



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia Delivery Order

Order Date: 12-20-2021

CORRECT ORDER NUMBER MUST APPEAR
 ON ALL PACKAGES, INVOICES, AND
 SHIPPING PAPERS. QUESTIONS
 CONCERNING THIS ORDER SHOULD BE
 DIRECTED TO THE DEPARTMENT
 CONTACT.

Order Number:	CDO 0511 2914 BCF2200000002 1	Procurement Folder:	981211
Document Name:	Specialized Managed Care for Children and Youth	Reason for Modification:	
Document Description:	Specialized Managed Care for Children and Youth		
Procurement Type:	Central Delivery Order		
Buyer Name:	Crystal G Hustead		
Telephone:	(304) 558-2402		
Email:	crystal.g.hustead@wv.gov		
Shipping Method:	Best Way	Master Agreement Number:	CMA 0511 BMS2000000004 1
Free on Board:	FOB Dest, Freight Prepaid		

VENDOR		DEPARTMENT CONTACT	
Vendor Customer Code:	VS0000010164	Requestor Name:	Anthony J Walizer
COVENTRY HEALTH CARE OF WEST VIRGINIA INC		Requestor Phone:	(304) 356-2915
500 Virginia St E		Requestor Email:	anthony.j.walizer@wv.gov
Charleston	WV 25301-2135	<div style="font-size: 48pt; font-weight: bold;">22</div> <div style="font-size: 24pt; font-weight: bold;">FILE LOCATION</div>	
US			
Vendor Contact Phone:	304-348-2041 Extension:		
Discount Details:			
	Discount Allowed	Discount Percentage	Discount Days
#1	No	0.0000	0
#2	No		
#3	No		
#4	No		

INVOICE TO	SHIP TO
ADMINISTRATIVE SERVICES ASSISTANT - 304-356-4528	ADMINISTRATIVE SERVICES ASSISTANT - 304-356-4528
HEALTH AND HUMAN RESOURCES	HEALTH AND HUMAN RESOURCES
BCF - COMMISSIONER'S OFFICE	BCF - COMMISSIONER'S OFFICE
350 CAPITOL ST, RM 730	350 CAPITOL ST, RM 730
CHARLESTON WV 25301-3711	CHARLESTON WV 25301-3711
US	US

Total Order Amount:	\$1,071,190.20
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Purchasing Division's File Copy

ENTERED

CH 12/22/21

PURCHASING DIVISION AUTHORIZATION DATE: <i>Linda Harper 12/27/21</i> ELECTRONIC SIGNATURE ON FILE
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ENCUMBRANCE CERTIFICATION DATE: <i>Beverly Tolson 12-27-21</i> ELECTRONIC SIGNATURE ON FILE
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Extended Description:

Administrative Services(SNS)

Year 2

For July 1, 2021 to June 30, 2022

Line	Commodity Code	Quantity	Unit	Unit Price	Total Price
1	84131602	0.00000		\$0.0000	\$1,071,190.20
Service From	Service To	Manufacturer	Model No	Delivery Date	
2021-07-01	2022-06-30			2021-06-30	

Commodity Line Description: Vendor's Bid Amount for Administrative Services(SNS)

Extended Description:

Vendor's Bid Amount for Administrative Services(SNS) - per attached Cost Proposal - Year 2
\$1,071,190.20-fixed cost for year, 12 monthly payments of \$89,265.85.



West Virginia Department of Health and Human Resources - Specialized Managed Care for Children and Youth Request for Proposal (RFP)

1. Instructions

Vendor: <Insert Name>

Vendors will be paid a capitated per member per month (PMPM) rate set by the State for managed care organization (MCO) physical and behavioral health services, which shall be firm and fixed for the period of the contract, subject to any adjustments warranted for modifications including, but not limited to, State or federal regulation, waiver amendments, and State Plan amendments.

Vendors will be paid a fixed monthly amount for administrative services organization (ASO) administration of socially necessary services (SNS), which shall be firm and fixed for each contract year, subject to any adjustments warranted for modifications including, but not limited to, State or federal regulation, waiver amendments, and State Plan amendments.

The vendor shall submit a bid that is within the range outlined below for both MCO that is PMPM. Total annual cost will auto-calculate in cell F9.

The vendor shall submit a fixed monthly cost for SNS administration, which shall be multiplied by 12 for an annual cost. Total annual cost will auto-calculate in cells F12-F15.

Table 1: Costs by Contract Item

Contract Item	Lower Bound	Upper Bound	Total Projected Monthly Membership	Total Cost
Managed Care Services	\$913.23	\$913.28	19,000	
Vendor's Bid Amount for Managed Care	\$913.23		19,000	\$ 208,216,440.00

Contract Item	Bid Amount	Contract Months	Total Cost
Vendor's Bid Amount for Administrative Services (SNS) - Year 1	\$ 99,663.13	6	\$ 597,978.78
Vendor's Bid Amount for Administrative Services (SNS) - Optional Year 1	\$ 86,816.43	12	\$ 1,041,797.16
Vendor's Bid Amount for Administrative Services (SNS) - Optional Year 2	\$ 89,265.85	12	\$ 1,071,190.20
Vendor's Bid Amount for Administrative Services (SNS) - Optional Year 3	\$ 91,785.78	12	\$ 1,101,429.36

*9,320 children accessed SNS services over an 18 month span in 2017-2019.

