

State of West Virginia

Division of Corrections

 **Centurion™**
ORIGINAL

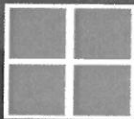
Professional Medical Services

Solicitation No. COR61566

BID TYPE

TECHNICAL

COST



Due Date:

August 5, 2014 @ 1:30 PM

Centurion is jointly owned by:



MHM Correctional Services, Inc.

The Public-Private Partner for Healthcare®

and

CENTENE®
Corporation

Submitted by:

**Centurion of
West Virginia, LLC**

1447 Peachtree St., Suite 500
Atlanta, GA 30309

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Attachment C: Cost Sheet (Revised In Addendum 12)
Attachment C-1: Cost Sheet (Provided in Addendum 15)

Pricing Introduction

Centurion's proposed price to provide statewide inmate comprehensive healthcare and mental health services to offenders in West Virginia appears on the following cost sheets, Attachment C and Attachment C-1, and is summarized below:

\$24,918,146	Department of Corrections Health Care and Mental Health Services
\$108,000	Mental Health Appraisals – DOC Inmates Housed At Regional Jails
\$72,000	Psychological Evals – DOC Inmates Housed at Regional Jails
<u>\$1,276,909</u>	Northern Regional Jail
\$26,375,055	Total Centurion Price

This total initial contract term pricing of \$26.4 million represents our best effort to provide the cost of a health services program that meets the expectations of the State and the needs of the inmate population. This price compares favorably to the current combined value of the prison and jail services represented by this RFP, when considering the increases in health services costs in recent years and the additional staff in the RFP's proposed staffing matrix.

Centurion has the experience to ensure that the State realizes maximum savings through the enrollment of inmates in the State's Medicaid program. Our pricing reflects our confidence in the ability to achieve these results for the State with a significant reduction in Centurion's under-capitation share of hospital costs. We have also included the addition of two regional staff to the State's preferred staffing matrix to focus on the efficient and cost effective management of outside specialty and hospital services. This additional staff and the maximization of the benefits of the Medicaid program will help to ensure that the over-capitation amounts that are the responsibility of the State will be minimized through a thorough monitoring and management process.

Centurion also commits to assessing the condition of all state-owned optometry and dental equipment at DOC facilities within the first 90 days of the contract and recommending to the State replacing and/or upgrading at no cost to the State any equipment not operating at peak efficiencies. This value-add offered by Centurion will increase the efficiency of services and quality of care that Centurion will provide to the program. These, and other value-adds available through a Centurion-managed program, will improve the delivery of medical services and provide the best value to the State under this RFP.

Centurion enjoys a working relationship with existing clients that features an atmosphere of openness, transparency and cooperation. We welcome the opportunity to begin a strong working relationship with the State by discussing factors which may not have been apparent in developing our price and would result in a reduction of our price. Centurion is also prepared to make recommendations in staffing and other areas, such as raising the capitation limit above the current \$5,000, which could result in a net savings to the State.

Centurion believes in partnering with our clients and sharing savings opportunities as we implement cost reduction measures - while at the same time meeting and/or exceeding contract performance targets and expectations. We operate with our existing clients under a variety of risk sharing and other contract mechanisms contributing to an unparalleled cost-efficient management of healthcare services for our clients. We are also transparent in our reporting which enables the state to know the true costs of the program. This underscores our desire to be an open and cooperative partner in our client relationships. We welcome the opportunity to discuss creative cost saving mechanisms in place in other Centurion programs that can be incorporated into a contract and that will ensure cost reductions accrue to the State.

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:

Item #	Description	Amount
1	Salaries - Healthcare Component	\$ 9,601,584
2	Associated Benefits - Healthcare Component	\$ 1,771,449
3	Pharmaceuticals - Healthcare Component	\$ 1,957,119
Provide Pharmaceutical Vendor Name and Location:		
Diamond Pharmacy Services, Indiana, Pennsylvania		
4	Optical	\$ 147,396
Provide Optical Vendor Name and Location:		
Institutional Eye Care, Lewisburg, Pennsylvania		
5	Other Miscellaneous Supplies - Healthcare Component	\$ 484,278
6	Salaries - Mental Health Healthcare Component	\$ 5,359,091
If applicable, provide subcontractor name		
PSIMED, South Charleston, West Virginia		
7	Associated Benefits - Mental Health Component	\$ -
8	Pharmaceutical and Other Mental Health Component Costs	\$ 323,775
Provide Pharmaceutical Vendor Name and Location:		
Diamond Pharmacy Services, Indiana, Pennsylvania		
9	Hospital	\$ 959,607
10	Specialty consults, referrals, etc.	\$ 1,193,192
11	Malpractice	\$ 165,057
12	Pharmacy Consult (for Work Release status inmates only)	\$ -

13	Administrative Overhead/Management Fee	\$ 1,995,291
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14	Other Costs - Please itemize and list any additional costs	\$ 960,307
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Total Annualized Cost		\$ 24,918,146
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Remittance will be annualized, divided by 12-months to equal monthly cost

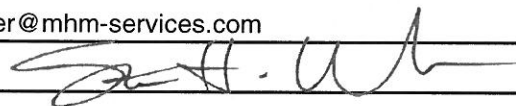
15	Mental Health Appraisals - DOC Inmates Housed at Regional Jails - Approximately 100/month - Vendor shall bid cost per appraisal.	\$90 Each \$108,000
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16	Psychological Evaluations - DOC Inmates Housed at Regional Jails Approximately 40/month - Vendor shall bid cost per appraisal	\$150 Each \$72,000
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Total #15 and #16		\$180,000
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Total Annualized Cost +Total #15 and #16		\$ 25,098,146
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Bidder/Vendor Information:

Name: Centurion of West Virginia, LLC
Address: 1477 Peachtree St., Suite 500
Atlanta, GA 30309
Phone No.: (703) 479-4600
Fax No: (703) 749-1630
Email Address: swheeler@mhm-services.com
Authorized Signature 
Steven H. Wheeler

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	\$106,409.08
Total annualized all-inclusive fee for Medical/Mental Health Services	\$1,276,909
Vendor must also provide an annualized itemized proposal to include:	
Salaries	\$592,265
Associated Benefits	\$118,698
Pharmaceuticals	\$137,990
<i>Provide Vendor Name & Location</i> Diamond Pharmacy Services, Indiana, Pennsylvania	
Optical <i>Provide Vendor Name & Location</i> Institutional Eye Care, Lewisburg, Pennsylvania	\$7,649
Other Miscellaneous Supplies	\$104,996
Contract Mental Health	\$29,909
Subcontractor Name PSIMED	
Hospital	\$134,666
Specialty Consult, referrals, etc	\$84,363
Malpractice	\$8,801
Administrative Overhead/Management Fee	\$57,572
TOTAL ANNUALIZED COST:	\$1,276,909