



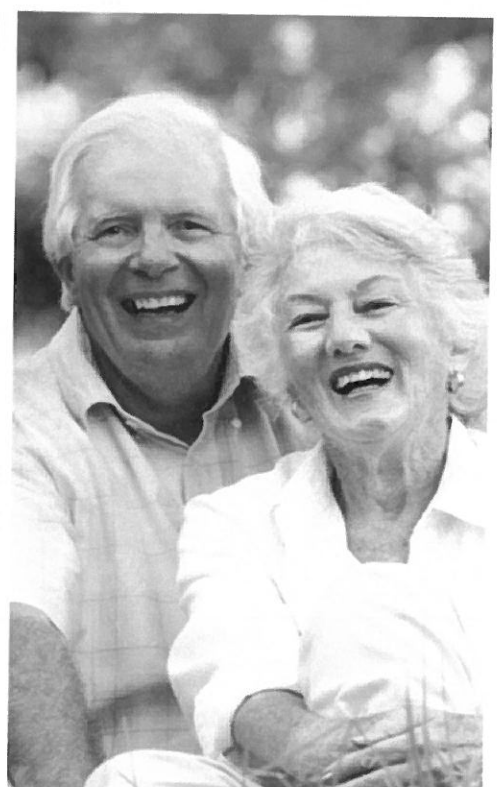
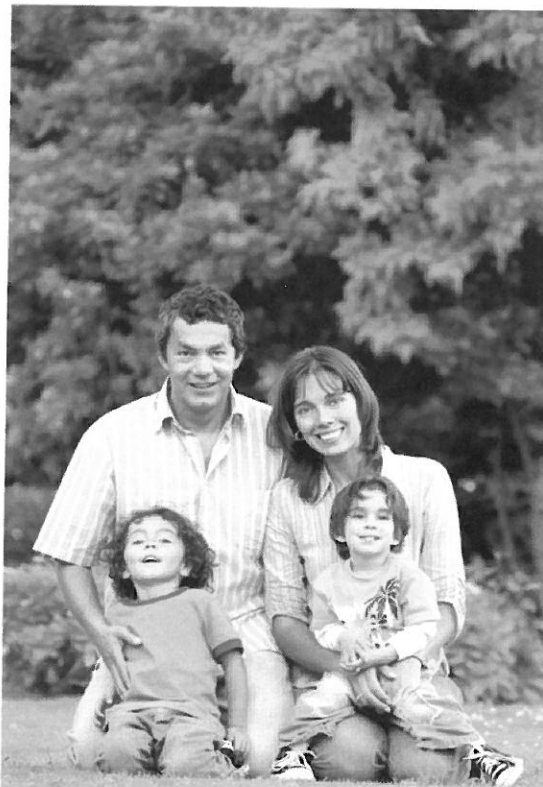
West Virginia Bureau for Medical Services

Solicitation # BMS14028  
Wednesday, June 25, 2014  
1:30pm EST

Department of Administration, Purchasing Division  
2019 Washington Street East  
Charleston, WV 25305-0130

**COST PROPOSAL - ORIGINAL**

**Enrollment Brokerage Services For The Medicaid Managed Care Program**



9370 McKnight Road - Suite 300 - Pittsburgh, PA 15237



AUTOMATED HEALTH SYSTEMS

Joseph W. Nocito  
Chief Executive Officer

300 Arcadia Court, 9370 McKnight Road, Pittsburgh, PA 15237 • (412) 367-3030 • (412) 367-6184 Fax

June 18, 2014

Robert Kilpatrick  
Department of Administration, Purchasing Division  
2019 Washington Street East  
Charleston, WV 25305-0130

Dear Mr. Kilpatrick:

Automated Health Systems (AHS) is pleased to submit its proposal in response to the State of West Virginia's RFP# BMS14028 for enrollment broker services. As the incumbent, we bring an unmatched understanding of the needs of the West Virginia Bureau for Medical Services (BMS) Project stakeholders, potential enrollees/enrollees, and providers we serve. We are confident that our approach will continue West Virginia's tradition of providing first class services to potential enrollees and enrollees, meet the changing needs of the State's Medicaid programs, and offer the State several exciting and innovative services.

