



Proposal for

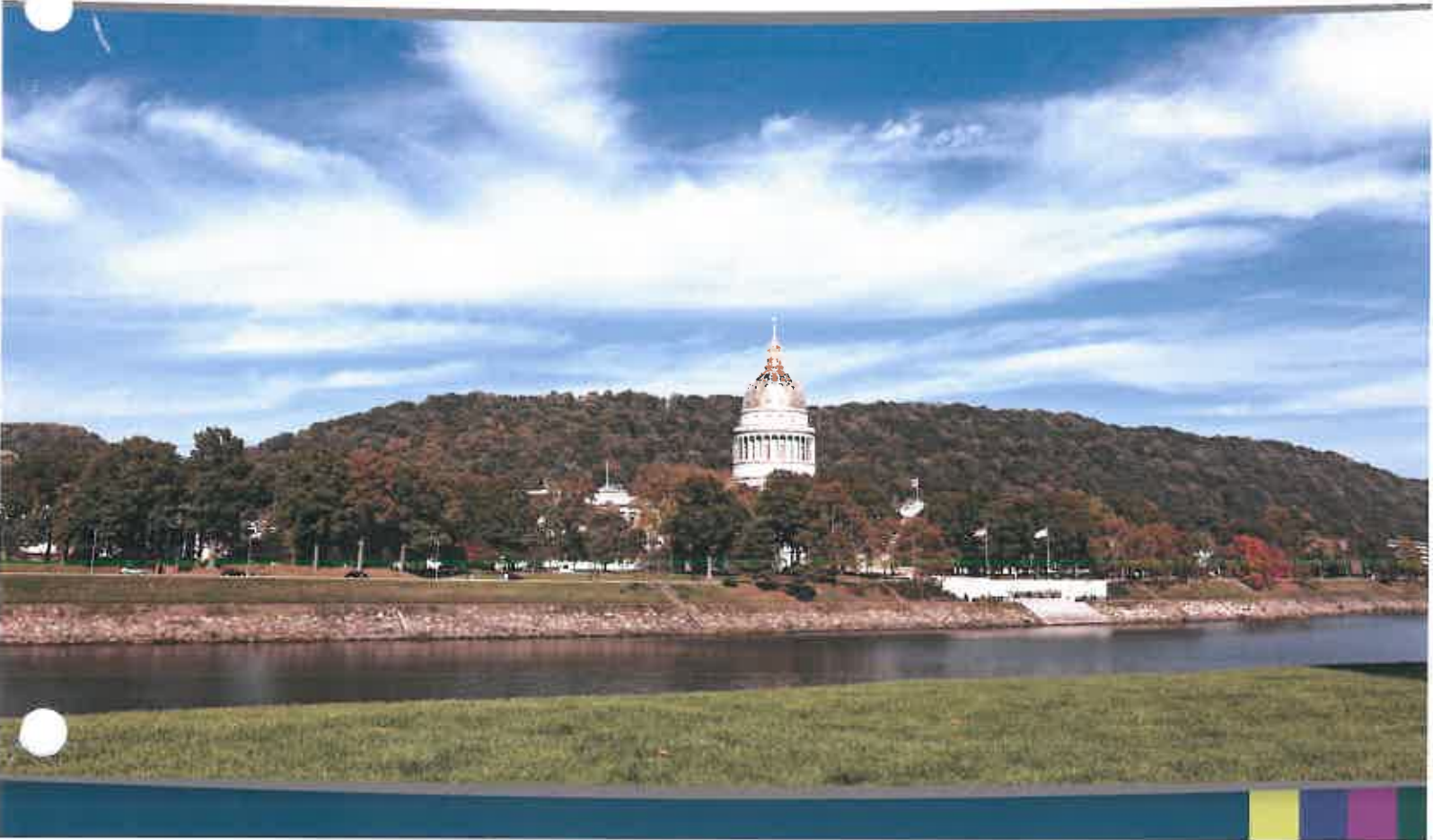
**The State of West Virginia**  
**Department of Health and Human Resources (DHHR)**  
**Bureau for Medical Services (BMS)**

Non Emergency Medical Transportation (NEMT)

