



Proposal for

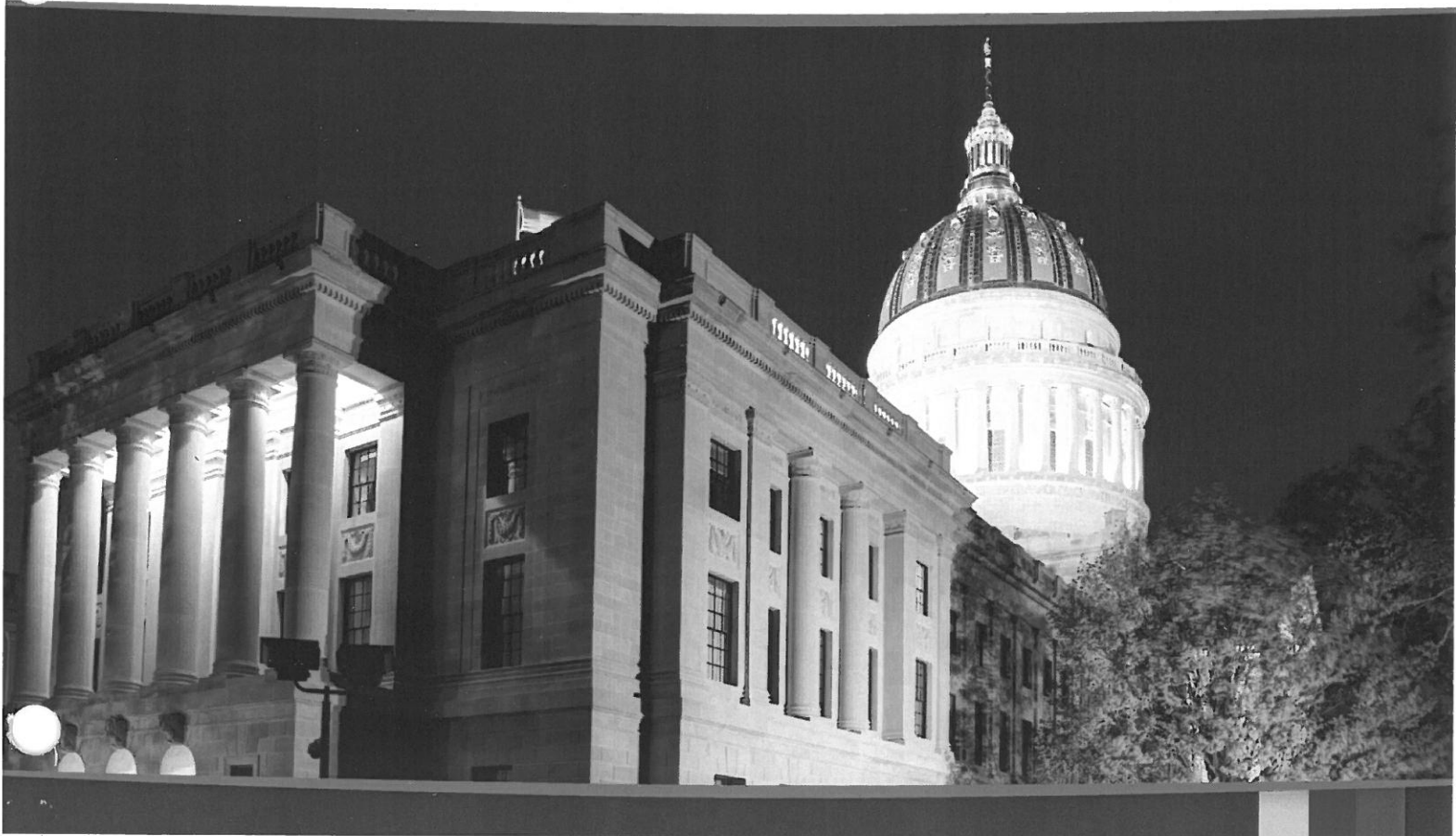
The State of West Virginia
Department of Health and Human Resources
Bureau for Medical Services

Non-Emergency Medical Transportation (NEMT) Program

RFP #BMS14156

Cost Proposal

ORIGINAL



Pricing Narrative

The Bureau for Medical Services (BMS) wisely seeks a broker for the provision of non-emergency medical transportation (NEMT) services to West Virginia Medicaid Members. The selected contractor for this program must have the proven experience, processes, and staff to implement a capitated NEMT program that ensures access to healthcare for Members throughout West Virginia. MTM is pleased to present a cost proposal reflective of BMS's goals and the requirements indicated within the RFP one addendum.