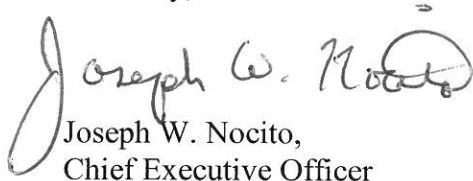
Enclosed is our cost proposal for the Project (completed on Attachment C) as well as the required bid bond.

Should there be any questions or concerns related to this submission, I can be reached using the following information:

Automated Health Systems  
9370 McKnight Road, Ste. 300  
Pittsburgh, PA 15237  
E-mail: [ceo@automated-health.com](mailto:ceo@automated-health.com)  
Fax: 412-367-1213  
Phone: 412-367-3030 ex. 2203

Again, we thank you for the opportunity to submit a proposal in response to the State's RFP, and we look forward to having the opportunity to continue our relationship with BMS and the State of West Virginia.

Sincerely,

  
Joseph W. Nocito,  
Chief Executive Officer

**REQUEST FOR PROPOSAL**  
**West Virginia Bureau for Medical Services**  
**RFP # BMS14028**

**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.

**Section 1 - Implementation Cost Expense**

Expense	Total Cost
1. Staffing	\$ -
2. Computer including software	\$ -
3. Staffing	\$ -
4. Facilities	\$ -
5. Consulting Services	\$ -
6. Other (detail on separate sheet)	\$ -
<b>Total Not to Exceed Cost</b>	<b>\$ -</b>

**Section 2 - Operations Cost**

Expense	A. Members	B. PMPM Rate	C. Total Annual Cost (A*B)*12=C
<b>YEAR 1</b>			
0 TO 100,000 members	100,000	\$ 0.01	\$ 12,000
100,001 to 200,000 members	100,000	\$ 0.59	\$ 708,000
200,001 to 300,000 members	100,000	\$ 0.79	\$ 948,000
≥300,001 members	100,000	\$ 0.52	\$ 624,000
<b>Subtotal Year 1</b>			<b>\$ 2,292,000</b>
<b>YEAR 2</b>			
0 TO 100,000 members	100,000	\$ 0.01	\$ 12,000
100,001 to 200,000 members	100,000	\$ 0.59	\$ 708,000
200,001 to 300,000 members	100,000	\$ 0.79	\$ 948,000
≥300,001 members	100,000	\$ 0.52	\$ 624,000
<b>Subtotal Year 2</b>			<b>\$ 2,292,000</b>
<b>YEAR 3</b>			
0 TO 100,000 members	100,000	\$ 0.01	\$ 12,000
100,001 to 200,000 members	100,000	\$ 0.59	\$ 708,000
200,001 to 300,000 members	100,000	\$ 0.79	\$ 948,000
≥300,001 members	100,000	\$ 0.52	\$ 624,000
<b>Subtotal Year 3</b>			<b>\$ 2,292,000</b>

**REQUEST FOR PROPOSAL**  
**West Virginia Bureau for Medical Services**  
**RFP # BMS14028**

**YEAR 4**

0 TO 100,000 members	100,000	\$ 0.01	\$	12,000
100,001 to 200,000 members	100,000	\$ 0.59	\$	708,000
200,001 to 300,000 members	100,000	\$ 0.79	\$	948,000
≥300,001 members	100,000	\$ 0.52	\$	624,000
<b>Subtotal Year 4</b>			\$	2,292,000

**YEAR 5**

0 TO 100,000 members	100,000	\$ 0.01	\$	12,000
100,001 to 200,000 members	100,000	\$ 0.59	\$	708,000
200,001 to 300,000 members	100,000	\$ 0.79	\$	948,000
≥300,001 members	100,000	\$ 0.52	\$	624,000
<b>Subtotal Year 5</b>			\$	2,292,000

<b>Total Section 2: Operation Cost</b>			\$	11,460,000.00
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<b>Grand Total Cost of Contract (Total Section 1 &amp; Section 2)</b>			\$	11,460,000.00
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**Notes:**

1. *The Vendor may bill monthly for the implementation activities in equal installments over the implementation period as defined in the mandatory contract section five; subsection 5.2*
2. *Participant population ranges were developed based on the current managed care enrollment and any future expansion.*
3. *During the Operation Phase of the Contract, the Vendor will be paid on a monthly per member per month (PMPM) basis in accordance with the Vendor's bid price proposals as set forth in Attachment C which shall be firm and fixed for the period of the Contract. Payment will be based on the actual monthly Medicaid managed care population. The final operational payment will be made upon determination by BMS that all contractual requirements have been completed prior to the termination of the contract.*
4. *The cost proposal will be evaluated based on the Grand Total Cost of Contract (Section 1 & Section 2). The cost bid shall include all anticipated training, travel and related expenses, including supplies and general administrative expenses.*

**REQUEST FOR PROPOSAL**  
West Virginia Bureau for Medical Services  
RFP # BMS14028

Automated Health Systems

(Company)

Joseph W. Nobile, CEO

(Representative Name, Title)

(412) 367-3030 x. 2203/ (412) 367-1213

(Contact Phone/Fax Number)

June 25, 2014

(Date)

Agency Purchasing Division  
REQ.P.O# BMS14028

**BID BOND**

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned, Automated Health Systems, Inc.  
of 9370 McKnight Road, Pittsburgh, PA 15237, as Principal, and Fidelity & Deposit Company of  
Maryland of Schaumburg, Illinois, a corporation organized and existing under the laws of the State of Illinois  
Maryland with its principal office in the City of Schaumburg, as Surety, are held and firmly bound unto the State  
of West Virginia, as Obligee, in the penal sum of 5% of Bid (\$ 5% ) for the payment of which,  
well and truly to be made, we jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns.

The Condition of the above obligation is such that whereas the Principal has submitted to the Purchasing Section of the  
Department of Administration a certain bid or proposal, attached hereto and made a part hereof, to enter into a contract in writing for  
Enrollment Brokerage Services

**NOW THEREFORE,**

- (a) If said bid shall be rejected, or
- (b) If said bid shall be accepted and the Principal shall enter into a contract in accordance with the bid or proposal attached hereto and shall furnish any other bonds and insurance required by the bid or proposal, and shall in all other respects perform the agreement created by the acceptance of said bid, then this obligation shall be null and void, otherwise this obligation shall remain in full force and effect. It is expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for the value received, hereby stipulates and agrees that the obligations of said Surety and its bond shall be in no way impaired or affected by any extension of the time within which the Obligee may accept such bid, and said Surety does hereby waive notice of any such extension.

WITNESS, the following signatures and seals of Principal and Surety, executed and sealed by a proper officer of Principal and Surety, or by Principal individually if Principal is an individual, this 18th day of June, 2014.

Principal Seal

Automated Health Systems, Inc.

(Name of Principal)

By Joseph W. [Signature]

(Must be President, Vice President, or Duly Authorized Agent)

President

(Title)

Surety Seal

Fidelity & Deposit Company of Maryland

(Name of Surety)

[Signature]

Attorney-in-Fact

Edward D. Rawlings

**IMPORTANT – Surety executing bonds must be licensed in West Virginia to transact surety insurance, must affix its seal, and must attach a power of attorney with its seal affixed.**

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by **GEOFFREY DELISIO, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Edward D. RAWLINGS, Rachel M. CRONEN, Vincent T. DETORE, Janice A. URSCHLER, Erica L. FLACK, Robert P. MILLER, David BLAHNIK and Cheryl I. FICHTER, all of Pittsburgh, Pennsylvania, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 2nd day of October, A.D. 2013.

**ATTEST:**

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



By: *Eric D. Barnes*  
*Assistant Secretary*  
*Eric D. Barnes*

*Geoffrey Delisio*  
*Vice President*  
*Geoffrey Delisio*

State of Maryland  
City of Baltimore

On this 2nd day of October, A.D. 2013, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **GEOFFREY DELISIO, Vice President, and ERIC D. BARNES, Assistant Secretary**, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

*Maria D. Adamski*



Maria D. Adamski, Notary Public  
My Commission Expires: July 8, 2015

**EXTRACT FROM BY-LAWS OF THE COMPANIES**

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

**CERTIFICATE**

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 18th day of June, 20 14.



*Thomas O. McClellan*

Thomas O. McClellan, Vice President