

(ORIGINAL)


***COST PROPOSAL
TO PROVIDE COMPREHENSIVE
INMATE HEALTH CARE AND MENTAL HEALTH***

***WEST VIRGINIA DIVISION OF CORRECTIONS
RFP: COR61566
08/05/2014***

***PRIMECARE MEDICAL, INC.
3940 LOCUST LANE
HARRISBURG, PA 17109***

***PHONE: (717) 545-5787
(800) 245-7277
FAX: (717) 651-1867
EMAIL: fkomykoski@primecaremedical.com***

Authorized contact persons to speak on behalf of PrimeCare Medical, Inc.



Carl A. Hoffman, Jr., D.O., D.Se., CCHP, President

08/05/2014
Date

Francis J. Komykoski Sr., MBA, CCHP, Vice President of Operations
Todd W. Haskins, RN, BSN, CCHP, Vice President of Operations

August 5, 2014

Office of Tara Lyle, Senior Buyer
Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

**RE: RFP COR61566 – Inmate Comprehensive Health Care and Mental Health
West Virginia Division of Corrections**

Dear Ms. Lyle,

PrimeCare Medical of West Virginia, Inc. is pleased to submit this Technical and Pricing Proposal through yourself to the West Virginia Department of Administration / Purchasing Division for **Comprehensive Health Care Services for the Inmates/Patients** of the **West Virginia Division of Corrections**. **PrimeCare Medical** shall fully comply with all mandatory terms, requirements, conditions, and specifications contained in the Request for Proposal (RFP), to include any and all Addendums issued thereafter.

PrimeCare Medical, Inc. is a Pennsylvania professional corporation founded in 1986 by **Carl A. Hoffman, Jr., D.O., D.Sc., CCHP**, who remains as the President, Corporate Medical Director and primary stockholder. Dr. Hoffman brings **“thirty-nine (39) years”** of hands-on experience in correctional medicine. This experience is amplified by a senior management team that brings nearly **“200 combined years”** of correctional health care management experience. **PrimeCare Medical** is currently celebrating **“twenty-eight (28)”** years as a Correctional Medical Corporation, which is corporately located at 3940 Locust Lane, Harrisburg, PA 17109 (www.primecaremedical.com). **PrimeCare Medical** currently provides complete medical / operational management in **three (3)** states (West Virginia, Pennsylvania, and New Hampshire) and in **“sixty-two (62)”** correctional facilities company wide, covering over **“22,500”** inmate/patient lives. It is this footprint across **West Virginia** that has uniquely positioned **PrimeCare Medical of West Virginia, Inc.** to meet the needs of the inmate/patient population of the **West Virginia Division of Corrections** and to seamlessly transition this Proposal.

Developing this Proposal in response to **West Virginia’s** RFP was exceptionally critical for **PrimeCare Medical of West Virginia, Inc.** as we are extremely proud of the fact that we are currently partnered with the **State of West Virginia**; as **PrimeCare Medical** is the **comprehensive health care provider to the West Virginia Regional Jail Authority and West Virginia Division of Juvenile Services, since 1993 and 2001, respectively**. Recognizing this special relationship with the **State of West Virginia, PrimeCare Medical of West Virginia, Inc. was formed as a domestic West Virginia corporation on July 28, 1998**, located at 89 Richard Minnich Drive, Suite 102B in Sutton, West Virginia. Accordingly, **PrimeCare Medical**

of West Virginia, Inc. is a recognized Corporation in **West Virginia**. As such, we are very excited about this opportunity to once again partner with the **State of West Virginia** and further enhance the level of health care services currently being provided to your inmate/patient population. In an effort to show **PrimeCare Medical's** continued commitment to further developing our partnership with the **State of West Virginia**, **I am designating two (2) of PrimeCare Medical's Vice Presidents and one (1) Junior Vice President to have direct Corporate oversight of this contract: Rebecca F. Davis, RN, BSN, CCHP; Arthur Jim Auxer, BA, M.Ed.; and Daniel R. Hoffman, MBA, CCHP; each of which having numerous years of experience working within the correctional systems in West Virginia.**

