from one NF to another;
- l. The Contractor shall track and perform Change of Status reviews when a change of status is requested and found necessary by DMHSAS or DIDD as applicable;
- m. All mandated functions shall be completed in accordance with the following timelines:



Level II Evaluations and Summary of Findings Reports	Five (5) business days (from level 1 screening submission date)
Expedited Level II Evaluations and Summary of Findings Reports	Three (3) business days (from level 1 screening submission date)
Change of status Summary:	Three (3) business days (from change of status notification date)
Categorical Determinations	One (1) business days (from level 1 screening submission date)
Exemptions	Three(3) business days (from level 1 screening submission date)

A.6. PASRR Level I Screening, Categorical Determination and Exemption Requirements – The Contractor shall:

- a. Receive Level II evaluation referrals from the State based on the State's Level I screening determination;
- b. Assist as needed with Categorical Determinations and Exemptions, including, but not limited to, clinical reviews, document based reviews and Level II evaluations and reports;
- c. Ensure associated timelines are met, and
- d. Ensure Contractor functions meet federal PASRR requirements.

A.7. Level II PASRR Requirements – The Contractor shall perform the following:

- a. Interview scheduling requirements:
 - (1) All onsite evaluations of the individual shall be scheduled with the individual and/or caregiver to be assessed in advance;
 - (2) All scheduling of the onsite evaluation of the individual shall include efforts to involve caregivers and any legal guardian, with consent of the applicant. Efforts shall include at least 3 phone outreach attempts during both AM and PM times of the day.
 - (3) The assessor shall alert the individual when involving other family members or representatives;
 - (4) If the individual chooses to invite others, those people shall be notified about the time and place of the evaluation, and
 - (5) When the person has a legal conservator, the Contractor shall include attempts to involve the conservator in scheduling.
- b. Level II Evaluation Tools used to schedule, conduct and/or record level II evaluations shall:
 - (1) Meet all CMS requirements;
 - (2) Have demonstrated compliance through PASRR Technical Assistance Center (PTAC) scores meeting top quartile;
 - (3) Anticipate emerging federal requirements, and
 - (4) Be person-centered through interview approach and content.
- c. Level II evaluations shall:



- (1) Be conducted onsite and face-to-face except in extremely rare situations as a result of an out-of-state urgent need request or when a resident meets categorical criteria;
- (2) Occur with the individual, caregiver and conservator, if applicable and when available. If the conservator is not interviewed, efforts to engage the conservator must be documented. Other family members and representatives may participate in the interview so long as the individual requests or permits their involvement.
- (3) Be performed by a credentialed clinician. When the Level I indicates a potential or known diagnosis of an intellectual disability or related condition, the evaluation must be conducted by a Registered Nurse (RN) and a psychologist. When the Level I indicates a potential or known diagnosis of a mental illness, the evaluation must be conducted by an RN or MS level clinician with at least 4 years of psychiatric experience.
- (4) Be in writing and shall include a psychosocial assessment, physical assessment, review of medical history, and any other evaluations as federally required.
- (5) Include a person centered Plan of Care which includes an overall needs assessment and specialized needs assessment. A Plan of Care (POC) is a written document developed through a person-centered planning process based on an individualized assessment of a person's needs which specifies the types and frequency of long term services and supports that the person needs. Overall needs assessment shall take into account all services available to the applicant including natural and paid supports, Medicaid services, and Medicare services.
- (6) Identify any necessary specialized services.
- (7) Be reviewed by a quality clinician. For a potential or known diagnosis of an intellectual disability the quality review must be conducted by a Qualified Intellectual Disability Professional (QIDP). For a potential or known diagnosis of a mental illness, the quality review must be conducted by a Qualified Mental Health Professional (QMHP) who is an RN and/or Master's level (or higher) clinician with experience providing services to individuals evaluated through PASRR. The quality clinician will ensure the evaluation is complete, consistent, and meets federal and state quality standards.
- (8) Include whether the NF stay is expected to be long term or short term based on the evaluation findings and include a determination regarding the interest in and potential for transition.
- (9) Have a Summary of Findings Report, unless the Level II evaluation is withdrawn (with prior written approval from the State) after the face to face evaluation has occurred, but before the Summary of Findings Report is prepared. In these instances, reimbursement shall be made according to PASRR Level II Evaluation Withdrawn rate in Section C.3 will be applied.
- (10) Be completed within five (5) business days of the Level I screening submission, except when the state specifically requests in writing that an expedited evaluation be completed within three (3) business days of the Level 1 screening submission.

d. The Summary of Findings Report shall:

- (1) Meet federal requirements.
- (2) Be written by a clinician other than and independent of the person who performs the onsite evaluation.
- (3) Include any specialized services identified as part of the evaluation and shall include the determination regarding the interest in and potential for transition.
- (4) Be provided to DMHSAS or DIDD as applicable.
- (5) Be reviewed and approved by DMHSAS or DIDD which makes the final PASRR determination by electronic signature on the Summary of Findings Report.
- (6) The Summary of Findings Report and PASRR determination (made by DMHSAS or DIDD) are made available to the submitting entity, services provider, the State and applicant.
- (7) Specialized Service determinations shall be based on the State Rule.

A.8. PASRR Technological Requirements

- a. The Contractor shall use technology that allows for secure web based submission of



Level II PASRR referrals which provides the following functionality:

- (1) Fully automated, trackable and auditable workflow for Level II evaluation which includes date and time stamp to occur within the system throughout the entire process from submission to determination and at each new phase of an activity and/or decision or with each role change/hand off.
- (2) Ability to expedite specific reviews when requested by the State.
- (3) Allows the State, DMHSAS, and DIDD to access referral information and check the status of a Level II evaluation.

b. The Contractor shall use technology that conducts Level II functions in a secure, streamlined and efficient manner. This shall include:

- (1) Acceptance, assignment and tracking of Level II evaluations.
- (2) Documentation of Summary of Findings Reports and outcomes.
- (3) Submission of Summary of Findings Reports to DMHSAS or DIDD as applicable for review and approval.
- (4) When outcomes are not approved by DMHSAS or DIDD as applicable, ability to return to Contractor for revision.
- (5) Sharing of outcomes with the State and use of or integration with T-MED so that outcomes can be stored shared and/or printed.
- (6) Ability to report individual and aggregate outcome results to the State, DMHSAS and/or DIDD.

A.9. Staffing Requirements. All personnel shall be employees or contracted staff, as limited to approved subcontractors per D.7, Assignment and Subcontracting, of the Contractor and shall be full qualified to perform the work required under this Contract. The Contractor shall provide experienced, qualified professionals to ensure the success of this Contract. The Contractor shall ensure that an adequate number of appropriately qualified and trained personnel are employed and available at all times to provide the services required under the Contract. The State shall have the absolute right to approve or disapprove of the Contractor's and any of its subcontractor's staff, or to require the removal or reassignment of any Contractor's employee or subcontractor personnel found unacceptable to the State for work under this Contract only.

A.10. Key Personnel Requirements. The Contractor shall obtain prior State approval of all Key Personnel. Resumes for Key Personnel must be provided for State review at least thirty (30) days prior to the expected employee's start date. The State may require personal interviews with these individuals prior to the employee's start date. The same person may be able to fill a different position in different Contract phases. The State will consider suggestions for alternative alignment of duties. Changes to the proposed positions, staff and responsibilities will only be allowed with prior written permission from the State

A.11. Key Personnel Replacements. The State retains the right to approve or disapprove proposed Key Personnel staffing and reserves the right to require the Contractor to replace specified staff. The Contractor agrees to substitute, with the State's prior approval, any employee so replaced with an employee of equal or better qualifications. The Contractor shall provide an interim resource within five (5) business days for any Key Personnel vacancies regardless of the reason for the vacancy. The Contractor agrees to propose within thirty (30) days, and appropriately staff within forty-five (45) days, any changes made to Key Project Personnel, regardless of the reason for the change. In the event it becomes necessary to replace key personnel during the term of this Contract, the Contractor shall:

- a. Provide the State with written notification of such replacement, providing, when possible, for a two (2) week period for knowledge transfer from the key personnel to the replacement personnel. This knowledge transfer shall be provided at no charge to the State;
- b. Provide the State with documentation describing the circumstances of the need for the replacement;
- c. Provide documentation of experience for the proposed replacement personnel; and



- d. Obtain prior written approval from the State Program Director.

The Contractor shall provide the following experience, structure, staffing and resources necessary to comply with state and federal PASRR laws and requirements:

a. The Contractor shall:

- (1) Offer on-site accessibility to monitor operations, including but not limited to immediate access to records and clinical and management staff.
- (2) Maintain an office located in middle Tennessee. This local office (within 60 miles of the State TennCare office) must have normal business hours similar to State office hours, Monday through Friday 8:00 CST through 4:30 CST, except on holidays or as otherwise approved by the State..
- (3) Be a private agency that is not a NF, hospital or other provider of services and has no direct or indirect affiliation or relationship with a NF, hospital or other provider of services.
- (4) Employ Individuals and contractors who are not also employed by a NF, hospital of other provider of services and who do not have direct or indirect affiliation or relationship with a NF, hospital or other provider of services.

b. The Contractor shall provide the following Key Personnel:

- (1) Programmatic lead with demonstrated expertise in regulatory requirements.
- (2) Quality Director to oversee quality management functions.
- (3) Clinical Director (TN licensed PhD or higher) to oversee clinical activities.
- (4) Medical Director (TN licensed MD) to serve as a resource internally, including to Level I PASRR screen reviewers and to the State.
- (5) Operations Director who oversees daily operations and who serves as the primary contact for State staff.
- (6) Project Management Lead shall oversee all functions related to PASRR redesign implementation scheduled for December 1, 2016 and shall remain the State contact from Contract execution through March 1, 2017 unless a successor Project Management Lead is approved in writing by the State prior to the successor Project Management Lead providing services pursuant to this Contract.
- (7) All Key Personnel as described above shall be available for in person meetings with the State staff; scheduled or impromptu.

c. Staffing and Resources:

- (1) Contractor shall provide quality monitoring staff for Level II evaluations who review every Level II evaluation to ensure accuracy, data consistency, integrity and completeness.
- (2) Contractor shall provide a statewide assessor network of professionals who are qualified and trained to conduct onsite face-to-face client evaluations, gather information and accurately and thoroughly represent the history and status of the Individual.
- (3) Contractor shall provide clinicians to analyze information obtained by the assessor and develop a summary report. A Level II summary of findings report shall be provided by staff with the following qualifications:

Type of Level II Summary Report	Options for Credentials by Evaluation Type
Mental Health	Master's prepared QMHP clinician, RN, SW or similar degreed clinician with at least four



	<p>years' experience with PASRR populations; OR</p> <p>Licensed psychiatrist who must complete Level II Summary of Findings Reports in the cases of psychiatric admission or discharge and in cases of adverse decisions either for psychiatric reasons or level of care.</p>
ID Level II	<p>Master's prepared QIDP clinician, RN, SW or similar degreed clinician with at least four years' experience with PASRR populations; OR</p> <p>Licensed PhD psychologist</p>
Dual (MH and ID) Level II	<p>Master's prepared QMHP/QIDP clinician; OR</p> <p>Licensed PhD psychologist</p>

- (4) Contractor shall provide operations support staff.
- (5) Effective December 1, 2016, Contractor shall provide LPNs, supervised by a RN, to perform clinical reviews of Level I screenings triggered with a possible Level II condition.
- (6) All staff shall have the appropriate State of Tennessee licensing. Proof of licensing credentials shall be shown to the State upon request.
- (7) Due to the expertise required to administer a PASRR program the State shall continually evaluate performance of the personnel and, shall as necessary, refuse any personnel whose performance is found to be inadequate.
- (8) Contractor shall conduct and/or participate with in-service training as needed and when requested by the State.
- (9) Contractor shall participate with the State in problem solving activities involving the PASRR process.

d. Statewide Assessors:

- (1) The Contractor shall provide a statewide (represented in all areas of Tennessee) network of qualified assessors.
- (2) The Contractor shall recruit, credential and train assessors.
- (3) Assessor network shall meet volume and quality demands and requirements.
- (4) Assessors shall be thoroughly screened; credentials verified, comprehensively trained and receive ongoing training and performance feedback.
- (5) Assessors shall meet the following credential and qualification requirements:

Type of Level II Evaluation	TN Credentials by Evaluation Type
Mental Health	<p>TN licensed RN; or</p> <p>MS or higher in psychology or Social Work with 4 or more years working in MH settings</p>
ID Level II without IQ testing	<p>TN licensed RN with 2 or more years working in ID settings</p>



ID Level II with IQ testing	TN licensed RN with 2 or more years working in ID settings; AND TN licensed PhD psychologist or Senior Psychological Examiner to conduct IQ testing
Dual MI and IDD Level II	TN licensed RN with 2 or more years working in ID settings; AND TN licensed PhD psychologist or Senior Psychological Examiner to conduct IQ testing, if needed.

A.12. PASRR Stakeholder Education and Engagement Responsibilities - The Contractor shall be available to providers, individuals and guardians to provide consultation and to answer questions about the Level II evaluation process and/or the determination and Summary of Findings Report and must also offer technical assistance when needed.

A.13. PASRR Process Redesign - the State is in the process of making improvements to its current PASRR Process to ensure adherence to recent federal guidance specific to specialized services. The contractor is responsible for State alignment and facilitated implementation of these improvements scheduled for December 1, 2016 to include the following:

- a. Strengthen the Level I screening tool. Use system capabilities and clinical review to increase specificity while retaining sensitivity in order to properly identify individuals for evaluation while eliminating false negatives and reducing false positives.
- b. Strengthen the Level I screening process to ensure that the most comprehensive medical history and information is available to inform identification of a potential mental illness or intellectual disability or related conditions. New and current screeners shall be fully trained on use of the system and on the PASRR process in general, including intent, goals, and action steps required by federal regulation.
- c. Ensure Level I, Level II, Change of status and all other PASRR related processes are housed in one (1) system, operated and maintained by the Contractor. The Contractor shall be responsible for system security, development and implementation. The State will assist with contractor system design.
- d. Ensure the Contractor's system shall integrate and allow for interconnectivity with the State's T-MED system used for medical eligibility determinations, and with DMHSAS and DIDD as needed, eliminating the need for manual intervention in data sharing.
- e. Modify the Level II process to ensure that it is person centered and identifies a person's paid and natural supports, overall needs, specialized needs and medical eligibility or level of care (LOC).
- f. When NF placement is found through the Level II process to be appropriate and specialized services are identified, confirm with the admitting NF prior to admission, their ability and commitment to provide such services in accordance with each person's individualized needs.
- g. Coordination with a Medicaid eligible person's Managed Care Organization (MCO) to ensure specialized services and supports identified through the Level II process are included in the NF POC and are provided as specified in the NF POC.

A.14. PASRR Project Planning Requirements - to ensure successful PASRR redesign to be implemented December 1, 2016, the Contractor shall submit to the State a detailed project plan by August 1, 2016. The State will review and approve the project plan prior to use and will



oversee actions, changes, delays and timely completion. The project plan shall at a minimum include:

- a. A list of objectives, associated tasks, task ownership, targeted due date for task completion, any identified or perceived obstacles, and a completion date.
- b. A system design and implementation schedule.
- c. A communication plan which shall include all stakeholders and system users.
- d. A detailed plan for achieving buy in and participation from new and existing screeners which shall include at a minimum:
 - (1) By October 1, 2016, begin developing relationships with MCOs, nursing home and hospital staff and inform them of upcoming changes.
 - (2) By November 1, 2016, begin providing targeted outreach and education about PASRR purpose, process and requirements.
- e. A training plan which shall include at a minimum, detailed end user training on the proper use of the new Level I screening tool, technical functions and requirements, instruction on accessing Level I and Level II outcomes and instruction for submitting a Change of status notification.
 - (1) By November 15, 2016, Contractor shall offer and conduct at least 2 In person, comprehensive training sessions in each of three grand regions of the state.
 - (2) By November 15, 2016, Contractor shall offer and conduct at least 5 comprehensive, web based trainings.
- f. Other actions deemed necessary by the State to ensure Contractor's screeners accurately complete and submit the web based screening in accordance with federal PASRR regulations and can successfully retrieve, understand and print outcomes.
- g. Once approved by the State, Contractor shall execute the tasks, objectives, and requirements detailed in the approved project plan.

A.15 PASRR Service Requirements - In addition to the service requirements listed in A.5. effective December 1, 2016 the Contractor shall also meet the following requirements:

- a. The Contractor shall implement a web-based system and screening tool for the submission of Level I screenings which automates processes, audits submissions, and allows for authorized access, tracking, printing and reporting of screening outcomes.
- b. The Contractor shall implement a web-based system for the submission of Change of status notifications which automates processes, audits submissions, and allows for authorized access, tracking and reporting of outcomes.
- c. The Contractor shall perform Level I screenings and shall initiate Level II evaluations when federally required.
- d. The Contractor shall ensure proper referral of applicants identified and determined by the PASRR Level I screening as a person with a potential or known diagnosis of MI or IDRC for a PASRR Level II evaluation.
- e. Level II evaluations and Summary of Findings Report shall include a Contractor performed level of care (LOC) determination when warranted, in accordance with the State LOC criteria.



- A.16 PASRR Level I screen, Categorical Determination and Exemption Requirements - In addition to the requirements listed in A.6, effective December 1, 2016 the Contractor shall also meet the following requirements:
- a. Receive web based submission of PASRR Level I screenings, Categorical Determinations and Exemptions.
 - b. Ensure that any data system for processing Level I PASRR screenings, Categorical Determinations and Exemptions interconnects with the T-MED system for data exchange.
 - c. For people discharging from a hospital and entering a nursing home, the Contractor shall work with the State to ensure that the screening entity has the most comprehensive medical history and information available to inform identification of a potential mental illness or intellectual disability or related conditions.
 - d. Assume all buy-in and training responsibilities required to ensure accurate completion of PASRR screenings and shall employ methods deemed necessary by the State to ensure continued success.
 - e. Develop and maintain a Level I screening tool which, at a minimum, shall meet the following requirements:
 - (1) Meets all state and federal requirements.
 - (2) Accommodates and anticipates emerging federal requirements.
 - (3) Identifies individuals with potential or known diagnoses using a proven methodology for reducing false positives and preventing false negatives.
 - (4) Ensures Level I Screens with evidence of suspected PASRR conditions are routed for clinical review by a qualified clinician who will determine if a Level II evaluation is required.
 - (5) Ensures screening tool accurately identifies individuals for a Level II evaluation.
 - (6) Within one (1) day of submission, determines which Level I PASRRs require a clinician review or Level II evaluation based on the information submitted and in accordance with federal requirements.
 - (7) Within one (1) business day from submission, completes Categorical Determinations when warranted and in accordance with federal requirements.
 - (8) Within three (3) business days from submission, completes PASRR exception and exclusion functions when warranted and in accordance with federal requirements.
 - (9) Ensures that a Level I screening which indicates a prescription of anti-psychotic drugs results in a Level II evaluation.
 - (10) Incorporates measures to assure the PASRR screening tool is being completed accurately and to reduce false positives and prevent false negatives.
 - (11) Ensures the State, authorized service providers, authorized submitters and authorized contractual partners, including MCOs and AAADs, have access to view completed Level I reviews, reports and decisions, even when submitted by another entity.
 - (12) Creates and makes available necessary and required applicant and provider notifications.
 - f. The Contractor shall be responsible for making Categorical Determinations which, at a minimum, shall meet the following requirements:
 - (1) Provides system tracking of all categorical determinations and associated timelines.
 - (2) Ensures categorical vetting and decisions comply with federal requirements.
 - (3) Includes retaining copies of all categorical evaluations and determination reports.
 - (4) When judgment is required, refers the individual for a Level II evaluation.
 - (5) Includes a process for categorical determinations to be made available to



DMHSAS or DIDD to ensure determinations meet federal requirements and are in the best interest of the admitting resident.

- (6) Contains individualized decisions about services and supports.
- (7) Ensures time limited NF stays are tracked, and if necessary, Level II evaluations are performed when the limited time expires.
- (8) Creates and makes available required applicant and provider notifications.

g. The Contractor shall perform Change of status functions as described below:

- (1) Allow NFs, MCOs or the State to notify DMHSAS or DIDD when there is a significant change in a resident's physical or mental condition that affects the individual's disability-specific needs.
- (2) Upon approval by DMHSAS or DIDD as applicable to proceed with the Change of Status request.
- (3) Using established federal criteria, determine when a Level II evaluation should be performed due to a Change of status notification.
- (4) Perform a Level II evaluation when criteria are met.
- (5) Notify service providers and DMHSAS or DIDD of Change of status outcomes.
- (6) Ensure submitters, service providers, the State, DMHSAS, DIDD and other authorized users have access to Change of status notifications and outcomes.

A.17. PASRR Level II Requirements - In addition to the functions and outcomes listed in A.7, effective December 1, 2016, the Contractor shall also meet the following requirements:

- a. Create and make available any necessary or required applicant and provider notifications that, at a minimum, meet the following requirements:
 - (1) Notifications shall be approved by the State in advance of use.
 - (2) Applicant notices shall be clear, concise and easy to understand.
 - (3) Applicant notices shall be mailed within 1 business day of decision.
 - (4) Service provider notifications shall be made available immediately after making decision.
- b. Ensure that any data system for processing Level II PASRR evaluations and outcomes interconnects with the T-MED system for data exchange.

A.18. Technological Requirements - In addition to the technological requirements listed in A.14, effective December 1, 2016 the Contractor shall also meet the following requirements:

- a. The Contractor shall be responsible for implementing an electronic screening tool for Level I PASRR that is compliant with federal PASRR requirements and State Rule and meets the State's requirements for streamlining and automating processes.
- b. The Contractor shall use technology that allows for web based, state wide submission of Level I PASRR screening tool that permits, at a minimum, the following functionality:
 - (1) Allow system users to submit a Level I PASRR screen 24 hours a day, 7 days a week.
 - (2) Include form completion capability and automated workflow processes.
 - (3) Shall include a mechanism for identifying individuals with a potential PASRR condition and triggering for further review (e.g. certain psychopharmacologies, dementia with behavioral problems, etc.).
 - (4) Shall allow for Level I screens with evidence of suspected PASRR conditions to be routed for clinical review by a qualified clinician who will determine if a Level II evaluation is required.
 - (5) Shall include a mechanism for receiving, reviewing and processing categorical determinations and exemptions.
 - (6) Time and date stamping to occur within the system during each new phase of an activity and/or decision or with each role change/hand off.



- (7) System audit to show user information when specific changes are made.
- (8) System user roles shall be simple and efficient and serve to reduce barrier between contractor and system users.
- (9) Level I submission processes shall be designed to be easily understood by users.
- (10) Previously submitted screenings shall be easily accessed within the system by service providers and other authorized users.
- (11) System users shall have web based capability to check the status of a submitted PASRR screen and print finalized Level I screens.
- (12) System users shall have the capability to provide additional information into web based system via data entry or document upload.
- (13) System users and service providers shall have defined routes and mechanisms in place for communication with the Contactor and problem escalation/resolution.
- (14) Scheduled and ad hoc reporting capability shall be automated within the system and made fully available to the State, DIDD and DMHSAS as defined and when requested.
- (15) Incorporate processes to promote user fidelity, improve provider education, ensure inconsistencies are identified and individuals requiring Level II evaluations are not missed.
- (16) Ensure system is configurable with T-MED.
- (17) Automate and generate notification letters when a Level I screen indicates that a Level II evaluation is needed. Written notice shall be systematically generated and sent to the applicant and his designee (when identified) and shall indicate in plain language that a Level II PASRR evaluation will be conducted.
- (18) Application down time for patching, updates or maintenance shall occur during non-peak hours (typically overnight) and downtime should not exceed eight (8) hours. Advance notification of downtime shall be provided to the State.

c. Technology shall allow for the following Level II PASRR functionality:

- (1) Provide nursing facilities web based access to indicate admission of a Level II candidate, print the Level II Summary of Findings Report for admitted Level II individuals and to confirm the intention to arrange for the delivery of specialized services recommended in the Level II Summary of Findings Report.
- (2) Allow statewide providers, statewide screeners and MCOs to access referral information, check the status of a Level II evaluation and print Summary of Findings Reports.
- (3) Create and make available any necessary or required applicant and provider notification. Applicant notices must be clear, concise and easy to understand.
- (4) Track NF admissions and transfers for individuals with Level II conditions in accordance with federal requirements.

d. The Contractor shall have technology available to allow for web based, statewide submission and processing of Change of status notifications 24 hours a day/7 days a week.

A.19. PASRR Stakeholder Buy In, Education and Engagement - In Addition to requirements listed in A.12, effective December 1, 2016 Contractor shall meet the following requirements:

- a. Training system users, PASRR screeners, Managed Care Organizations (MCOs, Area Agencies on Aging Disability (AAADs, and service providers on PASRR processes, including technical requirements and assistance.
- b. Providing technical assistance to system users.
- c. Being available to system users to provide consultation and to answer questions about the process.



- d. Screeners submitting a Level I PASRR shall understand how to submit an accurate Level I screen and shall understand how to access, view and print Level I and Level II outcomes.
 - e. At least one (1) statewide in person training shall be made available to screeners and providers in the each of the three grand regions of the state on an annual basis.
 - f. At least one (1) web based screener and provider training shall be offered quarterly. Training focus shall include, but is not limited to, recent problem areas or trends and general PASRR topics.
 - g. All training incurred costs shall be the responsibility of the Contractor.
- A.20. Supports Intensity Scale™ (SIS™) Project Overview Summary - SIS measures an individual's support needs in personal, work-related, and social activities in order to identify and describe the types and intensity of the supports an individual requires. The State will rely on the SIS and supplementary questions to assist in the proper identification of exceptional medical or behavioral needs in person centered planning and other activities related to implementation of the Employment and Community First (ECF) CHOICES program, serving qualified individuals with Intellectual and/or developmental disabilities in existing HCBS waiver programs for Individuals with Intellectual disabilities. In addition to person centered planning activities, the SIS assessment will be used for establishing a supports budget in ECF CHOICES Group 6: Comprehensive Supports for Employment and Community Living. Beginning July 1, 2017, the SIS assessment will also be used to determine the rate of reimbursement for specified waiver services.
- A.21. The Contractor, upon written notification from the State, shall complete the following SIS Assessment Populations, listed in priority of action:
- a. Complete a SIS assessment on each Employment and Community First CHOICES Group 6 applicant who has been identified by the State to be enrolled (anticipated to be 200 persons newly enrolled in the first year and at least that many in subsequent years, in addition to persons who may transition from an existing waiver who may already have a recently performed assessment).
 - b. Complete a SIS reassessment due to change in status, for individuals enrolled in Employment and Community First CHOICES Group 6 or a DIDD waiver for individuals with Intellectual disabilities.
 - c. Complete a SIS assessment or reassessment in specific and unique circumstances as requested by the State.
 - d. Contractor shall ensure that each person enrolled in the Statewide or Comprehensive Aggregate Cap (CAC) HCBS waiver and receiving residential and/or employment or day services has a completed SIS assessment, including supplementary questions, when applicable, that is no more than three (3) years old, and shall implement a triennial reassessment schedule for persons with I/DD in the specified target population.
 - e. The Contractor, upon notification from the State, shall complete a SIS triennial reassessment on individuals enrolled in Employment and Community First CHOICES Group 6.
- A.22. Compliance with American Association on Intellectual and Developmental Disabilities (AAIDD) Requirements - The Contractor shall acknowledge that the AAIDD is the creator and owner of SIS, and shall develop training methodologies and techniques to ensure that individuals trained as interviewers (assessors) or individuals trained to train interviewers are appropriately qualified and knowledgeable about SIS. Any use of the SIS requires the Contractor to acknowledge SIS as proprietary product of AAIDD, and adhere to all requirements to meet AAIDD's quality control



mechanisms and satisfaction. The Contractor shall comply with AAIDD best practice methods in the assessment process, including, but not limited to, the following:

- a. The Contractor shall use the following AAIDD Recognized SIS Interviewer Criteria:
 - (1) Complete an AAIDD-approved SIS Interviewer training session.
 - (2) Conduct at least four (4) SIS Interviews to maintain skill and ability to conduct interviews to determine the support needs for diverse populations.
 - (3) Obtain a passing score on an Interviewer Reliability Review (IRR) (procedures approved by AAIDD).
 - (4) To maintain AAIDD recognition, IRR shall be conducted by an AAIDD-approved trainer on at least a yearly basis.

- b. The Contractor shall use the following AAIDD Recognized SIS Trainer Criteria:
 - (1) Meet all the requirements of an AAIDD Recognized SIS Interviewer.
 - (2) Conduct at least 10 SIS assessments to accumulate adequate interview experience to train others.
 - (3) Conduct a SIS presentation reviewed by an AAIDD Trainer.
 - (4) Conduct an IRR of a SIS interview with an AAIDD Trainer.
 - (5) Obtain authorization from an AAIDD Trainer on at least a yearly basis.

- c. The Contractor shall use a data system that receives and integrates data shares from AAIDD's SIS Enterprise data system, and generate required reports based on data delivered by the AAIDD SIS Enterprise data system. The Contractor shall:
 - (1) Program and maintain a State approved SIS data storage system capable of receiving periodic or real-time SIS data and data updates from the AAIDD SIS Enterprise Online data system in the format designated by the State.
 - (2) Provide management of data shares from the AAIDD Enterprise system and integrate data updates with the Uniform Assessment Notification Website.

- d. The state shall contract with AAIDD SIS Enterprise for the following:
 - (1) Access and use of the SIS online assessment tools (SIS online and SIS Venture software;
 - (2) software licensing;
 - (3) user manuals, and
 - (4) paper interview forms

A.23. In addition to AAIDD SIS requirements in A.22., the Contractor shall ensure that:

- a. Preferred informants are used for the SIS assessment interviews. Informants which are preferred include the individual, persons most familiar with the individual, guardians, family, and direct service providers.

- b. At least 3 informants are interviewed and when 3 informants cannot be identified, such information is provided to the State via T-MED.

- c. Assessments are performed by linguistically competent staff in the person's primary spoken language or in sign language or who can facilitate non-verbal forms of communication including the use of assistive technology as applicable and the use of other auxiliary aids or services in order to achieve effective communication. This includes the primary language of the individual, family member, and/or conservator from whom assessment information is being collected. On site translators shall be used to conduct assessments.



- A.24. Additional Data Entry, Collection and Reporting Requirements - The State, using T-MED, will send referral requests to the Contractor. Referrals will include applicant contact information as well as contact information for known family members, guardians and caregivers. Specific T-MED generated reports will be used for contract monitoring and billing processes. The Contractor shall be responsible for producing reports of data not available in T-MED as specified by the State. The Contractor shall also be responsible for entering the following information into T-MED:
- a. Enter scheduled assessment date;
 - b. Enter actual assessment date;
 - c. Enter assessment completion date;
 - d. Enter assessment participant data;
 - e. Upload full SIS assessment results; and
 - f. Ensure that SIS uniform assessment data is the property of the State.
- A.25. Timeframes - Prior to referral, the state will provide scheduling contact information and availability up to 10 business days in advance of the referral being made. Upon referral from the State for ECF CHOICES Group 6 applicants and enrollees, the Contractor shall conduct and complete SIS assessments or reassessments, enter assessment results data into the SIS® Enterprise system and provide assessment results and associated dates to the State via T-MED, within the following timeframe benchmarks:
- a. Within 5 business days in 80% of the new applicant referrals sent;
 - b. Within 10 business days in 100% of the new applicant referrals sent;
 - c. Within 10 business days in 100% of the reassessment referrals sent;
 - d. Within 30 business days for 100% of the existing enrollee referrals sent for participants in an HCBS waiver for Individuals with Intellectual disabilities; and
 - e. Within 3 business days in 100% of the emergency referrals sent.
- A.26. For AAIDD SIS purposes, the Contractor shall provide the following experience, structure, staffing and resources necessary to comply with AAIDD and State requirements in addition to the staffing requirements in A.9:
- a. Contractor:
 - (1) Shall have at least 2 years of experience successfully conducting SIS assessments;
 - (2) Shall have a history of quality performance beyond minimal federal requirements;
 - (3) Shall offer on-site accessibility to monitor operations, including but not limited to immediate access to records and management staff;
 - (4) Shall be a private agency that is not a provider of services and has no direct or indirect affiliation or relationship with a provider of services; and
 - (5) Shall employ individuals and contractors who are not also employed by a provider of services and who do not have direct or indirect affiliation or relationship with a provider of services.
 - b. Key Personnel shall include:
 - (1) AAIDD/SIS Programmatic lead with demonstrated experience with SIS requirements to oversee daily operation and serve as the primary contact for the State; and
 - (2) Quality lead to oversee quality management functions related to AAIDD.
 - c. Staffing and Resources: In addition to AAIDD interviewer criteria, the Contractor shall be



responsible for the professional and technical competence of its employees and will select appropriately qualified and knowledgeable individuals who will perform effectively in the implementation of this Contract. Staffing requirements shall include:

- (1) Quality monitoring staff to review assessments to ensure accuracy, data consistency, integrity and completeness.
- (2) Individuals trained as interviewers who administer the SIS, or individuals trained to train interviewers, shall demonstrate the following criteria:
 - i. A professional (e.g. case manager, psychologist, social worker) who has completed at least a four (4) year degree program or has at least 2 years of experience conducting individual assessments and has extensive knowledge of behavior rating or psychological testing principles;
 - ii. Has several years of direct work experience with people with intellectual and developmental disabilities;
 - iii. Has the ability to request and verify information from respondents;
 - iv. Culturally sensitive to respondents and individuals whose support needs are being assessed; and
 - v. Has other significant attributes including a strong skill set in organization; time management; ability to address difficult questions and problematic respondent and/or participants; effective communication; and knowledge of adult learning strategies.
- (3) All staff shall have the appropriate State of Tennessee licensing. Proof of licensing credentials shall be shown to the State upon request.
- (4) Staff who are not licensed are required to pass a background check specified by the State.
- (5) Due to the expertise required to administer SIS, the State shall continually evaluate performance of the personnel and, shall as necessary, request that the Contractor immediately stop using any personnel whose performance is found by the State to be inadequate.
- (6) The Contractor shall conduct and/or participate with In-service training as needed and when requested by the State.
- (7) The Contractor shall participate with the State in problem solving activities involving the PASRR process.
- (8) Data entry staff to enter SIS information into T-MED and perform compliant SIS enterprise data entry when automated retrieval and download is not available.

A.27. The Contractor shall meet the following SIS quality control and assurance requirements:

- a. In collaboration with AAIDD, the Contractor is required to participate in annual quality assurance audits to assure that activities and individuals selected to conduct interviews are consistent with the most current AAIDD-recognized version of SIS and related practices.
- b. To prevent the occurrence of procedural drift, the Contractor shall perform regularly scheduled monitoring of each SIS interviewer's reliability to ensure the consistent use of the SIS, the integrity of the data collection process, and the accuracy of data scoring.
- c. Interviewer Reliability Reviews (IRR), an AAIDD requirement for successful completion of the Train-the-Trainer program, shall occur quarterly, semi-annually, or annually, depending on the needs and experiences of the Interviewer. Quality Assurance activities



undertaken by AAIDD include:

- (1) a review of the Contractor's internal quality assurance program that may include an internal data management strategy around IRR data;
 - (2) observation and interviewer reliability review (IRR) of Contractor's interviewers;
 - (3) feedback, coaching, and refresher training as deemed necessary by the State; and
 - (4) the incorporation of feedback into Contractor's future activities.
- d. At the request of the State, a quality review of an individual SIS assessment to validate outcomes may be required (typically in response to an appeal of a denial of a service resulting from the supports budget that is established based on the SIS performed for an ECF CHOICES member). In these cases, the Contractor has 10 business days to perform a validation of accuracy as prescribed by the State and report findings and/or changes.
- A.28. The Contractor shall meet the following SIS stakeholder training and engagement requirements:
- a. Collaborate with the State to help educate stakeholders at implementation and as project proceeds. Stakeholders include members, families/conservators, providers and advocacy groups;
 - b. Participate with the State in onsite meetings and training sessions, webinars, and conference calls;
 - c. Coordinate with MCOs; and
 - d. Collaborate with the State or any contracted entity assisting the State in implementing the SIS for specified purposes.
- A.29. The Contractor shall meet the following Data Production and Retention requirements:
- a. Maintain all Level I screens, comprehensive evaluation documentation and summaries for ten (10) years from the date of evaluation; and
 - b. Maintain all SIS assessments and results for ten (10) years from the date of assessment.
- A.30. The Contractor shall meet the following Quality Improvement requirements:
- a. Ensure that assessment information consistently have data integrity;
 - b. Ensure that reports are useful to the State and its partners and contractors; and
 - c. Ensure that complaints are investigated and responded to within two (2) business days and that responses are thorough and effective.
- A.31. The Contractor shall meet the following State Alignment requirements:
- a. Maintain transparent, documented procedures for all activities that demonstrate alignment with the Contract, State Rule and federal requirements.
 - b. Participate in face to face quarterly meetings between the State and key Contractor leadership to review performance, discuss trends, and conduct planning. The Contractor's meeting responsibilities shall, at a minimum, include:
 - (1) documenting meeting minutes;
 - (2) incorporating relevant changes in procedure; and



- (3) demonstrating that any changes are implemented as discussed and agreed upon by the State.

A.32. Control Memorandum Process. The Control Memorandum ("CM") process shall be utilized by the State to clarify Contract requirements, issue instruction to the Contractor, document action required of the Contractor, or request information from the Contractor. In addition, the CM process shall be used by the State to impose assessments of damages, either actual or liquidated. This process will be used to address issues or matters that do not require a contract amendment. Each CM shall be in writing and indicate the date on which it was issued. CMs may provide relevant history, background, and other pertinent information regarding the issue(s) being addressed in the CM. Each CM will establish a deadline or timeframe for the Contractor's reply or other action. All CMs submitted to the Contractor shall be signed and approved by the State's Project Director (or his/her designee). When the CM pertains to damages, either actual or liquidated, the State may issue consecutive CMs, as may be necessary or appropriate.

- a. A CM may include one (1) or more of the following five (5) components of the CM process described below:
 1. On Request Report (ORR)– a request directing the Contractor to provide information by the time and date set out in the CM.
 2. Control Directive (CD) – instructions that require the Contractor to complete, within a designated timeframe, one (1) or more deliverables or to perform any other request from the State that is within the scope of the Contract. A CD may also provide clarification of certain Contract terms. Once a CM/CD has been issued, it shall be considered to be incorporated into this Contract.
 3. Notice of Potential Damages (Actual or Liquidated) (NPD) – notification to the Contractor that the State has determined that a potential Contract performance or compliance issue exists and that the State is contemplating assessing damages, actual and/or liquidated. The NPD shall identify the Contract provision(s) on which the State determination rests.
 4. Notice of Calculation of Potential Damages (Actual or Liquidated) (NCPD) – notification to the Contractor that provides a calculation of the amount of potential damages, actual and/or liquidated, that the State is contemplating assessing against the Contractor. NPDs and NCPDs may be issued consecutively or simultaneously.
 5. Notice of Intent to Assess Damages (Actual or Liquidated) (NIAD) – notification to the Contractor that the State is assessing damages and specifying whether the damages are actual damages, Liquidated Damages, or both, and setting out the performance or compliance issue underlying each intended damage assessment. The NIAD shall identify the NPD and NCPD upon which it is based. The NIAD shall specify the total amount and type of damages, whether actual or liquidated, the State intends to assess. Following the issuance of an NIAD, the State may elect to withhold damages from payments due to Contractor. The State may not issue a NIAD without first issuing a NPD and a NCPD. The State may not obtain both Liquidated Damages and Actual Damages for the same occurrence of a Contract performance failure.
- b. Damages for failure to comply with CM. The Contractor shall fully comply with all CMs. Failure to do so may result in the State pursuing recovery of damages, as defined in Section E.10, including Liquidated Damages as listed in Contract Attachment B, a corrective action plan, and/or termination of the Contract.



- c. Appeal of Damages by Contractor. Contractor may appeal either the basis for NPD or calculation of NCPD potential damages, either actual or liquidated. To do so, the Contractor shall submit to the State's Project Director (or his/her designee) a written response to the NPD and/or NCPD within ten (10) business days of receipt of a CM which includes a NPD or a NCPD. The State's Project Director (or his/her designee) shall review the appeal and provide notice of his/her determination to the Contractor through a CM. If the Contractor disagrees with the State's Project Director's (or his/her designee) initial appeal determination or the State's Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may submit a written request to the State's Project Director (or his/her designee) that the matter be escalated to senior management of the Agency. Contractor shall submit such a request for escalation within ten (10) business days of its receipt of the initial appeal determination from the State's Project Director (or his/her designee) or of notification by the State's Project Director that he/she is unable to resolve the appeal. The State's senior management shall provide written notice of its final determination to the Contractor within (10) days of the receipt of the appeal from the Contractor. Upon appeal or escalation, the State shall not increase the amount of the potential damages.

- A.33. The Contractor shall, as directed by the State and at no additional cost to the State, coordinate with, facilitate the prompt exchange of information between, and work collaboratively with any and all other State contractors and State Agencies. If required in order for the Contractor to proceed with any part of the Scope of Services which involves sharing or obtaining information of a confidential, proprietary, or otherwise valuable nature with or from another State contractor, the Contractor may be requested to sign mutually agreeable documents, including but not limited to Non-Disclosure Agreements (Non-Disclosure Documents), which are reasonably necessary to maintain cooperation and collaboration among and with any and all other State contractors and State agencies in the performance of the Contract.

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

Nothing in this Section, including failure to negotiate and enter into a Non-Disclosure Document acceptable to Contractor with another State contractor, shall be construed to relieve the Contractor of its duty to perform any requirements or deliverables under this Contract. Other than as permitted in Section C. of this Contract, Payment Terms and Conditions, the Contractor shall not invoice the State for any such coordination services, and the State shall not be liable to the Contractor for payment of any such coordination services, without the prior written consent of the State.

- A.34. This Contract does not authorize the Contractor to engage in the practice of law or perform any legal services on behalf of the State, and the Contractor is hereby specifically prohibited from doing so.

B. TERM OF CONTRACT:

- B.1. This Contract shall be effective on June 1, 2016 ("Effective Date") and extend for a period of thirty-six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.
- B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to two (2) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.



C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Twenty-Eight Million Twenty Thousand One Hundred Eighty-Four Dollars and Twenty Cents (\$28,020,184.20) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
 - a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
 - b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount (per compensable increment)
PASRR Level I Screening – without Clinical Review	\$5.95 / per screening
PASRR Level I Screening – with Clinical Review	\$38.35 / per screening
PASRR Level II Screening – Out of State Paper Submission	\$184.77 / per screening
PASRR Level II Evaluation – Without IQ Test	\$315.41 / per assessment
PASRR Level II Evaluation – With IQ Test	\$413.62 / per assessment
PASRR Level II Evaluations Withdrawn	\$133.29 / per assessment
Expedited PASRR Level II Evaluation	\$385.38 / per assessment
PASRR Change of Status Review	\$371.27 / per assessment
PASRR Document Based Review	\$193.16 / per assessment
Supports Intensity Scale™ (SIS™) Assessment Within 10 Business Days (A.25.a – c, and e)	\$443.16 / per assessment
Supports Intensity Scale™ (SIS™) Assessment Within 30 Business Days (A.25.d)	\$386.69 / per assessment

- 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:

Long Term Support Services – 2 East
Division of Health Care Finance and Administration
310 Great Circle Road
Nashville, TN 37243

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: Department of Finance and Administration, Division of Health Care Finance and Administration
 - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
 - (6) Contractor name;
 - (7) Contractor Tennessee Edison registration ID number;
 - (8) Contractor contact for invoice questions (name, phone, or email);
 - (9) Contractor remittance address;
 - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
 - (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
 - (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
 - (13) Amount due for each compensable unit of good or service; and
 - (14) Total amount due for the invoice period.
- b. Contractor's invoices shall:
- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
 - (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
 - (4) Include shipping or delivery charges only as authorized in this Contract.
- 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, other than information or data that is necessary for one or more Contract deliverables, 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:

Deputy Commissioner
Department of Finance and Administration
Division of Health Care Finance and Administration
Bureau of TennCare
310 Great Circle Road
Nashville TN 37243
Telephone # (615) 507-6443
FAX # (615) 253-5607

The Contractor:

MAXIMUS Health Services, Inc.
dba Ascend Management Innovations
840 Crescent Centre Drive
Suite 400
Franklin, TN 37067
Attn: Emily Cook



Telephone # (877) 431-1388

With a copy to:

MAXIMUS, Inc.
Contracts Department
1891 Metro Center Drive
Reston, VA 22303
Attn: Bruce Perkins
Telephone #: (703) 251-8500
FAX #: (703) 251-8240

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

All information or data that is necessary for one or more deliverables set forth in this Contract shall be transmitted between HCFA and Contractor via the data transfer method specified in advance by HCFA. This may include, but shall not be limited to, transfer through HCFA's SFTP system. Failure by the Contractor to transmit information or data that is necessary for a deliverable in the manner specified by HCFA, may, at the option of HCFA, result in Liquidated Damages as set forth on Contract Attachment B hereto.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written



approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination. In addition, the Contractor shall comply with the provisions of Contract Section E.27 (Nondiscrimination Compliance Requirements) and this Section D.9 shall not be deemed to limit or abridge any requirement set forth in Section E.27.

- 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 Attachment A, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.



- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract



providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.

- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in 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 "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
- d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.



- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

- D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaroud plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract. In addition, the Contractor shall comply with the provisions of Contract Section E.16, (Applicable Laws, Rules, Policies and Court Orders),



and this Section D.25 shall not be deemed to limit or abridge any requirement set forth in Section E.16.

- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes Attachment A, Attestation RE: Personnel Used in Contract Performance, and Attachment B, Liquidated Damages.
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking this Contract.

E. SPECIAL TERMS AND CONDITIONS:

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



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

- E.3 State Ownership of Goods. The State shall have ownership, right, title, and interest in all goods provided by Contractor under this Contract including full rights to use the goods and transfer title in the goods to any third parties.
- E.4 Ownership of Software and Work Products.
- a. Definitions.
- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
 - (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor solely for State.
 - (3) "Rights Transfer Application Software," shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
 - (4) "Third-Party Software," shall mean software not owned by the State or the Contractor.
 - (5) "Work Product," shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party Software.
- b. Rights and Title to the Software
- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted under this Contract.
 - (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.
 - (3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted under this Contract.
- c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of



performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.

- E.5 State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.
- E.6 Work Papers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis work papers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.7 Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.8. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

- E.9 Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not



grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

- E.10. Liquidated Damages. In the event of a Contract performance failure, the State may, but is not obligated to address such Contract performance failure and/or assess damages ("Liquidated Damages") in accordance with Attachment B of the Contract. The State shall notify the Contractor of any amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Contract performance failure, as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Contract Attachment B 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, are a reasonable estimate of the damages that would occur from a Contract performance failure, and are not punitive. The Parties agree that although the Liquidated Damages represent the reasonable estimate of the damages and injuries sustained by the State due to the Contract performance failure, they do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

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

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

- E.11 Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.
- E.12 Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State.
- E.13. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and



the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

- E.14. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a. Reporting of Total Compensation of the Contractor's Executives.
 - (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
 - i. 80 percent or more of the Contractor's annual gross revenues from federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and
 - iii. The public does not have access to information about the compensation



of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.

(2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)):

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

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

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

- E.15 Survival. The terms, provisions, representations, and warranties contained in Sections D.11 (Records), D.19 (Hold Harmless), D.20 (HIPAA Compliance), E.2 (Confidentiality of Records), E.7 (Prohibited Advertising), E.9 (Intellectual Property) E.13 (Personally Identifiable Information), E.19 (Notification of Breach), E.21 (SSA Data), and E.25 (IRS Data) of this Contract shall survive the completion of performance, termination or expiration of this Contract.
- E.16. Applicable Laws, Rules, Policies and Court Orders. The Contractor agrees to comply with all applicable federal and State laws, rules, regulations, sub-regulatory guidance, executive orders, HCFA waivers, and all current, modified or future Court decrees, orders or judgments applicable to



the State's TennCare program. Such compliance shall be performed at no additional cost to the State.

E.17. Business Associate. Contractor hereby acknowledges its designation as a business associate under HIPAA and agrees to comply with all applicable HIPAA regulations. In accordance with the HIPAA regulations, the Contractor shall, at a minimum:

- a. Comply with requirements of the HIPAA, including, but not limited to, the transactions and code sets, privacy, security, and identifier regulations. Compliance includes meeting all required transaction formats and code sets with the specified data sharing agreements required under the regulations;
- b. Transmit/receive from/to its providers, subcontractors, clearinghouses and HCFA all transactions and code sets required by HIPAA in the appropriate standard formats, utilizing appropriate and adequate safeguards, as specified under the law and as directed by HCFA so long as HCFA direction does not conflict with the law;
- c. Agree that if it is not in compliance with all applicable standards defined within the transactions and code sets, privacy, security and all subsequent HIPAA standards, that it will be in breach of this Contract and will then take all reasonable steps to cure the breach or end the violation as applicable. Since inability to meet the transactions and code sets requirements, as well as the privacy and security requirements can bring basic business practices between HCFA and the Contractor and between the Contractor and its providers and/or subcontractors to a halt, if for any reason the Contractor cannot meet the requirements of this Section, HCFA may terminate this Contract.
- d. Ensure that Protected Health Information (PHI) exchanged between the Contractor and HCFA is used only for the purposes of treatment, payment, or health care operations and health oversight and its related functions. All PHI not transmitted for these purposes or for purposes allowed under the federal HIPAA regulations shall be de-identified to secure and protect the individual enrollee's PHI;
- e. Report to HCFA's Privacy Office immediately upon becoming aware of any use or disclosure of PHI in violation of this Contract by the Contractor, its officers, directors, employees, subcontractors or agents or by a third party to which the Contractor disclosed PHI;
- f. Specify in its agreements with any agent or subcontractor that will have access to PHI that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section;
- g. Make its internal policies and procedures, records and other documentation related to the use and disclosure of PHI available upon request to the U.S. Secretary of Health and Human Services for the purposes of determining compliance with the HIPAA regulations;
- h. Create and adopt policies and procedures to periodically audit adherence to all HIPAA regulations;
- i. Agree to ensure that any agent, including a subcontractor, to whom it provides PHI that was created, received, maintained, or transmitted by or on behalf of HCFA agrees to use reasonable and appropriate safeguards to protect the PHI.
- j. If feasible, return or destroy all PHI, in whatever form or medium (including any electronic medium) and all copies of any data or compilations derived from and allowing identification of any individual who is a subject of that PHI upon termination, cancellation, expiration or other conclusion of the Agreement, and in accordance with this Section of this Contract. The Contractor shall complete such return or destruction as promptly as possible, but not later than thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement. The Contractor shall identify any PHI that cannot feasibly be



returned or destroyed. Within such thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement, the Contractor shall: (1) certify an oath in writing that such return or destruction has been completed; (2) identify any PHI which cannot feasibly be returned or destroyed; and (3) certify that it will only use or disclose such PHI for those purposes that make its return or destruction infeasible;

- k. Implement all appropriate administrative, physical and technical safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Contract and, including, but not limited to, privacy, security and confidentiality requirements in 45 CFR Parts 160 and 164;
 - l. Set up appropriate mechanisms to limit use or disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure;
 - m. Create and implement policies and procedures to address present and future HIPAA regulatory requirements as needed, including, but not limited to: use and disclosure of data; de-identification of data; minimum necessary access; accounting of disclosures; enrollee's right to amend, access, request restrictions; notice of privacy practices and right to file a complaint;
 - n. Provide an appropriate level of training to its staff and employees regarding HIPAA related policies, procedures, enrollee rights and penalties prior to the HIPAA implementation deadlines and at appropriate intervals thereafter;
 - o. Track training of Contractor staff and employees and maintain signed acknowledgements by staff and employees of the Contractor's HIPAA policies;
 - p. Be allowed to use and receive information from HCFA where necessary for the management and administration of this Contract and to carry out business operations where permitted under the regulations;
 - q. Be permitted to use and disclose PHI for the Contractor's own legal responsibilities;
 - r. Adopt the appropriate procedures and access safeguards to restrict and regulate access to and use by Contractor employees and other persons performing work for the Contractor to have only minimum necessary access to PHI and personally identifiable data within their organization;
 - s. Continue to protect and secure PHI and personally identifiable information relating to enrollees who are deceased; and
 - t. Track all security incidents as defined by HIPAA and periodically report such incidents to HCFA in summary fashion.
- E.18. Information Holders. HCFA and the Contractor are "information holders" as defined in TCA 47-18-2107. In the event of a breach of the security of Contractor's information system, as defined by TCA 47-18-2107, the Contractor shall indemnify and hold HCFA harmless for expenses and/or damages related to the breach. Such obligations shall include, but not be limited to, mailing notifications to affected enrollees. Substitute notice to written notice, as defined by TCA 47-18-2107(e)(2) and (3), shall only be permitted with HCFA's express written approval. The Contractor shall notify HCFA'S Privacy Office immediately upon becoming aware of any security incident that would constitute a "breach of the security of the system" as defined in TCA 47-18-2107.
- E.19. Notification of Breach and Notification of Suspected Breach. - The Contractor shall notify HCFA'S Privacy Office immediately upon becoming aware of any incident, either confirmed or suspected, that represents or may represent unauthorized access, use or disclosure of encrypted or unencrypted computerized data that materially compromises the security, confidentiality, or integrity of enrollee PHI maintained or held by the Contractor, including any unauthorized acquisition of enrollee PHI by an employee or otherwise authorized user of the Contractor 's



system. This includes, but is not limited to, loss or suspected loss of remote computing or telework devices such as laptops, PDAs, Blackberrys or other Smartphones, USB drives, thumb drives, flash drives, CDs, and/or disks.

- E.20. Transmission of Contract Deliverables. All information or data that is necessary for one or more deliverable set forth in this Contract shall be transmitted between HCFA and Contractor via the data transfer method specified in advance by HCFA. This may include, but shall not be limited to, transfer through HCFA's SFTP system. Failure by the Contractor to transmit information or data that is necessary for a deliverable in the manner specified by HCFA, may, at the option of HCFA, result in liquidated damages as set forth on Contract Attachment B, hereto.
- E.21. Social Security Administration (SSA) Required Provisions for Data Security. The Contractor shall comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. §3541, *et seq.*), and related National Institute of Standards and Technology guidelines. In addition, the Contractor shall have in place administrative, physical, and technical safeguards for data.
- a. The Contractor shall not duplicate in a separate file or disseminate, without prior written permission from HCFA, the data governed by the Contract for any purpose other than that set forth in this Contract for the administration of the HCFA program. Should the Contractor propose a redisclosure of said data, the Contractor must specify in writing to HCFA the data the Contractor proposes to redisclose, to whom, and the reasons that justify the redisclosure. HCFA will not give permission for such redisclosure unless the redisclosure is required by law or essential to the administration of the HCFA program.
 - b. The Contractor agrees to abide by all relevant federal laws, restrictions on access, use, and disclosure, and security requirements in this Contract.
 - c. The Contractor shall provide a current list of the employees of such contractor with access to SSA data and provide such lists to HCFA.
 - d. The Contractor shall restrict access to the data obtained from HCFA to only those authorized employees who need such data to perform their official duties in connection with purposes identified in this Contract. The Contractor shall not further duplicate, disseminate, or disclose such data without obtaining HCFA's prior written approval.
 - e. The Contractor shall ensure that its employees:
 - (1) properly safeguard PHI/PII furnished by HCFA under this Contract from loss, theft or inadvertent disclosure;
 - (2) understand that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee is at his or her regular duty station;
 - (3) ensure that laptops and other electronic devices/ media containing PHI/PII are encrypted and/or password protected;
 - (4) send emails containing PHI/PII only if encrypted or if to and from addresses that are secure; and,
 - (5) limit disclosure of the information and details relating to a PHI/PII loss only to those with a need to know.



Contractor employees who access, use, or disclose HCFA or HCFA SSA-supplied data in a manner or purpose not authorized by this Contract may be subject to civil and criminal sanctions pursuant to applicable federal statutes.

- f. Loss or Suspected Loss of Data—If an employee of the Contractor becomes aware of suspected or actual loss of PHI/PII, he or she must immediately contact HCFA immediately upon becoming aware to report the actual or suspected loss. The Contractor will use the Loss Worksheet located at http://www.tn.gov/assets/entities/tenncare/attachments/phi_piiworksheet.pdf to quickly gather and organize information about the incident. The Contractor must provide HCFA with timely updates as any additional information about the loss of PHI/PII becomes available.

If the Contractor experiences a loss or breach of said data, HCFA will determine whether or not notice to individuals whose data has been lost or breached shall be provided and the Contractor shall bear any costs associated with the notice or any mitigation.

- g. HCFA may immediately and unilaterally suspend the data flow under this Contract, or terminate this Contract, if HCFA, in its sole discretion, determines that the Contractor has: (1) made an unauthorized use or disclosure of HCFA SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this Contract.
- h. This Section further carries out Section 1106(a) of the Act (42 U.S.C. 1306), the regulations promulgated pursuant to that section (20 C.F.R. Part 401), the Privacy of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget ("OMB") guidelines, the Federal Information Security Management Act of 2002 ("FISMA") (44 U.S.C. 3541 et seq.), and related National Institute of Standards and Technology ("NIST") guidelines, which provide the requirements that the SSA stipulates that the Contractor must follow with regard to use, treatment, and safeguarding data in the event data is exchanged with a federal information system.
- i. Definitions
- (1) "SSA-supplied data" – information, such as an individual's social security number, supplied by the Social Security Administration to HCFA to determine entitlement or eligibility for federally-funded programs (CMPPA between SSA and F&A; IEA between SSA and HCFA).
 - (2) "Protected Health Information/Personally Identifiable Information" (PHI/PII)(45 C.F.R. 160.103; OMB Circular M-06-19) – Protected health information means individually identifiable health information that is: (i) Transmitted by electronic media; (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium.
 - (3) "Individually Identifiable Health Information"— information that is a subset of health information, including demographic information collected from an individual, and: (1) Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
 - (4) "Personally Identifiable Information" – any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their



name, Social Security Number, date and place of birth, mother's maiden name, biometric records, including any other personal information which can be linked to an individual.

E.22. Medicaid - The Contractor shall provide safeguards that restrict the use or disclosure of information concerning applicants and beneficiaries to purposes directly connected with the administration of the plan:

- a. Purposes directly related to the administration of Medicaid include:
 - (1) establishing eligibility;
 - (2) determining the amount of medical assistance;
 - (3) providing services for beneficiaries; and,
 - (4) conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to Medicaid administration.

- b. The Contractor must have adequate safeguards to assure that:
 - (1) Information is made available only to the extent necessary to assist in the valid administrative purposes of those receiving the information, and information received under 26 USC is exchanged only with parties authorized to receive that information under that section of the Code; and,
 - (2) the information is adequately stored and processed so that it is protected against unauthorized disclosure for other purposes.

- c. The Contractor shall have criteria that govern the types of information about applicants and beneficiaries that are safeguarded. This information shall include at least--
 - (1) Names and addresses;
 - (2) Medical services provided;
 - (3) Social and economic conditions or circumstances;
 - (4) Contractor evaluation of personal information;
 - (5) Medical data, including diagnosis and past history of disease or disability
 - (6) Any information received for verifying income eligibility and amount of medical assistance payments, including income information received from SSA or the Internal Revenue Service;
 - (7) Any information received for verifying income eligibility and amount of medical assistance payments;
 - (8) Income information received from SSA or the Internal Revenue Service shall be safeguarded according to Medicaid requirements;
 - (9) Any information received in connection with the identification of legally liable third party resources; and.
 - (10) Social Security Numbers.

- d. The Contractor must have criteria approved by HCFA specifying:
 - (1) the conditions for release and use of information about applicants and beneficiaries;
 - (2) Access to information concerning applicants or beneficiaries must be restricted to persons or Contractor representatives who are subject to standards of confidentiality that are comparable to those of HCFA;
 - (3) The Contractor shall not publish names of applicants or beneficiaries;
 - (4) The Contractor shall obtain permission from a family or individual, whenever possible, before responding to a request for information from an outside source, unless the information is to be used to verify income, eligibility and the amount of medical assistance payment to an authorized individual or entity;
 - (5) If, because of an emergency situation, time does not permit obtaining consent before release, the Contractor shall notify HCFA, the family or individual immediately after supplying the information.
 - (6) The Contractor's policies must apply to all requests for information from outside sources, including governmental bodies, the courts, or law enforcement officials.



- i. The Contractor shall notify HCFA of any requests for information on applicants or beneficiaries by other governmental bodies, the courts or law enforcement officials ten (10) days prior to releasing the requested information.
 - (7) If a court issues a subpoena for a case record or for any Contractor representative to testify concerning an applicant or beneficiary, the Contractor must notify HCFA at least ten (10) days prior to the required production date so HCFA may inform the court of the applicable statutory provisions, policies, and regulations restricting disclosure of information.
 - (8) The Contractor shall not request or release information to other parties to verify income, eligibility and the amount of assistance under Medicaid or CHIP, prior to express approval from HCFA.
- E.23. Employees Excluded from Medicare or Medicaid. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare and/or Medicaid programs pursuant to Sections 1128 of the Social Security
- E.24. Offer of Gratuities. By signing this contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the Center for Medicare and Medicaid Services, or any other state or federal agency has or will benefit financially or materially from this Contract. This Contract may be terminated by HCFA as provided in Section D.6, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.
- E.25. Internal Revenue Service (IRS) Safeguarding Of Return Information:
- a) Performance - In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
 - (1) This provision shall not apply if information received or delivered by the Parties under this Contract is NOT "federal tax returns or return information" as defined by IRS Publication 1075 and IRC 6103.
 - (2) All work will be done under the supervision of the contractor or the contractor's employees. The contractor and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.
 - (3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
 - (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
 - (5) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the



contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
 - (7) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
 - (8) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
 - (9) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
 - (10) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.
- b) Criminal/Civil Sanctions
- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
 - (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or



disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

- (3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

Inspection - The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safe.

- E.26. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's Response to RFP 31865-00451 (Attachment 6.2, Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the required form and substance.

- E.27. Nondiscrimination Compliance Requirements. The Contractor shall comply with all applicable federal and state civil rights laws, regulations, rules, and policies and Contract Section D.9 of this Contract.
- a) In order to demonstrate compliance with the applicable federal and State civil rights laws and regulations, which may include, but are not limited to, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and 42 U.S.C. § 18116 the Contractor shall designate a staff person to be responsible for nondiscrimination compliance.

The Contractor's Nondiscrimination Compliance Coordinator ("NCC") shall be responsible for compliance with the nondiscrimination requirements set forth in this Contract. The Contractor does not have to require that civil rights compliance be the sole function of the designated NCC



staff member. However, the Contractor shall identify the designated NCC staff member to HCFA by name.

The Contractor shall report to HCFA, in writing, to the attention of the HCFA Director of Non-Discrimination Contract Compliance, within ten (10) calendar days of the commencement of any period of time that the Contractor does not have a designated staff person for nondiscrimination compliance. At such time that this function is redirected, the name of the staff member who assumed the duties shall be reported in writing to HCFA within ten (10) calendar days of assuming the duties of the NCC.

- (1) The Contractor's NCC shall develop a nondiscrimination training plan within thirty (30) days of the implementation of this Contract and shall provide a copy of such training plan to HCFA on an annual basis and upon request. If needed, the NCC may request an extension of time for this due date. Thereafter, this training plan shall be updated as needed to conform to changes in Federal and State law and provided to HCFA as set forth above.

On an annual basis, the NCC shall be responsible for making nondiscrimination training available to all Contractor staff and to its subcontractors that are considered to be recipients of federal financial assistance under this contract. The Contractor shall be able to show documented proof that the training was made available to the Contractor's staff and to its subcontractors that are considered to be recipients of federal financial assistance under this contract.

- (2) The Contractor shall, at a minimum, emphasize nondiscrimination in its personnel policies and procedures as it relates to hiring, promoting, operational policies, contracting processes and participation on advisory/planning boards or committees.
- (3) Prior to implementation of this Contract, Contractor shall provide its written policies and procedures that demonstrate nondiscrimination in the provision of services provided under this Contract to HCFA. These policies shall include topics, such as, the provision of language services to individuals with Limited English Proficiency and individuals requiring communication assistance in alternative formats and providing other forms of assistance to individuals with disabilities. These nondiscrimination policies and procedures shall be approved in writing by HCFA.
- (4) The Contractor shall keep such records as may be necessary in order to submit timely, complete and accurate compliance reports that may be requested by the U.S. Department of Health and Human Services ("HHS"), HCFA, and the Tennessee Human Rights Commission ("THRC") or their designees. If requested, the information shall be provided in a format and timeframe specified by HHS, HCFA, or THRC. The requested information may be necessary to enable HHS, HCFA, or THRC to ascertain whether the Contractor is complying with the applicable civil rights laws. For example, the Contractor should have available data showing the manner in which services are or will be provided by the program in question, and related data necessary for determining whether any persons are or will be denied such services on the basis of prohibited discrimination. Further examples of data that could be requested can be found at 45 C.F.R. § 80.6 and 28 C.F.R. § 42.406.
- (5) The Contractor shall permit access as set forth in the applicable civil rights laws, such as, 45 C.F.R. § 80.6 to HHS, HCFA, and THRC or their designees during normal business hours to such of its books, records, accounts, and other sources of information, and its facilities as may be pertinent to ascertain whether the Contractor is complying with the applicable civil rights laws.
- (6) The Contractor shall make available to beneficiaries and participants in HCFA's programs and other interested persons information regarding the provisions of the applicable civil rights laws as set forth in the implementing regulations, including 45 C.F.R. § 80.6 and 45 C.F.R. § 84.8. For example, a notification shall state, where appropriate, that the Contractor does not discriminate in admission or access to, or treatment or employment in, its programs or activities. The notification shall also include an identification of the responsible employee designated for its



nondiscrimination compliance. This notice shall be considered a vital document and shall be available at a minimum in the English and Spanish languages.

- (7) The Contractor shall use and have available to individuals HCFA's discrimination complaint forms for the HCFA program or programs covered under this contract. These discrimination complaint forms shall be provided to individuals upon request and be available on the Contractor's website. HCFA's discrimination complaint forms are vital documents and must be available at a minimum in the English and Spanish languages. HCFA's Director of Non-Discrimination Contract Compliance shall work with the Contractor's NCC on providing the Contractor with the HCFA program's or programs' discrimination complaint forms that are required under this contract.

The Contractor shall provide assistance to individuals that request that the Contractor assist them with filing discrimination complaints with the HCFA program or programs covered under this contract. The Contractor shall inform its employees and its providers and subcontractors that are considered to be recipients of federal financial assistance under this contract about how to assist individuals with obtaining discrimination complaint forms and assistance with submitting the forms to the HCFA program or programs covered under this contract.

- (8) Written materials provided pursuant to this Contract shall be in plain language and ensure effective communication with Limited English Proficiency ("LEP") individuals and individuals with disabilities at no expense to these individuals and/or their representatives and shall meet the standards set forth in the applicable civil rights laws and guidance. Effective Communication may be achieved by providing interpretation and translation services and other forms of auxiliary aids or services, including, Braille and large print and shall be based on the needs of the individual and/or the individual's representative. Written materials specific to HCFA's programs' members shall be prior approved in writing by HCFA prior to the materials being sent to these individuals.
- (9) Written materials provided pursuant to this Contract shall include a number individuals can call free of charge for language assistance services. This information shall be considered a vital document and shall be available at a minimum in the English and Spanish languages.
- (10) In addition, written materials shall include information and a toll free number for individuals with disabilities to use in order to request assistance with accessing services or other program benefits that these individuals are entitled to under the applicable federal and state civil rights laws including, but not limited to, Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act of 1990. This information shall be considered a vital document and shall be available at a minimum in the English and Spanish languages.
- (11) Within ninety (90) calendar days of notification from HCFA, all vital Contractor documents related to this Contract shall be translated and available to each Limited English Proficiency ("LEP") group identified by HCFA in accordance with the applicable standards set forth below:
 - (i) If a LEP group constitutes five percent (5%) or 1,000, whichever is less, of the population targeted under this Contract, vital documents shall be translated into that LEP language. Translation of other documents, if needed, can be provided orally; or
 - (ii) If there are fewer than fifty (50) individuals in a language group that is part the population targeted under this Contract that reaches the five percent (5%) trigger in (a), the Contractor shall inform those individuals that it does not provide written translation of vital documents but provides written notice in that group's primary language of the right to receive competent oral interpretation of those written materials, free of cost.
 - (iii) At a minimum, all vital Contractor documents shall be translated and available in Spanish.
- (12) In accordance with the requirements set forth in 42 U.S.C. § 300kk, the Contractor must develop and maintain the ability to collect and report data on race, ethnicity, sex, primary language, and disability status for the population targeted under this Contract and the parents or legal guardians of minors or legally incapacitated individuals targeted under this Contract. In collecting this data



the Contractor shall use the Office of Management and Budget (OMB) standards, at a minimum, for race and ethnicity measures. Data collection standards for Race, Ethnicity, Sex, Primary Language, and Disability Status are available from the Office of Minority Health and on its website located at: <http://www.minorityhealth.hhs.gov/templates/content.aspx?ID=9227&lv=2&lvID=208>.

- b) The Contractor shall submit the following nondiscrimination compliance deliverables to HCFA as follows:

Annually, HCFA shall provide the Contractor with a Nondiscrimination Compliance Questionnaire. The Contractor shall answer the questions contained in the Compliance Questionnaire and submit the completed Questionnaire to HCFA within sixty (60) days of receipt of the Questionnaire with any requested documentation, which shall include, the Contractor's Assurance of Nondiscrimination. The signature date of the Contractor's Nondiscrimination Compliance Questionnaire shall be the same as the signature date of the Contractor's Assurance of Nondiscrimination. The Nondiscrimination Compliance Questionnaire deliverables shall be in a format specified by HCFA.

As part of the requested documentation for the Nondiscrimination Compliance Questionnaire, the Contractor shall submit copies of its nondiscrimination policies and procedures that demonstrate nondiscrimination in the provision of its services, programs, or activities provided under this Contract. These policies shall include topics, such as, the provision of language assistance services for LEP individuals and those requiring effective communication assistance in alternative formats, and providing assistance to individuals with disabilities. Any nondiscrimination policies and procedures that are specific to HCFA program members shall be prior approved in writing by HCFA.

Also as part of the requested documentation for the Nondiscrimination Compliance Questionnaire the Contractor shall include reports that capture data for all language and communication assistance services used and provided by the Contractor under this Contract. One report shall contain the names of the Contractor's language and communication assistance service providers, the languages that interpretation and translation services are available in, the auxiliary aids or services that were provided and that are available, the hours the language and communication assistance services are available, and the numbers individuals call to access language and communication assistance services. A separate report that captures a listing of language and communication assistance services that were requested by members (i.e. Arabic; Braille) and the methods used to provide the language and alternative communication service to the members (i.e. interpretation; translation). Upon request the Contractor shall provide a more detailed report that contains the requestor's name and identification number, the requested service, the date of the request, the date the service was provided, and the name of the service provider.

- c) Discrimination Complaint Investigations. All discrimination complaints against the Contractor and its employees and its subcontractors that are considered to be recipients of federal financial assistance under this contract shall be resolved according to the provisions of this Section and the below subsections:

- (1) Discrimination Complaints against the Contractor and/or Contractor's Employees. When complaints concerning alleged acts of discrimination committed by the Contractor and/or its employees related to the provision of and/or access to one of HCFA's programs are reported to the Contractor, the Contractor's NCC shall send such complaints within two (2) business days of receipt to HCFA. HCFA shall investigate and resolve all alleged acts of discrimination committed by the Contractor and/or its employees. The Contractor shall cooperate with HCFA during the investigation and resolution of such complaints. HCFA reserves the right to request that the Contractor's NCC assist with conducting the initial investigations and to suggest resolutions of alleged discrimination complaints. If HCFA requests that the Contractor's NCC assist HCFA with conducting the initial investigation, the Contractor's NCC within five (5) business days from the date of the request shall start the initial investigation. The Contractor's NCC shall provide HCFA with all requested information, including but not limited to, the identity of the party filing the complaint; the complainant's relationship to the Contractor; the circumstances of the complaint; date complaint filed; and the Contractor's suggested resolution. HCFA shall review the



Contractor's initial investigations and determine the appropriate resolutions for the complaints as set forth in subsection c below. During the complaint investigation, the Contractor shall have the opportunity to provide HCFA with any information that is relevant to the complaint investigation. Any documentation or materials related to such investigation shall be considered confidential and not subject to disclosure to any third party, unless disclosure is otherwise required by law.

- (2) Discrimination Complaints against the Contractor's Subcontractors that are recipients of federal financial assistance under this Contract. Should complaints concerning alleged acts of discrimination committed by the Contractor's subcontractors related to the provision of and/or access to one of HCFA's programs be reported to the Contractor, the Contractor's nondiscrimination compliance officer shall inform HCFA of such complaints within two (2) business days from the date Contractor learns of such complaints. If HCFA requests that the Contractor's nondiscrimination compliance officer assist HCFA with conducting the initial investigation, the Contractor's nondiscrimination compliance officer within five (5) business days from the date of the request shall start the initial investigation. Once an initial investigation has been completed, the Contractor's nondiscrimination compliance officer shall report his/her determinations to HCFA. At a minimum, the Contractor's nondiscrimination compliance officer's report shall include the identity of the party filing the complaint; the complainant's relationship to the Contractor; the circumstances of the complaint; date complaint filed; and the Contractor's suggested resolution. HCFA shall review the Contractor's initial investigations and determine the appropriate resolutions for the complaints as set forth in subsection (3) below. HCFA reserves the right to investigate and resolve all complaints concerning alleged acts of discrimination committed by the Contractor's subcontractors that are recipients of federal financial assistance under this Contract. The Contractor's Providers and Subcontractors that are recipients of federal financial assistance under this Contract shall cooperate with HCFA and the Contractor during discrimination investigations and resolutions.
- (3) Corrective Action Plans to Resolve Discrimination Complaints. If a discrimination complaint against the Contractor or its employees or one of its subcontractors who are recipients of federal financial assistance under this contract, is determined by HCFA to be valid, HCFA shall, at its option, either (i) provide the Contractor with a corrective action plan to resolve the complaint, or (ii) request that the Contractor submit a proposed corrective action plan to HCFA for review and approval that specifies what actions the Contractor proposes to take to resolve the discrimination complaint. Upon provision of the corrective action plan to Contractor by HCFA, or approval of the Contractor's proposed corrective action plan by HCFA, the Contractor shall implement the approved corrective action plan to resolve the discrimination complaint. HCFA, in its sole discretion, shall determine when a satisfactory discrimination complaint resolution has been reached and shall notify Contractor of the approved resolution. A discrimination complaint resolution corrective action plan may consist of approved nondiscrimination training on relevant discrimination topics. Prior to use, the nondiscrimination training material shall be reviewed and approved by HCFA. Time periods for the implementation of the corrective action plan nondiscrimination training shall be designated by HCFA.
- d) Electronic and Information Technology Accessibility Requirements. Contractor agrees to comply with the electronic and information technology accessibility requirements under the federal civil rights laws including Section 504 and Section 508 of the Rehabilitation Act of 1973 ("Section 508") and the Americans with Disabilities Act. To comply with the accessibility requirements for Web content and non-Web electronic documents and software, the Contractor shall use W3C's Web Content Accessibility Guidelines ("WCAG") 2.0 AA (For the W3C's guidelines see: <http://www.w3.org/TR/WCAG20/>) (Two core linked resources are Understanding WCAG 2.0 <http://www.w3.org/TR/UNDERSTANDING-WCAG20/> and Techniques for WCAG 2.0 <http://www.w3.org/TR/WCAG20-TECHS/>).

The Contractor agrees to perform regularly scheduled (i.e., automatic) scans and manual testing for WCAG 2.0 AA compliance for all user content and applications in order to meet the standards for compliance. The Contractor must ensure that any system additions, updates, changes or



modifications comply with WCAG 2.0 AA. Commercial Off-the-shelf ("COTS") products may be used to verify aspects of WCAG 2.0 AA compliance.

Additionally, the Contractor agrees to comply with Title VI of the Civil Rights Act of 1964. In order to achieve Title VI compliance the Contractor should add a system function that allows users to translate the content into a language other than English. This requirement may be satisfied by the provision of a link to Google translate or other machine translate tool.

Should the system or a component of the system fail to comply with the accessibility standards, the Contractor shall develop and submit to HCFA for approval a noncompliance report that identifies the areas of noncompliance, a plan to bring the system or component into compliance, an alternative/work around that provides users with the equivalent access to the content, and a timeframe for achieving that compliance. HCFA shall review the noncompliance report to determine whether or not it is acceptable and should be implemented. Once the noncompliance report is approved by HCFA the Contractor may implement the compliance plan. HCFA, in its sole discretion, shall determine when a satisfactory compliance plan resolution has been reached and shall notify the Contractor of the approved resolution. If Contractor is unable to obtain content that conforms to WCAG 2.0 AA, it shall demonstrate through its reporting to HCFA that obtaining or providing accessible content would fundamentally alter the nature of its goods and services or would result in an undue burden.

IN WITNESS WHEREOF,

MAXIMUS HEALTH SERVICES, INC. DBA
ASCEND MANAGEMENT INNOVATIONS:

Bruce L. Caswell May 25, 2016
CONTRACTOR SIGNATURE DATE

BRUCE CASWELL, PRESIDENT

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE:

Larry B Martin / UK 5/24/16
LARRY B. MARTIN, COMMISSIONER DATE

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	MAXIMUS Health Services, Inc. dba Ascend Management Innovations
EDISON VENDOR IDENTIFICATION NUMBER	191173

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.

BRUCE CASWELL, PRESIDENT

PRINTED NAME AND TITLE OF SIGNATORY

*May 25, 2016***DATE OF ATTESTATION**



LIQUIDATED DAMAGES

In the event of a Contract performance failure by Contractor and such Contract performance failure is not included in the following table with an associated Liquidated Damage amount, the parties hereby agree that the State may choose one of the following courses of action in order to obtain redressability for such Contract performance failure: (1) the State may assess actual damages resulting from the Contract performance failure against the Contractor in the event that such actual damages are known or are reasonably ascertainable at the time of discovery of such Contract performance failure or (2) if such actual damages are unknown or are not reasonably ascertainable at the time of discovery of the Contract performance failure, the State may (a) require the Contractor to submit a corrective action plan to address any such Contract performance failure and/or (b) assess a liquidated damage against Contractor for an amount that is reasonable in relation to the Contract performance failure as measured at the time of discovery of the Contract performance failure. In the event that the State chooses to assess a Liquidated Damage for a Contract performance failure according to the immediately preceding sentence, in no event shall such Liquidated Damage be in excess of \$1,000 for any single Contract performance failure. HCFA may elect to apply the following liquidated damages remedies in the event the Contractor fails to perform its obligations under this Contract in a proper and/or timely manner. Upon determination by HCFA that the Contractor has failed to meet any of the requirements of this Contract in a proper and/or timely manner, HCFA will notify the Contractor in writing of the deficiency and of the potential liquidated damages to be assessed. Should the deficiency remain uncorrected for more than thirty (30) calendar days from the date of the original notification of the deficiency by HCFA, HCFA may impose an additional liquidated damage of Five Hundred Dollars (\$500) per day from the date of the original notification to Contractor until said deficiency is resolved.

All liquidated damages remedies set forth in the following table may, at HCFA's election, be retroactive to the date of the initial occurrence of the failure to comply with the terms of the Contract as set forth in the notice of deficiency from HCFA and may continue until such time as the HCFA Deputy Commissioner determines the deficiency has been cured.

If liquidated damages are assessed, HCFA shall reduce the amount of any payment due to the Contractor in the next invoice by the amount of damages. In the event that damages due exceed the amount HCFA is to pay to Contractor in a given payment, HCFA shall invoice Contractor for the amount exceeding the amount payable to Contractor, and such excess amount shall be paid by Contractor within thirty (30) calendar days of the invoice date. In situations where the Contractor wishes to dispute any liquidated damages assessed by HCFA, the Contractor must submit a written notice of dispute, including the reasons for disputing the liquidated damages, within thirty (30) calendar days of receipt of the notice from HCFA containing the total amount of damages assessed against the Contractor. If the Contractor fails to timely dispute a liquidated damages assessment as set forth herein, such failure shall constitute a bar to the Contractor seeking to have the assessment amount overturned in a forum or court of competent jurisdiction.

Liquidated damages will apply in the below defect occurrences. Contractor acknowledges that the actual damages likely to result from breach of the below SLRs are difficult to estimate and may be difficult for the State to prove. The parties intend that the Contractor's payment of assessed liquidated damages will compensate the State for material breach by the Contractor obligations under this Contract. Liquidated damages do not serve as punishment for any breach by the Contractor.

	PROGRAM ISSUES	DAMAGE
1.	Failure to meet required timelines as specified in A.5.m.	\$500.00 per each business day that timeline is not met.
2.	Failure by the Contractor to meet the standards for privacy, security, and confidentiality of individual data as	\$1,000 per affected member per occurrence.



	evidenced by a breach of the security per Section E. 2. and E.19	
3.	Failure by the Contractor to execute the appropriate agreements to effectuate transfer and exchange of enrollee PHI or HCFA confidential information including, but not limited to, a data use agreement, trading partner agreement, business associate agreement or qualified protective order prior to the use or disclosure of PHI to a third party. (See E.17. and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
4.	Failure by the Contractor to seek express written approval from HCFA prior to the use or disclosure of enrollee data or HCFA confidential information in any form via any medium with any third party beyond the boundaries and jurisdiction of the United States. (See E.13 and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
5.	Failure by the Contractor to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of suspected breach per Sections (See E.19 and Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.