CRFP No. 0511 BMS 1800000001

*Cost Proposal*

ORIGINAL

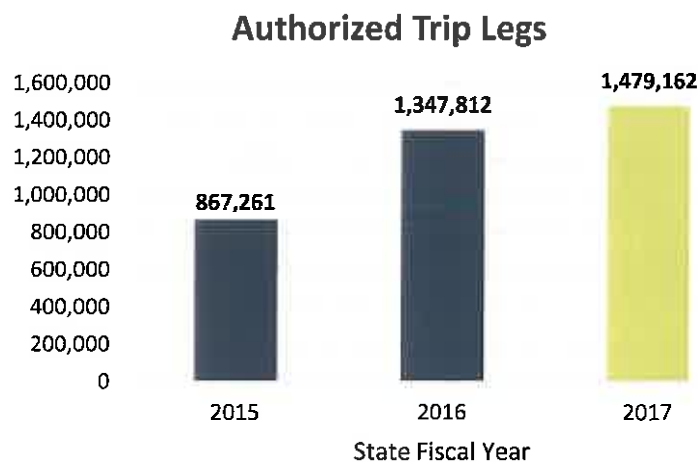


## Pricing Narrative

The West Virginia Department of Health and Human Resources (DHHR) and Bureau for Medical Services (BMS) wisely seeks a broker to provide non-emergency medical transportation (NEMT) services to its Medicaid members. The selected contractor must have the proven experience, processes, and staff to implement a NEMT program that ensures access to healthcare for members throughout West Virginia. MTM is pleased to present a cost proposal reflective of the BMS' goals and the requirements indicated within the RFP and addenda.

As West Virginia's current NEMT broker, MTM relied on our experience managing the program for the past three years to generate appropriate, realistic pricing. Other bidders who may not have such experience with and understanding of the program could run into financial problems in the future, ultimately decreasing beneficiary access to necessary services and sacrificing program quality. While an aggressively priced proposal may be enticing to BMS, brokers may intentionally or unintentionally underbid, forcing a rate increase further into the life of the contract. Recently in Wisconsin, South Carolina, and Maine, NEMT vendors underbid and were unable to operate the programs at the contracted rates. This resulted in the vendors walking away from the contracts before the terms had expired, causing many issues for the states.

With MTM, BMS can remain worry-free about our ability to provide the highest level of quality services at our proposed price, as we have under the current contract. As shown below, we accommodated a 71% increase in trip legs from fiscal year 2015 to 2017 under the established, capitated rate.



Further, we delivered a cost savings of \$3.4 million to BMS in the first contract year - \$1.5 million from implementing a brokerage model, and \$1.9 million through our proposed rebate. These are testaments to MTM's sound pricing methodology, as well as our commitment to the West Virginia NEMT program.

### **Drug Treatment Waiver**

MTM is aware of BMS' recent approval to add methadone treatment to covered services in West Virginia. We understand BMS' supposition that utilization will not increase with the addition of methadone treatment, as many of the members who will access this service already use the NEMT benefit in some way. In our experience, NEMT programs providing transportation to methadone treatment have much higher utilization due to the frequency members can access treatment. Currently, West Virginia limits access for the NEMT benefit to Suboxone treatment, which is often administered once per month. Conversely, individuals receiving methadone treatment may need treatment as often as once per day. Therefore, with the addition of methadone treatment as a covered service under BMS' NEMT program, MTM assumed a substantial increase in overall paid utilization within our proposed pricing. If BMS' assumption is correct and utilization falls below our estimate, BMS will recoup any over-payment through the rebate program.

### **Implementation Costs**

According to BMS' answers to Questions #6, #7, and #8 of Addendum Three, we budgeted a full mailing per household by applying a 1.3 factor to the current membership to derive the number of households. MTM can reduce this implementation cost for BMS by exploring other mailing options, such as only mailing materials to members who have used the NEMT benefit in last year, and/or using a postcard referring members to our website for more information. By limiting the mailing to members who have used NEMT service in the last year, MTM can reduce our implementation cost for BMS by approximately \$300,000. It is also important to note that conducting a comprehensive mailing will likely drive up utilization. MTM would be happy to discuss BMS' options and our experience implementing mailing alternatives, upon request.

### **Closing Summary**

As detailed throughout our proposal, we are prepared to build on our strong foundation to move BMS' NEMT program forward under the new contract term. Continuing the partnership between MTM and BMS will benefit all stakeholders, provide the best continuity of care for members, and offer the lowest risk and highest rewards for the State of West Virginia's NEMT Brokerage Program. MTM values our close relationship with BMS and hopes to continue managing the NEMT program for the State of West Virginia.

MTM has provided the required *Attachment C: Cost Sheet* on the following page.