As **PrimeCare Medical of West Virginia, Inc.** is currently providing comprehensive correctional health care services to two (2) of the three (3) statewide correctional systems operated by the **State of West Virginia**, we possess the **"unparalleled capability"** of offering the absolute **"highest"** level of continuity of health care services to the **West Virginia Division of Corrections**. As such, by selecting **PrimeCare Medical of West Virginia, Inc.** as the new health care provider to your inmates/patients, the **State of West Virginia** would realize the maximum benefits of these **"economies-of-scale"** and will have a true **"partner"** in maintaining the health care needs of this critical population by having contracted with a **"single provider"** for the entire **State of West Virginia's** correctional health care needs. Throughout our Proposal, **PrimeCare Medical** explains how we will exceed the goals and objectives of this RFP, as well as, details how the **PrimeCare Medical "Solution" is the most logical for the West Virginia Division of Corrections** to consider. Below are just a few examples of some the unique strategies and methodologies contained within our Proposal:

- Established presence and necessary infrastructure within the **State of West Virginia**.
- Implementation of **PrimeCare Medical's** completely customized, electronic medical records system (**CorEMR**) to all **West Virginia Division of Corrections** Facilities.
- Achieve / Maintain Accreditation through the **National Commission on Correctional Health Care (NCCHC)** and **American Correctional Association (ACA)** at all **West Virginia Division of Corrections** Facilities.
- Partnership with **PSIMED CORRECTIONS, LLC.** as the Mental Health Care Provider, who we have worked with for over seven (7) years.
- Proven record of operational efficiencies and cost effectiveness through our Utilization Review Committee, Cost Containment Programs, Continuous Quality Improvement Programs, Technological Advancements, and Management Information Systems.

PrimeCare Medical of West Virginia, Inc.'s proven business model, coupled with its senior leadership, core values, business philosophies, and continuous desire to be the premier

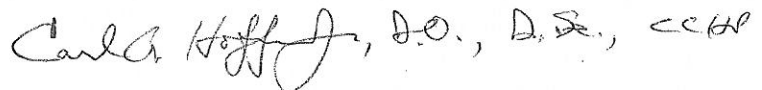
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provider of correctional health care services in the industry are what makes **PrimeCare Medical** a “**true leader**” in the correctional health care environment today. Due to the unique and diverse composition of its senior corporate leadership, **PrimeCare Medical** has the unparalleled capability to effectively engage in the type of strategic operational planning, medical / administrative consultation, professional liability / aggressive litigation management, and rapid response to emergent / client issues necessary for the proper delivery of medical services. Because of this experience, **PrimeCare Medical** fully understands the needs and concerns of the **West Virginia Division of Corrections** and is committed to custom designing a medical delivery system based upon nationally accepted standards.

PrimeCare Medical of West Virginia, Inc. will not only meet, but far exceed all levels of services presented in this Proposal. The Company is highly qualified to implement this Proposal, which is designed specifically to service the health care delivery systems for the **West Virginia Division of Corrections**. The result is the best possible health care package for your inmate/patient population and the most cost effective delivery system for the **State of West Virginia** to consider. We are confident that, following your review of our Technical and Pricing Proposal, you will vote to award the medical services contract with **PrimeCare Medical of West Virginia, Inc.** We are anxiously looking forward to the challenging opportunity of providing quality, comprehensive health care services to the **West Virginia Division of Corrections**.

If there are any questions or concerns pertaining to this Proposal, please do not hesitate to contact Rebecca F. Davis, Vice President of West Virginia Operations; Daniel R. Hoffman, Junior Vice President of Marketing and West Virginia Operations; Francis J. Komykoski Sr., Vice President of Operations; Todd W. Haskins, Vice President of Operations; or myself. These are the only five (5) officers that are authorized to speak on behalf of the Corporation or negotiate contractual provisions for this contract. The direct point(s) of contact for **PrimeCare Medical** relating to this Proposal shall be Francis J. Komykoski and Daniel R. Hoffman, who can be reached at the **PrimeCare Medical** Corporate Office, by telephone at (717) 545-5787, by fax at (717) 651-1866 and (717) 364-1227, or by email at fkomykoski@primecaremedical.com and dhoffman@primecaremedical.com, respectively.

