

A Proposal to Provide Utilization Management/Prior Authorization Services for the State of West Virginia Bureau for Medical Services, Bureau for Children and Families, and Bureau for Behavioral Health and Health Facilities

# COST PROPOSAL

RFP # BMS90007

ORIGINAL

JUN 10 2009

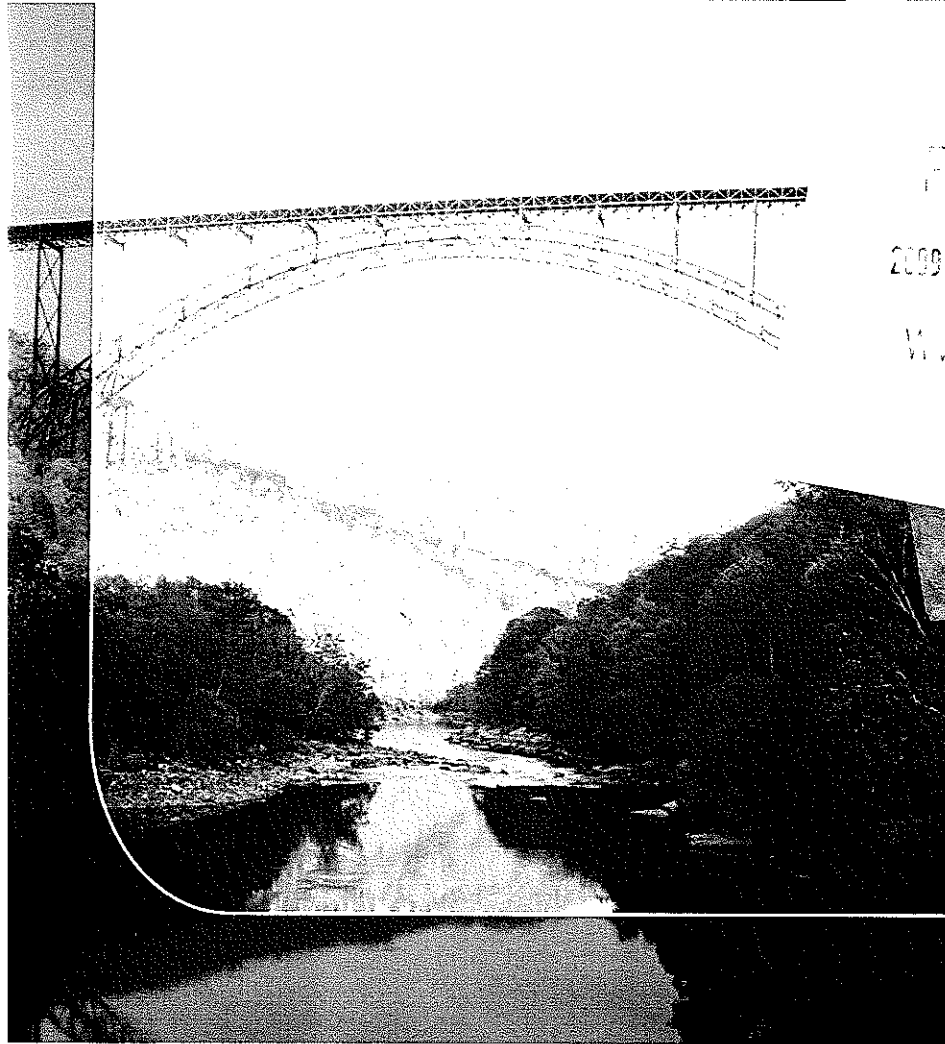
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**4.5 Cost Proposal Format/Bid Sheets**

**TOTAL ALL INCLUSIVE ANNUAL FEE FOR ALL BUREAUS**

Year 1	9,874,150
Year 2	9,972,892
Year 3	10,072,621
Year 4	10,173,347
Year 5	10,275,080
<b>Grand Total</b>	<b>\$ 50,368,089</b>
<b>Grand Total With Optional Services</b>	<b>\$ 87,093,219</b>