## 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)-3 Months  |  |                           |                          |
|---|--|---------------------------|--------------------------|
| Expense   |  | Cost                      |                          |
| 1. Staffing   |  | 1) \$                     | 0.00                     |
| 2. Computer, including Software   |  | 2) \$                     | 0.00                     |
| 3. Telephone/Communications   |  | 3) \$                     | 0.00                     |
| 4. Facilities   |  | 4) \$                     | 0.00                     |
| 5. Consulting Services  |  | 5) \$                     | 0.00                     |
| 6. Other (detail on separate page) Mailing costs  |  | 6) \$                     | 0.00                     |
| <b>Total Not to Exceed 3-Month Implementation Cost<sup>1</sup></b><br>(Sum of Expense Costs.) |  | \$                        | <b>328,437.31</b>        |
| Operations Cost   |  |                           |                          |
| Contract Year   | Estimated Average Member Months <sup>2</sup> | Per Member Per Month Rate | Cost                     |
| Base Contract Period:<br>Base 1 <sup>st</sup> year<br>(excluding 3-month implementation):     | <b>518,977</b>                               | \$ <u>6.26</u> x 9        | \$ <u>29,256,746.76</u>  |
| Optional Renewal Year 1:  | <b>521,572</b>                               | \$ <u>6.31</u> x 12       | \$ <u>39,488,383.29</u>  |
| Optional Renewal Year 2:  | <b>524,180</b>                               | \$ <u>6.36</u> x 12       | \$ <u>39,975,231.45</u>  |
| Optional Renewal Year 3:  | <b>526,801</b>                               | \$ <u>6.40</u> x 12       | \$ <u>40,469,255.53</u>  |
| Optional Renewal Year 4:  | <b>529,435</b>                               | \$ <u>6.45</u> x 12       | \$ <u>40,971,455.27</u>  |
| Optional Renewal Year 5:  | <b>532,082</b>                               | \$ <u>6.50</u> x 12       | \$ <u>41,480,003.27</u>  |
| <b>Total Operations Cost<sup>3</sup></b><br>(Sum of Operations Costs for all Contract Years.) |  |                           | \$ <b>231,641,073.56</b> |

**Citation:**

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. Implementation period must not exceed 3 months.*
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.*
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.*

**Notes:**

1. *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.*
2. *All activities related to implementation must be completed prior to operational start date.*
3. *The number of months in the operational base year one has been determined to be nine (9) months to allow for 3-month implementation.*

Medical Transportation Management, Inc. (MTM)

(Company)

Alaina Maciá, President and CEO *Alaina Macia*

(Representative Name, Title)

636-695-5503 / 636-561-2962

(Contact Phone/Fax Number)

10/23/17

(Date)

If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal.



Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

State of West Virginia  
 Request for Proposal  
 26 – Medical

Proc Folder: 313130

Doc Description: Addendum Seven-RFP for Non Emergency Medical Transportation

Proc Type: Central Master Agreement

| Date Issued | Solicitation Closes    | Solicitation No         | Version |
|-------------|------------------------|-------------------------|---------|
| 2017-10-19  | 2017-10-26<br>13:30:00 | CRFP 0511 BMS1800000001 | 8       |

**BID RECEIVING LOCATION**

BID CLERK  
 DEPARTMENT OF ADMINISTRATION  
 PURCHASING DIVISION  
 2019 WASHINGTON ST E  
 CHARLESTON WV 25305  
 US

**VENDOR**

Vendor Name, Address and Telephone Number: Medical Transportation Management, Inc. (MTM)  
 16 Hawk Ridge Drive, Lake St. Louis, MO 63367  
 636-561-5686

**FOR INFORMATION CONTACT THE BUYER**

Charles D Barnette  
 (304) 558-2566  
 charles.d.barnette@wv.gov

Signature X *Khaina Nacia*

FEIN # 43-1719762

DATE 10/23/17

All offers subject to all terms and conditions contained in this solicitation



**ADDITIONAL INFORMATION:**

Addendum Seven:

- 1 - To provide responses to vendor questions.
- 2 - The bid opening remains on October 26, 2017 at 1:30 PM, EST.
- .her changes.