Sincerely,



Carl A. Hoffman, Jr., D.O., D.Sc., CCHP
President and Corporate Medical Director

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PRICE PROPOSAL


Attachment C

COR61566 – Inmate Comprehensive Healthcare and Mental Health Services
 Cost Sheet – revised by Addendum #12

Vendor must provide an annualized itemized proposal cost to include:

1	Salaries - HealthCare Component	\$9,867,481.31
2	Associated Benefits - Healthcare Component	\$2,118,406.71
3	Pharmaceuticals - Healthcare Component	\$1,426,994.32
	Provide Pharmaceutical Vendor Name and Location	
	<i>Boswell Pharmacy Services – See Technical Proposal</i>	
4	Optical	\$71,739.86
	Provide Optical Vendor Name and Location	
	<i>Institutional Eye Care, Inc. – See Technical Proposal</i>	
5	Other Miscellaneous Supplies - Healthcare Component	\$793,219.82
6	Salaries - Mental Health Component	\$4,109,906.00
	If applicable, provide subcontractor name	
	<i>PSIMED CORRECTIONS, LLC. – See Technical Proposal</i>	
7	Associated Benefits - Mental Health Component	\$1,005,680.00
8	Pharmaceutical and Other Mental Health Component Cost	\$212,200.00
	Provide Pharmaceutical Vendor Name and Location	
	<i>Boswell Pharmacy Services – See Technical Proposal</i>	
9	Hospital	\$692,692.22
10	Specialty consults, referrals, etc.	\$549,494.18
11	Malpractice	\$551,173.38
12	Pharmacy Consult (for Work Release status inmates only)	
13	Administrative Overhead / Management Fee	\$998,795.45
14	Other Costs - Please itemize and list any additional cost	
	Marketing and Recruiting	\$79,644.61
	ACA / NCCHC Accreditation Fees	\$110,500.00
	Legal & Accounting	\$192,549.45
	Total Annualized Cost	\$22,780,477.30
15	Mental Health Appraisals - DOC Inmates Housed at Regional Jails - Approximately 100 / month - Vendor shall bid cost per appraisal (\$90.00 per appraisal)	\$108,000.00

16	Psychological Evaluations - DOC Inmates Housed at Regional Jails - Approximately 40 / month - Vendor shall bid cost per appraisal (\$150.00 per appraisal)	\$72,000.00
	Total #15 and #16	\$180,000.00
	Total Annualized Cost + Total #15 and #16	\$22,960,477.30

Bidder/Vendor Information:	
Name:	PrimeCare Medical of West Virginia, Inc.
Address:	3940 Locust Lane Harrisburg, PA 17109
Phone No.:	717-545-5787
Fax No.:	717- 651-1866
Email Address:	fkomykoski@primecaremedical.com
Authorized Signature	

**ATTACHMENT C-1
 COST SHEET**

Northern Regional Jail RD2, Box 1 Moundsville, (Marshall County) WV 26041	RJCFA
Total monthly all inclusive fee for Medical / Mental Health Services	\$161,498.26
Total annualized all inclusive fee for Medical / Mental Health Services	\$1,937,979.15
Vendor provide an annualized proposal to include:	
Salaries	\$943,397.10
Associated Benefits	\$258,002.03
Pharmaceuticals	\$114,220.37
Provide Vendor Name and Location	
<i>Boswell Pharmacy Services – See Technical Proposal</i>	
Optical	\$3,750.00
Provide Vendor Name and Location	
<i>Institutional Eye Care, Inc. – See Technical Proposal</i>	
Other Miscellaneous Supplies	\$70,401.85
Contract Mental Health	\$61,214.00
Subcontractor Name	

<i>PSIMED CORRECTIONS, LLC. – See Technical Proposal</i>	
Hospital	\$306,542.82
Specialty consults, referrals, etc.	\$35,323.05
Malpractice	\$35,430.99
Administrative Overhead / Management Fee	\$109,696.93
TOTAL ANNUALIZED COST:	\$1,937,979.15

*Attachment C-1 includes annualized pricing for NRJ, NCC, and OCCC. PrimeCare Medical of West Virginia, Inc. is able to provide a breakdown of such pricing by Facility if requested by the West Virginia Division of Corrections.

The above pricing shall be subject to an annual increase in compensation as approved by the West Virginia Division of Corrections and as permitted by the RFP, which shall be adjusted by the Cost-of-Living Index for the U.S. City Average of Medical Care Services as published by the United States Department of Labor, or a three (3.0%) percent increase, whichever is lower.

PER DIEM

A Per Diem Charge of \$6.92 per inmate/patient is based on the West Virginia Division of Corrections Facilities' Monthly Average Daily Population (ADP) levels as specified in the RFP. The Per Diem charge is activated if the Average Daily Population exceeds these numbers of inmates/patients for the month. Per Diem charges shall be used by PrimeCare Medical to compensate for additional medical expenses incurred as a result of the increased inmate/patient population.