**TOTAL ALL INCLUSIVE ANNUAL FEE FOR OPTIONAL SERVICES**

<b>AGED AND DISABLED WAIVER.....</b>	<b>Year 1</b>	<b>3,160,509</b>
<b>(BMS Option)</b>	<b>Year 2</b>	<b>3,192,114</b>
	<b>Year 3</b>	<b>3,224,035</b>
	<b>Year 4</b>	<b>3,256,275</b>
	<b>Year 5</b>	<b>3,288,838</b>
<b>MR/DD WAIVER.....</b>	<b>Year 1</b>	<b>3,085,544</b>
<b>(BMS Option)</b>	<b>Year 2</b>	<b>3,243,542</b>
	<b>Year 3</b>	<b>3,403,120</b>
	<b>Year 4</b>	<b>3,437,152</b>
	<b>Year 5</b>	<b>3,471,523</b>
<b>VISION.....</b>	<b>Year 1</b>	<b>65,274</b>
<b>(BMS Option)</b>	<b>Year 2</b>	<b>65,927</b>
	<b>Year 3</b>	<b>66,586</b>
	<b>Year 4</b>	<b>67,252</b>
	<b>Year 5</b>	<b>67,924</b>

**4.5 Cost Proposal Format/Bid Sheets**

<b>LABORATORY</b> ..... (BMS Option)	Year 1	20,662
	Year 2	20,869
	Year 3	21,078
	Year 4	21,288
	Year 5	21,501
<b>NURSING FACILITY</b> ..... (BMS Option)	Year 1	357,460
	Year 2	361,034
	Year 3	364,645
	Year 4	368,291
	Year 5	371,974
<b>Other Public Payers PEIA and SCHIP</b> ..... (BMS Option)	Year 1	n/a - per Q&A question 16
	Year 2	n/a - per Q&A question 16
	Year 3	n/a - per Q&A question 16
	Year 4	n/a - per Q&A question 16
	Year 5	n/a - per Q&A question 16
<b>Other Socially Necessary Services</b> ..... (BCF Options)	Year 1	333,407
	Year 2	336,741
	Year 3	340,109
	Year 4	343,510
	Year 5	346,945

Innovative Resource Group LLC d/b/a APS Healthcare Midwest (APS)

Bidder

Signature



Date

6/4/09

**Note:**

Given the economic pressures that the state is currently experiencing, APS has chosen to limit the annual price escalation rate to one percent (as reflected in the numbers above).

4.5 Cost Proposal Format/Bid Sheets

**APS HEALTHCARE COST PROPOSAL/BID SHEETS**  
**Bureau for Medical Services**  
**Behavioral Health Services**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<b>Existing Scope of Work</b>						
<b>MANDATORY</b>						
BH OP UM Services Review - TCM, Clinic, Rehab Psychologist, Psychiatrist, LBHC Specialty						
BH OP Retro Review TCM Clinic, Rehab, Psychologist, Psychiatrist, LBHC Specialty, SNS						
Peer Review/Physician Consulting						
Training/Technical Assistance						
Medical Claims Analysis						
Data Analysis and Reporting						
QI						
Consumer & Community Affairs						
BH Inpatient UM Services Review - Adult Psych <21, PRTF, Partial Psych *						
BH PRTF Retro Review *						
<b>Total Existing Scope</b>	<b>\$ 3,622,604</b>	<b>\$ 3,658,830</b>	<b>\$ 3,695,418</b>	<b>\$ 3,732,372</b>	<b>\$ 3,769,696</b>	<b>\$ 18,478,920</b>

<b>New Scope of Work</b>						
<b>MANDATORY</b>						
Eligibility Verification						
<b>Total New Scope</b>	<b>\$ 343,826</b>	<b>\$ 347,264</b>	<b>\$ 350,737</b>	<b>\$ 354,244</b>	<b>\$ 357,786</b>	<b>\$ 1,753,857</b>

Cost Breakout for New Scope of Work	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Development/Start Up **	\$ 9,540	\$ 9,635	\$ 9,732	\$ 9,829	\$ 9,927	\$ 48,664
Staff and Related Expenses	\$ 334,286	\$ 337,629	\$ 341,005	\$ 344,415	\$ 347,859	\$ 1,705,193
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>New Scope Cost</b>	<b>\$ 343,826</b>	<b>\$ 347,264</b>	<b>\$ 350,737</b>	<b>\$ 354,244</b>	<b>\$ 357,786</b>	<b>\$ 1,753,857</b>
Existing Scope of Work Cost	\$ 3,622,604	\$ 3,658,830	\$ 3,695,418	\$ 3,732,372	\$ 3,769,696	\$ 18,478,920

<b>Grand Total - Existing Scope + New Scope</b>	<b>\$ 3,966,430</b>	<b>\$ 4,006,094</b>	<b>\$ 4,046,155</b>	<b>\$ 4,086,616</b>	<b>\$ 4,127,483</b>	<b>\$ 20,232,777</b>
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Notes:

\* Represents scope of work transitioning from WVMI to APS

\*\* Represents costs associated with implementation of new scope and/or expansion of existing scope.

These costs are spread over the five year term with the intention of addressing state economic pressures.

## 4.5 Cost Proposal Format/Bid Sheets

**APS HEALTHCARE COST PROPOSAL/BID SHEETS**  
**Bureau for Medical Services**  
**Utilization Management Medical Services**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<b>Existing Scope of Work MANDATORY</b>						
ASO Activity for general and acute inpatients other specialty, rehab, dental and long term care.						
<b>Total Existing Scope</b>	<b>\$ 4,192,724</b>	<b>\$ 4,234,652</b>	<b>\$ 4,276,998</b>	<b>\$ 4,319,768</b>	<b>\$ 4,362,966</b>	<b>\$ 21,387,108</b>

<b>New Scope of Work MANDATORY</b>						
Dental (Increase to existing)						
Podiatry						
Cardiac Rehabilitation						
Pulmonary Rehabilitation						
Home Health						
Hospice						
Personal Care						
<b>Total New Scope</b>	<b>\$ 613,792</b>	<b>\$ 619,930</b>	<b>\$ 626,129</b>	<b>\$ 632,391</b>	<b>\$ 638,715</b>	<b>\$ 3,130,957</b>

Cost Breakout for New Scope of Work	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Development/Start Up *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff and Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ 613,792	\$ 619,930	\$ 626,129	\$ 632,391	\$ 638,715	\$ 3,130,957
<b>New Scope Cost</b>	<b>\$ 613,792</b>	<b>\$ 619,930</b>	<b>\$ 626,129</b>	<b>\$ 632,391</b>	<b>\$ 638,715</b>	<b>\$ 3,130,957</b>
<b>Total Existing Scope Cost</b>	<b>\$ 4,192,724</b>	<b>\$ 4,234,652</b>	<b>\$ 4,276,998</b>	<b>\$ 4,319,768</b>	<b>\$ 4,362,966</b>	<b>\$ 21,387,108</b>

<b>Grand Total - Existing Scope + New Scope</b>	<b>\$ 4,806,517</b>	<b>\$ 4,854,582</b>	<b>\$ 4,903,128</b>	<b>\$ 4,952,159</b>	<b>\$ 5,001,681</b>	<b>\$ 24,518,066</b>
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## Notes:

\* Represents costs associated with implementation of new scope and/or expansion of existing scope.  
These costs are spread over the five year term with the intention of addressing state economic pressures

**APS HEALTHCARE COST PROPOSAL/BID SHEETS**  
**Bureau For Medical Services**  
**OPTIONAL SERVICES**

**MR/DD WAIVER OPTION**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<b>Existing Scope of Work Option</b>						
Annual education, assessment and budget						
On-site retrospective review of provider						
Prior authorization of services						
Quality Improvement: Provider & Consumer/Family Councils, and QI functions						
Statistical budget model, claims analysis and data reporting						
<b>Total Existing Scope w/volume increase</b>	\$ 2,451,297	\$ 2,475,810	\$ 2,500,569	\$ 2,525,574	\$ 2,550,830	\$ 12,504,081

<b>New Scope of Work Option</b>						
On-site retrospective reviews of provider quality						
Member Eligibility including management of wait list and appeals						
CMS QI/QS plan						
<b>Total New Scope w/volume increases yrs 2 &amp; 3 forward *</b>	\$ 634,246	\$ 767,732	\$ 902,552	\$ 911,577	\$ 920,693	\$ 4,136,801

Cost Breakout for New Scope of Work	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Development/Start Up **	\$ 54,903	\$ 55,452	\$ 56,006	\$ 56,566	\$ 57,132	\$ 280,058
Staff and Related Expenses	\$ 397,090	\$ 493,918	\$ 591,714	\$ 597,631	\$ 603,607	\$ 2,683,960
Operations	\$ 182,254	\$ 218,363	\$ 254,832	\$ 257,380	\$ 259,954	\$ 1,172,783
<b>New Scope Cost</b>	\$ 634,246	\$ 767,732	\$ 902,552	\$ 911,577	\$ 920,693	\$ 4,136,801
Existing Scope Cost	\$ 2,451,297	\$ 2,475,810	\$ 2,500,569	\$ 2,525,574	\$ 2,550,830	\$ 12,504,081

<b>Grand Total - Existing + New Scope</b>	\$ 3,085,544	\$ 3,243,542	\$ 3,403,120	\$ 3,437,152	\$ 3,471,523	\$ 16,640,881
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Notes:

\* According to Q&A 2, additional SSFs will be added to meet demand of add'l caseloads (1 in yr 2 and 1 in yr 3)

\*\* Represents costs associated with implementation of new scope and/or expansion of existing scope.

These costs are spread over the five year term with the intention of addressing state economic pressures

## 4.5 Cost Proposal Format/Bid Sheets

**APS HEALTHCARE COST PROPOSAL/BID SHEETS**  
**Bureau For Medical Services**  
**OPTIONAL SERVICES CONTINUED**

**A&D WAIVER OPTION**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<b>Existing Scope of Work MANDATORY</b>						
Assessments						
Eligibility determination/referral						
Coordination with other stakeholders						
Prior authorizations						
<b>Total Existing Scope</b>	<b>\$ 2,995,953</b>	<b>\$ 3,025,913</b>	<b>\$ 3,056,172</b>	<b>\$ 3,086,734</b>	<b>\$ 3,117,601</b>	<b>\$ 15,282,373</b>

<b>New Scope of Work MANDATORY</b>						
Eligibility: Management of wait list and appeal statuses						
Prior authorization of services						
<b>Total New Scope</b>	<b>\$ 164,555</b>	<b>\$ 166,201</b>	<b>\$ 167,863</b>	<b>\$ 169,541</b>	<b>\$ 171,237</b>	<b>\$ 839,397</b>

Cost Breakout for New Scope of Work	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Development/Start Up *	\$ 42,493	\$ 42,917	\$ 43,347	\$ 43,780	\$ 44,218	\$ 216,754
Staff and Related Expenses	\$ 108,384	\$ 109,468	\$ 110,562	\$ 111,668	\$ 112,785	\$ 552,867
Operations	\$ 13,679	\$ 13,816	\$ 13,954	\$ 14,093	\$ 14,234	\$ 69,775
<b>New Scope Cost</b>	<b>\$ 164,555</b>	<b>\$ 166,201</b>	<b>\$ 167,863</b>	<b>\$ 169,541</b>	<b>\$ 171,237</b>	<b>\$ 839,397</b>
<b>Existing Scope Cost</b>	<b>\$ 2,995,953</b>	<b>\$ 3,025,913</b>	<b>\$ 3,056,172</b>	<b>\$ 3,086,734</b>	<b>\$ 3,117,601</b>	<b>\$ 15,282,373</b>

<b>Grand Total - Existing Scope + New Scope</b>	<b>\$ 3,160,509</b>	<b>\$ 3,192,114</b>	<b>\$ 3,224,035</b>	<b>\$ 3,256,275</b>	<b>\$ 3,288,838</b>	<b>\$ 16,121,770</b>
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**Notes:**

\* Represents costs associated with implementation of new scope and/or expansion of existing scope  
 These costs are spread over the five year term with the intention of addressing state economic pressures

4.5 Cost Proposal Format/Bid Sheets

**APS HEALTHCARE COST PROPOSAL/BID SHEETS**  
**Bureau For Medical Services**  
**OPTIONAL SERVICES CONTINUED**

**VISION OPTION**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Total Vision	\$ 65,274	\$ 65,927	\$ 66,586	\$ 67,252	\$ 67,924	\$ 332,964

**LABORATORY OPTION**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Total Lab	\$ 20,662	\$ 20,869	\$ 21,078	\$ 21,288	\$ 21,501	\$ 105,399

**NURSING FACILITY OPTION**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Current Scope	\$ 224,785	\$ 227,033	\$ 229,304	\$ 231,597	\$ 233,913	\$ 1,146,632
New Scope	\$ 132,674	\$ 134,001	\$ 135,341	\$ 136,694	\$ 138,061	\$ 676,772
Total Nursing Facility	\$ 357,460	\$ 361,034	\$ 364,645	\$ 368,291	\$ 371,974	\$ 1,823,403

**OTHER PUBLIC PAYERS PEIA AND SCHIP OPTION**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Per Q&A Question #16 - Cost cannot be projected at this time						
Total Other Public Payers PEIA & SCHIP	-----	-----	-----	-----	-----	-----

Innovative Resource Group LLC d/b/a APS Healthcare Midwest (APS)

Bidder

Signature *John Milonard*

Date 6/4/09



4.5 Cost Proposal Format/Bid Sheets

**APS HEALTHCARE COST PROPOSAL/BID SHEETS**  
Bureau for Children and Families

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<b>Existing Scope of Work MANDATORY</b>						
SNS UM Consulting and training						
SNS Prior Authorization						
SNS Retrospective Quality Reviews w/ financial and credentialing						
OOS UM consulting and training						
OOS Prior authorization						
OOS Retrospective Quality Reviews						
Quality Improvement Functions						
Consumer Education						
Data Analysis						
<b>Total Existing Scope</b>	\$ 495,399	\$ 500,353	\$ 505,357	\$ 510,410	\$ 515,514	\$ 2,527,033

New Scope of Work Option	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
20 services added resulting in 9 codes for 8-9 payer groups						
<b>Total New Scope</b>	\$ 333,407	\$ 336,741	\$ 340,109	\$ 343,510	\$ 346,945	\$ 1,700,712

Cost Breakout for New Scope of Work	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Development/Start Up*	\$ 80,118	\$ 80,919	\$ 81,728	\$ 82,545	\$ 83,371	\$ 408,680
Staff and Related Expenses	\$ 168,813	\$ 170,501	\$ 172,206	\$ 173,928	\$ 175,668	\$ 861,116
Operations	\$ 84,477	\$ 85,322	\$ 86,175	\$ 87,036	\$ 87,907	\$ 430,916
<b>New Scope Cost</b>	\$ 333,407	\$ 336,741	\$ 340,109	\$ 343,510	\$ 346,945	\$ 1,700,712
<b>Existing Scope Cost</b>	\$ 495,399	\$ 500,353	\$ 505,357	\$ 510,410	\$ 515,514	\$ 2,527,033

<b>Grand Total - Existing Scope + New Scope</b>	\$ 828,806	\$ 837,094	\$ 845,465	\$ 853,920	\$ 862,459	\$ 4,227,745
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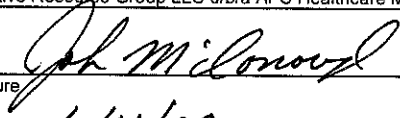
Notes:

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These costs are spread over the five year term with the intention of addressing state economic pressures

Innovative Resource Group LLC d/b/a APS Healthcare Midwest (APS)

Bidder

Signature



Date

6/14/09

4.5 Cost Proposal Format/Bid Sheets

**APS HEALTHCARE COST PROPOSAL/BID SHEETS**  
**Bureau for Behavioral Health and Health Facilities**

ASO Program	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<b>Existing Scope of Work</b>						
<b>MANDATORY</b>						
BHBF Specific Data Set Collection						
Block Grant Reporting						
Weekly & Monthly Data Submission Reports						
YSS & YSS-F Survey & Report						
OBHS Consumer Eligibility Determination						
APS CareConnection Records Transfer						
Total Existing Scope of Work plus volume increase	\$ 217,247	\$ 219,419	\$ 221,613	\$ 223,829	\$ 226,068	\$ 1,108,176

<b>New Scope of Work</b>						
<b>MANDATORY</b>						
Eligibility Gatekeeping						
Service Level Prior Authorizations						
Training & Technical Assistance						
Retrospective Reviews						
Reporting: Standard and Ad Hoc						
BHBF Specific Additional Data Set						
Total New Scope	\$ 388,558	\$ 392,444	\$ 396,368	\$ 400,332	\$ 404,335	\$ 1,982,038

Cost Breakout for New Scope of Work	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Development/Start Up *	\$ 38,558	\$ 38,943	\$ 39,333	\$ 39,726	\$ 40,123	\$ 196,682
Staff and Related Expenses	\$ 264,565	\$ 267,211	\$ 269,883	\$ 272,581	\$ 275,307	\$ 1,349,547
Operations	\$ 85,436	\$ 86,290	\$ 87,153	\$ 88,025	\$ 88,905	\$ 435,809
New Scope Cost	\$ 388,558	\$ 392,444	\$ 396,368	\$ 400,332	\$ 404,335	\$ 1,982,038
Existing Scope Cost	\$ 217,247	\$ 219,419	\$ 221,613	\$ 223,829	\$ 226,068	\$ 1,108,176

<b>Grand Total - Existing Scope + New Scope</b>	<b>\$ 605,805</b>	<b>\$ 611,863</b>	<b>\$ 617,981</b>	<b>\$ 624,161</b>	<b>\$ 630,403</b>	<b>\$ 3,090,213</b>
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Notes:

\* Represents costs associated with implementation of new scope and/or expansion of existing scope. These costs are spread over the five year term with the intention of addressing state economic pressures.

Innovative Resource Group LLC d/b/a APS Healthcare Midwest (APS)

Bidder

Signature

Date

*John Milonard*  
 6/4/09