| INVOICE TO  |              | SHIP TO   |               |
|---|--------------|---|---------------|
| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251 |              | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251 |               |
| CHARLESTON  | WV25301-3709 | CHARLESTON  | WV 25301-3709 |
| US  |              | US  |               |

| Line | Comm Ln Desc                 | Qty | Unit Issue | Unit Price | Total Price |
|------|------------------------------|-----|------------|------------|-------------|
| 1    | Implementation Cost-Staffing |     |            |            | \$0.00      |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Implementation Cost-Staffing

| INVOICE TO  |              | SHIP TO   |               |
|---|--------------|---|---------------|
| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251 |              | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251 |               |
| CHARLESTON  | WV25301-3709 | CHARLESTON  | WV 25301-3709 |
| US  |              | US  |               |

| Line | Comm Ln Desc  | Qty | Unit Issue | Unit Price | Total Price |
|------|---|-----|------------|------------|-------------|
| 2    | Implementation Cost-Computer,<br>including Software |     |            |            | \$0.00      |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Implementation Cost-Computer, including Software

| INVOICE TO   |  | SHIP TO   |  |
|--|--|---|--|
| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>, CAPITOL ST, RM 251<br>CHARLESTON WV25301-3709<br>US |  | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV 25301-3709<br>US |  |

| Line | Comm Ln Desc                                    | Qty | Unit Issue | Unit Price | Total Price |
|------|---|-----|------------|------------|-------------|
| 3    | Implementation<br>Cost-Telephone/Communications |     |            |            | \$0.00      |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Implementation Cost-Telephone/Communications

| INVOICE TO   |  | SHIP TO   |  |
|--|--|---|--|
| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV25301-3709<br>US |  | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV 25301-3709<br>US |  |

| Line | Comm Ln Desc                   | Qty | Unit Issue | Unit Price | Total Price |
|------|--------------------------------|-----|------------|------------|-------------|
| 4    | Implementation Cost-Facilities |     |            |            | \$0.00      |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Implementation Cost-Facilities

| INVOICE TO   |  | SHIP TO   |  |
|--|--|---|--|
| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV25301-3709<br>US |  | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV 25301-3709<br>US |  |

| Line | Comm Ln Desc                               | Qty | Unit Issue | Unit Price | Total Price |
|------|--|-----|------------|------------|-------------|
| 5    | Implementation Cost-Consulting<br>Services |     |            |            | \$0.00      |



| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Implementation Cost-Consulting Services

| INVOICE TO                         |              | SHIP TO                            |               |
|------------------------------------|--------------|------------------------------------|---------------|
| PROCUREMENT OFFICER - 304-356-4861 |              | PROCUREMENT OFFICER - 304-356-4861 |               |
| HEALTH AND HUMAN RESOURCES         |              | HEALTH AND HUMAN RESOURCES         |               |
| BUREAU FOR MEDICAL SERVICES        |              | BUREAU FOR MEDICAL SERVICES        |               |
| 350 CAPITOL ST, RM 251             |              | 350 CAPITOL ST, RM 251             |               |
| CHARLESTON                         | WV25301-3709 | CHARLESTON                         | WV 25301-3709 |
| US                                 |              | US                                 |               |

| Line | Comm Ln Desc              | Qty | Unit Issue | Unit Price | Total Price  |
|------|---------------------------|-----|------------|------------|--------------|
| 6    | Implementation Cost-Other |     |            |            | \$328,437.31 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              | Mailing costs |         |

**Extended Description :**

Implementation Cost-Other

| INVOICE TO                         |              | SHIP TO                            |               |
|------------------------------------|--------------|------------------------------------|---------------|
| PROCUREMENT OFFICER - 304-356-4861 |              | PROCUREMENT OFFICER - 304-356-4861 |               |
| HEALTH AND HUMAN RESOURCES         |              | HEALTH AND HUMAN RESOURCES         |               |
| BUREAU FOR MEDICAL SERVICES        |              | BUREAU FOR MEDICAL SERVICES        |               |
| 350 CAPITOL ST, RM 251             |              | 350 CAPITOL ST, RM 251             |               |
| CHARLESTON                         | WV25301-3709 | CHARLESTON                         | WV 25301-3709 |
| US                                 |              | US                                 |               |

| Line | Comm Ln Desc                                   | Qty     | Unit Issue | Unit Price | Total Price     |
|------|--|---------|------------|------------|-----------------|
| 7    | Operations Year 1 Cost Per Member Per Month \$ | 518,977 | 9          | \$6.26     | \$29,256,746.76 |

| Comm Code | Manufacturer | Specification | Model # |
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| 81141604  |              |               |         |

