

Proposal to Provide

Enrollment Broker Services

MAXIMUS[®]



ORIGINAL

Provided For
West Virginia Bureau for Medical Services

Certain parts of this proposal contain proprietary information.
Please contact MAXIMUS before releasing anything marked proprietary.

COST
RFP No. BMS14028
June 25, 2014, 1:30 PM EST

Attachment C: Cost Sheet Narrative

RFP Section 5.3, Page 37; Attachment C, Pages 56-58; Addendum 1; Addendum 2

MAXIMUS Health Services, Inc. (MAXIMUS) is pleased to present our cost proposal for the West Virginia Enrollment Brokering Services. MAXIMUS brings the West Virginia Department of Health and Human Resources and Bureau for Medical Services (BMS) a "quality first" approach which is grounded in fiscal discipline. We have taken great care to provide BMS a cost proposal which offers enhanced technology, efficiency, and operational superiority with costs commensurate to ongoing present day operations. We strongly believe that MAXIMUS can be a partner for growth, creating operational certainty amidst uncertain programmatic times. Our customers in major projects such as New York, California, Texas, and many points in between, can vouch for our rooted position as a trusted advisor, making sense of complex policy changes and continually placing state consumers and fiscal discipline at the forefront of program operations.

We have thoroughly reviewed the requirements of the Request for Proposal (RFP) and Addenda. Our overall solution and cost methodology reflect our unmatched experience in enrollment brokerage operations with special attention to those attributes which matter most to West Virginia such as outreach, reporting, and auto-assignment rates.

MAXIMUS feels confident that we offer the highest value and the lowest risk for your investment and can provide a partnership with dedicated onsite resources which can best position West Virginia to meet your future goals and objectives.

Pricing Structure

MAXIMUS will perform implementation activities at no cost to the State as indicated in the Cost Sheet. Per the RFP, MAXIMUS is submitting per month per member (PMPM) rates by band and by year. The PMPM rates assume that we will be reimbursed one monthly price based on membership volume. For example, if for the month-completed December 2014 there is an actual membership of 205,000, we would anticipate invoicing the state $205,000 \times \$0.68 = \$139,400$.

We anticipate this program to go live on December 1, 2014, and end its base operational period on November 30, 2015. As requested, we have provided PMPM rates for the four one-year option periods to be enacted with mutual written consent of both parties.

Staff Computations and Anticipated Volumes

MAXIMUS has a long history of staffing managed care contact centers throughout the United States. We bring our extensive experience to the table for any program we serve. Our pricing is developed using realistic contact handle times, based on our experience operating contact centers all over the country. Our staffing model assumes an average call length of four minutes plus one minute of wrap time for a total average call length of five minutes.

We have also assumed approximate current membership levels (~203,000 members) and have a flexible model to handle a reasonable program expansion. Our pricing is predicated upon current operational boundaries, with the inclusion of those populations listed in the RFP to be added in the near future.

Therefore, we ask that, in the event of a major legislative change beyond our control that would affect membership, there is an opportunity to provide revised PMPM rates.

Conclusion

MAXIMUS is committed to providing a best value pricing, and we look forward to the opportunity to demonstrate to BMS how we can provide the best possible solution at the best possible price. We have thoughtfully considered the scope of this contract and key performance requirements, and have carefully determined our price.

We feel confident in our abilities and look forward to the opportunity to assist the State with the Medicaid Managed Care Enrollment Broker program.

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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)	\$ -
Total Not To Exceed Cost	\$ -

Section 2 - Operations Cost

Expense	A. Members	B. PMPM Rate	C. Total Annual Cost (A * B)*12 = C
YEAR 1			
0 to 100,000 members	100,000	\$ -	\$ -
100,001 to 200,000 members	100,000	\$0.694	\$832,800
200,001 to 300,000 members	100,000	\$0.684	\$820,800
≥ 300,001 members	100,000	\$0.574	\$688,800
Subtotal Year 1			\$2,342,400
YEAR 2			
0 to 100,000 members	100,000	\$ -	\$ -
100,001 to 200,000 members	100,000	\$0.619	\$742,800
200,001 to 300,000 members	100,000	\$0.609	\$730,800
≥ 300,001 members	100,000	\$0.524	\$628,800
Subtotal Year 2			\$2,102,400
YEAR 3			
0 to 100,000 members	100,000	\$ -	\$ -
100,001 to 200,000 members	100,000	\$ -	\$ -
200,001 to 300,000 members	100,000	\$0.562	\$674,400

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≥ 300,001 members	100,000	\$0.508	\$609,600
Subtotal Year 3			\$1,284,000

YEAR 4

0 to 100,000 members	100,000	\$ -	\$ -
100,001 to 200,000 members	100,000	\$ -	\$ -
200,001 to 300,000 members	100,000	\$0.571	\$685,200
≥ 300,001 members	100,000	\$0.517	\$620,400
Subtotal Year 4			\$1,305,600

YEAR 5

0 to 100,000 members	100,000	\$ -	\$ -
100,001 to 200,000 members	100,000	\$ -	\$ -
200,001 to 300,000 members	100,000	\$0.573	\$687,600
≥ 300,001 members	100,000	\$0.520	\$624,000
Subtotal Year 5			\$1,311,600

Total Section 2: Operation Cost
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\$ 8,346,000

Grand Total Cost of Contract (Total Section 1 & Section 2)

\$ 8,346,000

Notes:

1. *The Vendor may bill monthly for implementation activities in equal installments over the implementation period as defined in mandatory contract section five; sub-section 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.*

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MAXIMUS Health Services, Inc.

(Company)

Bruce L. Caswell Bruce L. Caswell, President

(Representative Name, Title)

703.251.8500

(Contact Phone/Fax Number)

June 25, 2014

(Date)