CONTRACT TERM

PrimeCare Medical proposes that this Agreement have a base term of one (1) year, as specified within the RFP. PrimeCare Medical further proposes that the Agreement may be extended for four (4) additional one (1) year option periods, as mutually agreed upon between the West Virginia Division of Corrections and PrimeCare Medical.

At the conclusion of this five (5) year period, should the Health Services Agreement not be renewed (i.e., pending negotiations, etc.) and PrimeCare Medical continues to meet the terms set forth in this Agreement, PrimeCare Medical shall be entitled to continue receiving its monthly compensation in accordance with the above outlined fee schedule to include annual increases during each year in which a new contract has not been executed.

ADDITIONAL COMPENSATION

Any additional compensation to which PrimeCare Medical may be entitled as provided in this Pricing Proposal shall be payable within the thirty (30) days following the occurrence or event triggering the right to such compensation, upon submission of appropriate invoices by PrimeCare Medical.

LATE PAYMENT

The pricing in this Proposal is extremely competitive and was derived assuming prompt payment of all invoices. Invoices shall be paid within thirty (30) days of receipt by the West Virginia Division of Corrections or PrimeCare Medical shall be entitled to interest at the legal rate (6% per annum), as permitted by applicable West Virginia Code.

LIMITATIONS ON CATASTROPHIC LIABILITY

As set forth herein, the West Virginia Division of Corrections shall share in the cost of medical treatment as a result of catastrophic situations, as follows:

- PrimeCare Medical shall be liable only to the amount of \$5,000.00 for illness or injury per single adult inmate/patient with consistent primary diagnosis. Such capitation limit shall follow the inmate/patient throughout the system.

Any costs in excess of the catastrophic limits delineated above shall be paid by PrimeCare Medical, with any expenses in excess of this Catastrophic Limit being invoiced back to the West Virginia Division of Corrections on a quarterly basis as specified within the RFP. Catastrophic limits shall be calculated for the three hundred sixty-five (365) days following incurring of initial costs relating to the treatment of an inmate/patient affected by such illness or injury. Should an inmate/patient require further treatment for such illness or injury, PrimeCare Medical shall be liable for payment up to the catastrophic limit for an additional three hundred sixty-five (365) day period. The liability of PrimeCare Medical for such payments shall attach as of the effective date of this Agreement.

INMATES/PATIENTS HOUSED FROM OTHER JURISDICTIONS

Should the West Virginia Division of Corrections house contracted inmates/patients (Immigration and Naturalization Service, Federal Bureau of Prisons, U.S. Marshals Service, or other locations outside of the Division's jurisdiction), medical services shall be provided and paid for by PrimeCare Medical. Non-routine costs shall be documented and submitted by PrimeCare Medical to the Division to facilitate proper and timely reimbursements from the aforementioned agencies. All medical costs when reimbursed to the Division by the aforementioned agencies shall be 100% reimbursed in turn to PrimeCare Medical within thirty (30) days of receipt of these funds. The West Virginia Division of Corrections shall assure that all prescription medications, mobile x-rays, laboratory tests, physical therapy and all other non-routine health care costs and services are fully reimbursed to PrimeCare Medical. The Division shall make every effort to include the aforementioned reimbursements in contract negotiations with agencies outlined in this section. PrimeCare Medical shall not be responsible for medical expenses for inmates/patients held for other jurisdictions when there are no active criminal charges on the inmate/patient by the Division.

Additionally, PrimeCare Medical shall submit itemized invoices to NCC outlining separate charges for inmates/patients housed on the NRJ side and separate charges for inmates/patients

housed on the NCC side. The West Virginia Division of Corrections shall pay the total invoice and NRJ/RJA will reimburse the West Virginia Division of Corrections for inmates/patients on the NRJ side of the facility as detailed within the RFP.

ELECTIVE MEDICAL CARE

PrimeCare Medical will not be responsible for providing elective medical care to inmates/patients. "Elective Medical Care" means medical care which, if not provided, will not, in the opinion of the PrimeCare Medical Physician, cause the inmate's/patient's health to deteriorate or cause definite harm to the inmate/patient's well-being. Decisions concerning elective medical care shall be made by the PrimeCare Medical Utilization Review Committee.

LIQUIDATED DAMAGES

Should PrimeCare Medical of West Virginia, Inc. fail to satisfy its obligations under this Agreement, the West Virginia Division of Corrections, in addition to its right to declare PrimeCare Medical of West Virginia, Inc. in default, may assess against PrimeCare Medical liquidated damages as detailed in the RFP.

CHANGE IN LEGISLATION

In the event of any change to any existing legislation / law and/or any new legislation / law is passed pertaining to the provision and/or cost of health care services to inmates/patients, the same shall be considered a substantial change in the terms upon which any Health Services Agreement was negotiated and entered into. As a result, PrimeCare Medical and the West Virginia Division of Corrections agree that upon any such change in the law, to negotiate the effects such changes will have on the Health Services Agreement moving forward. In the event, such negotiations do not result in an agreement between PrimeCare Medical and the West Virginia Division of Corrections as to the appropriate adjustment(s) to be made to the Health Services Agreement, the Agreement may be terminated pursuant to the terms and conditions set forth in the contract.

CONSTRUCTION OR RENOVATION

In the event any changes to staffing, supplies or equipment, or services shall become necessary as a result of any construction and/or renovations now pending or undertaken in the future, to include the expansion / adoption of facilities contained within this RFP, any consequent increase or decrease in contract pricing shall be agreed to in advance prior to services or personnel being furnished.

ALTERNATIVE PRICE PROPOSAL

Based upon PrimeCare Medical's twenty-eight (28) years of experience in servicing correctional institutions and our knowledge of the State of West Virginia, we have developed an alternative pricing option which we feel will enhance the level of service being provided to the West

Virginia Division of Corrections and reduce the overall expense to the State of West Virginia. This Alternative Price Proposal shall adhere to all Technical specifications and requirements as set forth in the RFP. PrimeCare Medical is offering the West Virginia Division of Corrections with the following alternative pricing option:

- Aggregate **\$1,000,000.00** Catastrophic CAP:
- Limitations on Catastrophic Liability (Aggregate CAP):
 - In lieu of the Individual Catastrophic CAP's, PrimeCare Medical shall be liable only for the first **\$1,000,000.00** per contract year for all of the following medical services, (off-site medical care, hospitalizations, specialty consults, hemodialysis and peritoneal dialysis, chemotherapeutic treatments, radiation treatments, infectious disease treatments and medications, on-site OB/GYN services, laboratory services, radiology services, dialysis services, and all pharmaceutical medications) provided to the total inmate/patient population per contract year.

YEAR	ANNUAL FEE	MONTHLY FEE	PER DIEM
Contract Year #1	\$23,583,790.83	\$1,965,315.90	\$6.92

The above pricing shall be subject to an annual increase in compensation as approved by the West Virginia Division of Corrections and as permitted by the RFP, which shall be adjusted by the Cost-of-Living Index for the U.S. City Average of Medical Care Services as published by the United States Department of Labor, or a three (3.0%) percent increase, whichever is lower.

CONCLUSION

It is this combination of PrimeCare Medical's proven business philosophy in correctional medicine of over twenty-eight (28) years, the vast professional experiences of our multidisciplinary senior management team, our extensive comprehensive presence in West Virginia's correctional health care systems, proven ability to operate state-wide correctional systems, innovation into various technological advancements, and experience with local unions that makes PrimeCare Medical of West Virginia, Inc. the ideal health care solution for the West Virginia Division of Corrections.

Due to the unique and diverse composition of our senior corporate leadership, PrimeCare Medical of West Virginia, Inc. has the unparalleled capability to effectively engage in the type of strategic operational planning, medical/administrative consultation, and rapid response to emergent / client issues necessary for the proper delivery of medical services to the West Virginia Division of Corrections. As the longest standing provider of comprehensive correctional health care services to the State of West Virginia, PrimeCare Medical of West Virginia, Inc. has positioned itself in West Virginia to seamlessly transition the West Virginia Division of Corrections in the most cost effective and efficient manner possible.

PrimeCare Medical of West Virginia, Inc. will not only meet, but far exceed all levels of services presented in this proposal. The Company is highly qualified to implement this proposal, which is designed specifically to service the health care delivery systems for the West Virginia Division of Corrections. The result is the best possible health care package for the inmate/patient and the most cost effective delivery system for the West Virginia Division of Corrections.