**Extended Description :**

Operations Cost-Year 1 Cost Per Member Per Month \$

| INVOICE TO   |  | SHIP TO   |  |
|--|--|---|--|
| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>CAPITOL ST, RM 251<br>CHARLESTON WV25301-3709<br>US |  | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV 25301-3709<br>US |  |

| Line | Comm Ln Desc  | Qty     | Unit Issue | Unit Price | Total Price     |
|------|---|---------|------------|------------|-----------------|
| 8    | Operations Optional Year 1 Cost Per Member Per Month \$ | 521,572 | 12         | \$6.31     | \$39,488,383.29 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Operations Cost-Optional Year 1 Cost Per Member Per Month \$

| INVOICE TO   |  | SHIP TO   |  |
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| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV25301-3709<br>US |  | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV 25301-3709<br>US |  |

| Line | Comm Ln Desc  | Qty     | Unit Issue | Unit Price | Total Price     |
|------|---|---------|------------|------------|-----------------|
| 9    | Operations Optional Year 2 Cost Per Member Per Month \$ | 524,180 | 12         | \$6.36     | \$39,975,231.45 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Operations Cost-Optional Year 2 Cost Per Member Per Month \$

| INVOICE TO   |  | SHIP TO   |  |
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| PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV25301-3709<br>US |  | PROCUREMENT OFFICER - 304-356-4861<br>HEALTH AND HUMAN RESOURCES<br>BUREAU FOR MEDICAL SERVICES<br>350 CAPITOL ST, RM 251<br>CHARLESTON WV 25301-3709<br>US |  |

| Line | Comm Ln Desc   | Qty     | Unit Issue | Unit Price | Total Price     |
|------|--|---------|------------|------------|-----------------|
| 10   | Operations Cost-Optional Year 3 Cost Per Member Per Month \$ | 526,801 | 12         | \$6.40     | \$40,469,254.53 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Operations Cost-Optional Year 3 Cost Per Member Per Month \$

| INVOICE TO                         |              | SHIP TO                            |               |
|------------------------------------|--------------|------------------------------------|---------------|
| PROCUREMENT OFFICER - 304-356-4861 |              | PROCUREMENT OFFICER - 304-356-4861 |               |
| HEALTH AND HUMAN RESOURCES         |              | HEALTH AND HUMAN RESOURCES         |               |
| BUREAU FOR MEDICAL SERVICES        |              | BUREAU FOR MEDICAL SERVICES        |               |
| 350 CAPITOL ST, RM 251             |              | 350 CAPITOL ST, RM 251             |               |
| CHARLESTON                         | WV25301-3709 | CHARLESTON                         | WV 25301-3709 |
| US                                 |              | US                                 |               |

| Line | Comm Ln Desc  | Qty     | Unit Issue | Unit Price | Total Price     |
|------|---|---------|------------|------------|-----------------|
| 11   | Operations Optional Year 4 Cost Per Member Per Month \$ | 529,435 | 12         | \$6.45     | \$40,971,455.27 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Operations Cost-Optional Year 4 Cost Per Member Per Month \$

| INVOICE TO                         |              | SHIP TO                            |               |
|------------------------------------|--------------|------------------------------------|---------------|
| PROCUREMENT OFFICER - 304-356-4861 |              | PROCUREMENT OFFICER - 304-356-4861 |               |
| HEALTH AND HUMAN RESOURCES         |              | HEALTH AND HUMAN RESOURCES         |               |
| BUREAU FOR MEDICAL SERVICES        |              | BUREAU FOR MEDICAL SERVICES        |               |
| 350 CAPITOL ST, RM 251             |              | 350 CAPITOL ST, RM 251             |               |
| CHARLESTON                         | WV25301-3709 | CHARLESTON                         | WV 25301-3709 |
| US                                 |              | US                                 |               |

| Line | Comm Ln Desc  | Qty     | Unit Issue | Unit Price | Total Price     |
|------|---|---------|------------|------------|-----------------|
| 12   | Operations Optional Year 5 Cost Per Member Per Month \$ | 532,082 | 12         | \$6.50     | \$41,480,003.27 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 81141604  |              |               |         |

**Extended Description :**

Operations Cost-Optional Year 5 Cost Per Member Per Month \$

**SCHEDULE OF EVENTS**

| Line | Event                                 | Event Date |
|------|---------------------------------------|------------|
| 1    | Mandatory Pre-Bid Meeting at 1:30 PM  | 2017-07-26 |
| 2    | Technical Question Deadline by 4:00PM | 2017-08-02 |
| 3    | Extended Tech Questions by 4:00PM     | 2017-10-18 |

|                     |                                |   |                              |
|---------------------|--------------------------------|---|------------------------------|
| <b>BMS180000001</b> | <b>Document Phase</b><br>Final | <b>Document Description</b><br>Addendum Seven-RFP for Non Emergency<br>Medical Transportation | <b>Page 7</b><br><b>of 7</b> |
|---------------------|--------------------------------|---|------------------------------|

**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions