

## Cost Narrative

Access2Care is excited to bid on West Virginia's RFP for Non Emergency Transportation. With an effectively run program and a strong partnership with the State, Access2Care sees many opportunities to reduce the cost of the current program.

### Current Program Costs

According to the RFP and answers from the Q&A, West Virginia's cost in FY2013 for NEMT transportation was \$25.1M for approximately 351,367 members. This is a transport cost PMPM of about \$5.95 per month. We have assumed this excludes any administrative cost to the program. Approximately 80% of current transportation costs are for reimbursement to individuals and volunteers. The remaining dollars are spent on approximately 208,000 agency transports on an annual basis.

### Program Growth

Under the Affordable Care Act, the State has estimated an additional 78,500 members will join the program. At the current PMPM of \$5.95, this population could add an additional \$5.6M in transport cost to the program annually for a total of \$30.7M. Our pricing will realize annualized savings of nearly \$2M per year for the state and federal government, not including the administrative cost of the current program.

### Potential Savings

The December 2013 Performance Evaluation and Research Division report stated inadequacies in the mileage reimbursement program. This program cost the State \$20.1M in FY2013, constituting 80% of the total NEMT program cost. In our considerable experience transitioning a non-brokered program into a brokerage with very high mileage reimbursement use like West Virginia, we have seen a reduction of mileage reimbursement utilization and an increase in more expensive commercial provider transports. Our pricing assumes that, with the cooperation of the State, we can retain members in the mileage reimbursement program. Members who have used mileage reimbursement in the past would be required to retain this level of service. If circumstances out of the member's control make the mileage reimbursement program no longer the best transport solution, the member will be able to go through an appeal process to be provided a commercial transport. Rigorous oversight of mileage reimbursement claims will eliminate fraud, waste and abuse thus generating the savings we propose. With the State's cooperation and our effective administration and oversight of the mileage reimbursement program, our pricing is sustainable.

We believe there is additional cost savings in increased use of public transit. Public transit is one of the most cost effective solutions in NEMT. Our software application will automatically identify transports that qualify for public transit use, thus also reducing NEMT provider cost.

Lastly, with effective administration and oversight, we believe there is an opportunity to reduce NEMT provider cost on a per trip basis.



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

**Access2Care, LLC**  
**6200 S. Syracuse Way, Ste. 200**  
**Grenwood Village, CO 80111**

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		
					<b>Please See Attachment C</b>	
0002	1	EA		948-55		
				STAFFING		
					<b>Please See Attachment C</b>	
0003	1	EA		948-55		
				COMPUTER, INCLUDING SOFTWARE		
					<b>Please See Attachment C</b>	

SIGNATURE	TELEPHONE	DATE
	855-543-3430	3-26-2014
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
President	01-0876348	



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				TELEPHONE/COMMUNICATIONS		
					<b>Please See Attachment C</b>	
0005	1	EA		948-55		
				FACILITIES		
					<b>Please See Attachment C</b>	
0006	1	EA		948-55		
				CONSULTING SERVICES		
					<b>Please See Attachment C</b>	
0007	1	EA		948-55		
				OTHER		
					<b>Please See Attachment C</b>	
0008	1	EA		948-55		
				OPERATIONS COST		
					<b>Please See Attachment C</b>	

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0009	429,867	EA		948-55		<b>Please See Attachment C</b>
	SFY2015 (JULY 2014 - JUNE 2015)					
0010	442,327	EA		948-55		<b>Please See Attachment C</b>
	SFY2016 (JULY 2015- JUNE 2016) OPTIONAL RENEWAL					
0011	446,303	EA		948-55		<b>Please See Attachment C</b>
	SFY2017 (JULY 2016 - JUNE 2017) OPTIONAL RENEWAL					
	<b>Please See Attachment C</b>					
	***** THIS IS THE END OF RFQ BMS14156 ***** TOTAL: _____					

SIGNATURE 	TELEPHONE <b>855-543-3430</b>	DATE <b>3-26-2014</b>
TITLE <b>President</b>	FEIN <b>01-0876348</b>	ADDRESS CHANGES TO BE NOTED ABOVE

# 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			\$ 164,844
2. Computer, including Software			\$ _____
3. Telephone/Communications			\$ 7,719
4. Facilities			\$ 28,418
5. Consulting Services			\$ 55,200
6. Other (detail on separate page)			\$ 201,093
<b>Total Not to Exceed Implementation Cost<sup>1</sup></b> (Sum of Expense Costs.)			<b>\$ 457,274</b>
Operations Cost			
Contract Year	Estimated Average Member Months <sup>2</sup>	Per Member Per Month Rate	Cost
Base Contract Period: Year 1: Assumed SFY15	429,867	\$ 5.57 x 12	\$ 28,732,310
Optional Year 1: Assumed SFY 16	442,327	\$ 5.57 x 12	\$ 29,565,137
Optional Year 2: Assumed SFY17	446,303	\$ 5.57 x 12	\$ 29,830,893
<b>Total Operations Cost<sup>3</sup></b> (Sum of Operations Costs for all Contract Years.)			<b>\$ 88,128,340</b>
Total Cost of Contract <sup>4</sup> (See Notes Page)			
<b>Total Cost of Contract</b> (Sum of Total Implementation Cost and Total Operations Cost)			<b>\$ 88,585,614</b>

Implementation Cost (detail of Other)	
Expense	Cost
1. Beneficiary Mailing	<u>\$183,768</u>
2. Implementation Travel	<u>\$17,325</u>
<b>Total for Other</b>	<u>\$201,093</u>

# 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.*

## **Access2Care, LLC**

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(Company)

**Steven G. Murphy**

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(Representative Name, Title)

**866-860-8797 303-495-1295**

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(Contact Phone/Fax Number)

**3/26/2014**

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(Date)