Total Cost
\$ 212,028,835.50



**Cost Proposal Supplemental Information
Aetna Better Health® of West Virginia**

Per Attachment A, "The Vendor's response should provide sufficient information to allow the Department to assess the reasonableness of the Vendor's cost for the project as detailed in the Cost Workbook". Below is the supplemental information supporting Aetna Better Health of West Virginia ("Aetna")'s cost proposal as provided in spreadsheet *A_Cost_Proposal.xlsx*:

1. Vendor's Bid Amount for Managed Care

Aetna's bid rate is \$913.23 PMPM, the lower bound of the rate range as provided in *A_Cost_Proposal.xlsx*. Aetna's bid rate was based on information provided in *08_SFY20 Foster Care Rate Databook Exhibits.xlsx*:

- **Base data:** Aetna relied on the base data as summarized in tab "*Foster Care Dev*". Validation against the member level Redacted data was performed for reasonableness.
- **Program adjustments:** Aetna relied on the actuarial soundness of the program adjustment factors provided in tab "*ProjAdjFactors*". While awaiting receipt of Appendix B of the draft contract, Aetna has not been able to review the appropriateness of the program adjustment factors.
- **IBNR adjustment factors:** Aetna relied on the actuarial soundness of the IBNR factors provided in tab "*Trend, IBNR, MC Factors*". While awaiting receipt of Appendix B of the draft contract, Aetna has not been able to review the appropriateness of the IBNR adjustment factors.
- **Trend assumptions:** Aetna reviewed the trend assumptions provided in tab "*Trend, IBNR, MC Factors*" for reasonableness.
- **Managed care savings assumptions:** Aetna reviewed the managed care savings assumptions provided in tab "*Trend, IBNR, MC Factors*" for reasonableness.
- **Administrative cost load assumption:** Aetna reviewed the administrative cost load assumption provided in tab "*Admin*" for reasonableness.
- **Margin load assumption:** Aetna reviewed the margin load assumption provided in tab "*Admin*" for reasonableness.
- **Residential Payment:**
 - Per "08_SFY20 Foster Care Rate Databook Exhibits.xlsx", the \$308.70 residential payment PMPM is outside of capitation.
 - However, it appears that the \$913.23 lower bound of the rate range is the sum of i) capitation rate of \$604.53 provided in tab "*Rates Exhibit*", and ii) the \$308.70 residential payment PMPM from tab "*Residential*", which is based on SFY2018 experience without adjustments for IBNR, trend, program changes, managed care, or admin/risk margin.



- Aetna assumed that the \$308.70 residential PMPM for the room and board and supervision component of the rate will be a passthrough payment outside of capitation rates subject to final reconciliation.

2. Vendor's Bid Amount for Administrative Services (SNS)

Aetna intends to sub-contract with Keystone Peer Review Organization (KEPRO) to provide the administrative services organization (ASO) support for all individuals accessing SNS in West Virginia. The ASO cost submitted was developed based on the subcontractors proposed rate to ensure compliance with contractual requirements and the payroll and related costs for key staff mandated in the RFP.

- **Year 1:** A monthly bid rate of \$99,663.13 with a 6 month total bid of \$597,978.78.
- **Optional Year 1:** A monthly bid rate of \$86,816.43 with a 12 month total bid of \$1,041,797.16.
- **Optional Year 2:** A monthly bid rate of \$89,265.85 with a 12 month total bid of \$1,071,190.20.
- **Optional Year 3:** A monthly bid rate of \$91,785.78 with a 12 month total bid of \$1,101,429.36.

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Business Organization Detail

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COVENTRY HEALTH CARE OF WEST VIRGINIA, INC.

Organization Information								
Org Type	Effective Date	Established Date	Filing Date	Charter	Class	Sec Type	Termination Date	Termination Reason
I Insurance Company	6/1/2013			Domestic				

Organization Information		
Business Purpose	Capital Stock	
Charter County	Control Number	
Charter State WV	Excess Acres	
At Will Term	Member Managed	
At Will Term Years	Par Value	
Authorized Shares	Young Entrepreneur	Not Specified

Addresses	
Type	Address
Mailing Address	PO BOX 67103 3721 TECPORT DRIVE HARRISBURG, PA, 17106-7103 USA
Notice of Process Address	500 VIRGINIA STREET EAST SUITE 400 CHARLESTON, WV, 25301 USA
Principal Office Address	PO BOX 67103 3721 TECPORT DRIVE

HARRISBURG, PA, 17106-7103
USA

Type

Address

Annual Reports

Filed For

2016

Date filed

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For more information, please contact the Secretary of State's Office at 304-558-8000.

Wednesday, December 22, 2021 — 10:47 AM

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