As an industry-leading NEMT broker, MTM relied on our experience managing and developing pricing proposals for current programs of similar size and scope in Wisconsin, Texas, the District of Columbia, and Minnesota, as well as our past operations for statewide Medicaid NEMT contracts, to generate appropriate, realistic per member per month (PMPM) rates. Since MTM is an experienced broker, BMS is ensured of our ability to realistically price this contract for successful execution and operation. Other bidders who may not be as qualified or have experience executing capitated programs could run into financial problems in the program's future, ultimately decreasing Member access to necessary services and sacrificing program quality. In addition, while an aggressively priced cost proposal may be enticing to BMS, brokers may intentionally or unintentionally underbid, forcing a rate increase further into the life of the contract. Most recently in Wisconsin and South Carolina, NEMT vendors underbid and were unable to operate the programs at the contracted cost. This resulted in the vendors walking away from the contracts before the terms had expired, causing many issues for the states who had to prematurely rebid NEMT services. Maine is currently facing similar problems because the awarded vendors were not prepared to successfully operate the program within the RFP requirements and at the pricing originally submitted.

With MTM, BMS can remain worry-free about our ability to provide the highest level of quality services at our proposed rate. We pride ourselves on increasing Member access to the NEMT benefit while appropriately containing costs. BMS can look forward to benefitting from our streamlined, efficient processes to provide more trips while containing overall program costs.

Assumptions

MTM developed our cost proposal based upon our broad experience developing and administrating capitated PMPM contracts for a variety of state, regional, county, and managed care organization bids. In developing our cost proposal we relied upon the data provided by BMS during the question and answer period. We encountered difficulty in reconciling the data as one data set appeared to include single trip legs and the other data set included round trip information. Also, the data set accounting for the largest volume of transportation costs did not include mileage information. As a result, we relied upon our own internal data and experience to deliver a reasonable cost proposal to BMS.

Rebate Program

As a value-add that can give BMS confidence in our pricing, we can offer a rebate for this program. With this option, BMS will receive a rebate in accordance with the profits we gain, ensuring MTM is not overpaid for our services. If our assumptions outlined above are inaccurate, this structure will allow BMS to recover spent funds, ensuring a successful program. At the conclusion of each annual period, MTM will rebate to BMS anything over our pre-tax profit of 7.5%. This rebate structure is very similar to the model we currently have in place for our Houston, Texas NEMT contract and has proven to be a very successful tool in aligning incentives.

MTM will report net income annually to BMS, with the computed rebate being paid within 120 days subsequent to the end of the contract period. For purposes of computing the rebate, losses, if any, in one year will be carried forward to subsequent fiscal years. As an example, if MTM experienced losses in Year One, those losses would be deducted from earnings in Year Two before making the Year Two computation.

Closing Summary

In the following pages, MTM has completed the required Attachment C of our cost proposal. BMS is assured that this is our best estimate to provide NEMT services given the data provided during the RFP process, as well as our assumptions regarding utilization, mileage, and transportation mode mix. Should BMS review our proposal and provide us with additional data or more complete data sets, we would be more than willing to refine our pricing.

The program we propose will ensure that BMS remains compliant with all CMS regulations and will safeguard federal matching funds throughout the life of this contract. The pricing is based on realistic and sustainable rates for transportation providers. Using our proven model we will smoothly implement this program to the satisfaction of all stakeholders and move West Virginia forward in providing access to its Medicaid members.

As detailed throughout our proposal, MTM offers BMS the highest level of quality services available in the NEMT brokerage industry. With our efficient systems and processes, BMS will receive cost containment while increasing service quality levels and providing Members with greater access to their important medical services. MTM looks forward to working closely with BMS in the future to manage its NEMT program, contain costs, and achieve its goals, while keeping its Members' needs at the forefront at all times.

REQUEST FOR PROPOSAL
 Department of Health and Human Resources
 Bureau for Medical Services
 RFP # BMS14156

Attachment C: Cost Sheet

Cost information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked.

Vendors are to use their business expertise in pricing the work described in this RFP, taking into consideration any intervening steps or activities that must be performed in order to complete the work and offer their rates accordingly, even if BMS does not explicitly identify those intervening steps or activities in this RFP.

Implementation Cost (All Inclusive)			
Expense			Cost
1. Staffing			\$ 275,220.11
2. Computer, including Software			\$ 2,500.00
3. Telephone/Communications			\$ 11,628.16
4. Facilities			\$ 7,000.00
5. Consulting Services			\$ --
6. Other (detail on separate page)			\$ 300,465.97
Total Not to Exceed Implementation Cost¹ (Sum of Expense Costs.)			\$ 596,814.24
Operations Cost			
Contract Year	Estimated Average Member Months ²	Per Member Per Month Rate	Cost
Base Contract Period: Year 1: Assumed SFY15	429,867	\$ 5.65 x 12	\$ 29,139,801.84
Optional Year 1: Assumed SFY 16	442,327	\$ 5.69 x 12	\$ 30,189,617.88
Optional Year 2: Assumed SFY17	446,303	\$ 5.73 x 12	\$ 30,691,204.69
Total Operations Cost³ (Sum of Operations Costs for all Contract Years.)			\$ 90,020,624.41
Total Cost of Contract⁴ (See Notes Page)			
Total Cost of Contract (Sum of Total Implementation Cost and Total Operations Cost)			\$ 90,617,438.65

REQUEST FOR PROPOSAL

Department of Health and Human Resources
Bureau for Medical Services
RFP # BMS14156

Notes:

1. *The Vendor shall be paid an Implementation price of the amount specified in the Vendor's proposal set forth in Attachment C. Payment of the implementation cost of the contract shall be made by BMS in accordance with Appendix 5 (Milestones, Deliverables, and Payments) during the implementation phase of the contract. The amount paid for implementation costs shall not exceed the amount bid in this section.*
2. *Participant population estimates were developed based on the best information available at the time of the solicitation. The participant population estimates are to be used for purposes of cost proposal and evaluation only. The participant population estimates include the following estimated Medicaid adult expansion participation for each of the following years included in Attachment C: Year 1 – 78,500; Year 2 – 88,500 and Year 3 – 90,000.*
3. *During the Operation Phase of the Contract, the Vendor will be paid on a monthly basis in accordance with the Vendor's bid Per Member Per Month (PMPM) price proposals as set forth in Attachment C which shall be firm and fixed for the period of the Contract. The PMPM will be paid based on the actual monthly Medicaid enrollment. No specific or lump sum payment shall be made by BMS for Close-out and Turnover activities, whether the Vendor performs those activities before or after the date of Contract termination.*
4. *The cost proposal will be evaluated based on the Total Cost of Contract. The cost bid should include all anticipated training, travel and related expenses, including supplies and general administrative expenses.*

Medical Transportation Management, Inc.

(Company)

Alaina Maciá, President and CEO

Alaina Macia

(Representative Name, Title)

Phone: 888-561-5747 / Fax: 636-561-2962

(Contact Phone/Fax Number)

3/24/14

(Date)



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

Solicitation

NUMBER
BMS14156

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
BOB KILPATRICK 304-558-0067

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR

Medical Transportation Management, Inc.
 16 Hawk Ridge Drive
 Lake St. Louis, MO 63367

SHIP TO

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301-3709 304-558-1737

DATE PRINTED
02/20/2014

BID OPENING DATE: 03/26/2014

BID OPENING TIME 1:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
REQUEST FOR PROPOSAL (RFP)						
THE WEST VIRGINIA PURCHASING DIVISION, ON BEHALF OF THE WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES, BUREAU FOR MEDICAL SERVICES, IS SOLICITING PROPOSALS TO PROVIDE A FULL-RISK CAPITATION BROKER TO DIRECTLY COORDINATE A STATEWIDE NON-EMERGENCY MEDICAL TRANSPORT (NEMT) PROGRAM, PER THE ATTACHED SPECIFICATIONS.						
0001	1	EA		948-55		
				IMPLEMENTATION COST		
0002	1	EA		948-55		\$275,220.11*
				STAFFING		
0003	1	EA		948-55		\$2,500.00*
				COMPUTER, INCLUDING SOFTWARE		

*Please see attached for detailed breakdown.

SIGNATURE	<i>Maina Nacia</i>	TELEPHONE	888-561-5747	DATE	3/24/14
TITLE	President and CEO	FEIN	43-1719762	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO SOLICITATION, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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0004	1	EA		948-55		\$11,628.16*
				TELEPHONE/COMMUNICATIONS		
0005	1	EA		948-55		\$7,000.00*
				FACILITIES		
0006	1	EA		948-55		--
				CONSULTING SERVICES		
0007	1	EA		948-55		\$300,465.97*
				OTHER		
0008	1	EA		948-55		
				OPERATIONS COST		

*Please see attached for detailed breakdown

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0009	429,867	EA		948-55		\$29,139,801.84
	SFY2015 (JULY 2014 - JUNE 2015)					
0010	442,327	EA		948-55		\$30,189,617.88
	SFY2016 (JULY 2015 - JUNE 2016) OPTIONAL RENEWAL					
0011	446,303	EA		948-55		\$30,691,204.69
	SFY2017 (JULY 2016 - JUNE 2017) OPTIONAL RENEWAL					
***** THIS IS THE END OF RFQ BMS14156 ***** TOTAL:						90,617,438.65

SIGNATURE <i>Maina Nacia</i>	TELEPHONE 888-561-5747	DATE 3/24/14
TITLE President and CEO	FEIN 43-1719762	ADDRESS CHANGES TO BE NOTED ABOVE

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Medical Transportation Management, Inc.
Summary of Implementation Cost Budget

	Implementation Cost
1. Staffing	275,220.11
Payroll - Admin	209,798.69
Payroll taxes	30,735.51
Group health insurance	11,538.93
Group life & LTD insurance	524.50
Short term disability ins	524.50
ER 401k contributions	2,097.99
Advertising/Recruiting	20,000.00
Contract labor	-
Employee educ & training	-
Employee incentives	-
Dues and subscriptions	-
Employee educ & training	-
Employee incentives	-
2. Computer, including Software	2,500.00
Computer licenses	-
Computer programming	2,500.00
AS400	-
Systems support	-
Purchased software	-
Misc Comp Supp & Equip	-
3. Telephone/Communications	11,628.16
Call ctr phone exp	8,493.16
Cell phones	135.00
Telephone	3,000.00
4. Facilities	7,000.00
Cleaning Services	-
Equipment rental	2,500.00
Licenses and permits	-
Gas and electric	-
Building R & M	-
Internet Connections	3,000.00
Data Network	1,500.00
5. Consulting Services	-
Consulting	-
Legal fees	-
Marketing consulting fees	-
6. Other (detail on separate page)	300,465.97
Office supplies	-
Postage and delivery	-
Franchise Taxes: ADMN	-
Printing and reproduction	140,613.55
Rent	12,920.00
Entertainment	-
Lodging	20,000.00
Meals	7,500.00
Mileage reimbursement	9,000.00
Travel / Air Fare / Auto rental	20,000.00
Shared operations allocation	49,477.43
Overhead allocation	40,954.99
Capital equipment and improvements	0
Total Implementation Cost	596,814.24