



Cost Proposal

West Virginia Department of Administration
Third Party Liability Services /CRFP BMS210000001

ORIGINAL

RESPONSE DUE:
December 15, 2020, 1:30 p.m. EST

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COST NARRATIVE

HMS VALUE FOR BMS

HMS is pleased to present a cost proposal to BMS, which reflects a reduction from our current rates. Our Cost Proposal for BMS is based on a thorough analysis of the anticipated expenses required to fully and accurately deliver all the services and meet the requirements and payment milestones in the RFP—over the life of the contract. **We developed this proposal predicated on the assumption that optional services would not be awarded. If BMS does award HMS the core scope of work and all optional services, we would be happy to discuss a discount on our prices during contract negotiation.**

Our proposed costs, as described in our completed Cost Form (RFP Attachment 2) are based on our national experience in providing these services as well as our understanding of the BMS project scope, resources needed to support the project, and necessary processes to successfully deliver the full scope of work. The proposed costs, combined with our experience, results, and consultative approach—offer the best value for BMS.

In summary, HMS offers BMS an exceptional cost for the entire contract term. In a new contract, we will collaborate with BMS to identify additional opportunities and develop innovative solutions to obtain maximum recoveries and cost savings to support BMS' mission for the West Virginia Medicaid program.

COST PROPOSAL ASSUMPTIONS

We included the following assumptions, organized by major service scope area, when developing our proposed cost for BMS.

THIRD PARTY LIABILITY (TPL) SERVICES ASSUMPTIONS

- HMS is waiving implementation fees and assumes full engagement from BMS and the State's MMIS vendor to ensure decisions are made promptly to maximize recoveries.
- Although there was a change from the current invoicing procedures for Third Party Adds, as addressed in the answers to questions, reducing the volume of adds upon which we can invoice, HMS is pleased to offer a discount from our current rates.
- HMS will include our new innovative COB on Demand service for real-time cost avoidance information at the same price as our standard cost avoidance services.
- HMS' MCO Come-Behind Encounter Billing services, offered to BMS to boost recoveries, along with providing a new informal MCO TPL audit program will be available at the same fee as all recovery services.

RECOVERY AUDIT CONTRACTOR (RAC) SERVICES ASSUMPTIONS

- Driving a successful Medicaid RAC program is heavily dependent on a state's philosophy on provider audits. Our current experience in 13 states is a result of each program holding providers accountable for billing claims to Medicaid correctly, and doing so while minimizing provider abrasion.
- For this procurement the specific audit types, available claim population, concepts and overlapping work performed by other program integrity vendors is unknown. Our RAC team will work with BMS to determine the full audit opportunity that BMS will support. We are proposing a contingency, which assumes the State will not put restrictions on claim types, provider types and provider record limits. The contingency fee for overpayments does not exceed that of the highest Medicare RAC, as specified by CMS in the Federal Register, which is currently 17.46%.
- The fees are being proposed with the assumption that, at a minimum, we will be able to perform both payment analytic and clinical claim reviews that have been found to be successful in other State RAC programs, such as DRG reviews and Place of Service review as outlined in the RAC Services & audit process sections of the RFP.

MEDICARE BUY-IN PROGRAM ASSUMPTIONS

- We are waiving implementations fees. It will be critical that HMS has full engagement from BMS to help ensure decisions are made promptly to meet implementation timelines.
- The monthly enrollment volume for WV Medicare Buy-in is 76,760
- BMS will provide HMS with the current Buy-in processes to review and propose specific enhancements to the program.

PREMIUM REIMBURSEMENT PROGRAM ASSUMPTIONS

- We are waiving implementations fees. It will be critical that HMS has full engagement from BMS to help ensure decisions are made promptly to meet implementation timelines and maximize enrollment.
- Cost proposal assumes continued growth and increased maintenance costs for this program.

WORK INCENTIVE PROGRAM ASSUMPTIONS

- We are waiving implementations fees. It will be critical that HMS has full engagement from BMS to help ensure decisions are made promptly to meet implementation timelines and maximize enrollment.

- **HMS is pleased to offer a lower PMPM rate for the Work Incentive Program under the new contract while also implementing additional processes including an online web portal for member application.**

ENHANCEMENT HOURS ASSUMPTIONS

- **HMS understands that the Enhancement hours reflect additional hours to address unforeseen events. We are working under premise that these hours may also be used for upcoming changes necessary due to the MES implementation. We have provided a blended rate for the Enhancement hours as a result of the unknown level of technical skill and experience of the resources needed for the enhancements. For each requested enhancement, we will be happy to work with BMS to discuss the detailed requirements and will provide the estimated costs, for BMS approval, in advance of any work being performed.**

**West Virginia Bureau for Medical Assistance Services and West Virginia Children's Health
Insurance Program - Third Party Liability RFP**

Vendor: <Insert Name>

No.	Instructions
1	This Microsoft Excel Cost Workbook contains a cost worksheet designed to provide an understanding of the costing models used by the Vendor. Use of this Cost Workbook is essential for the State to evaluate the Vendor's proposal, and it is essential the Vendor use this form in preparing its pricing response to this RFP.
2	Completion of the Cost Proposal Workbook is mandatory.
3	Cost information detailed in the RFP must be submitted in a separate sealed envelope. Cost should be clearly marked.
4	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.
5	The Vendor shall be paid an implementation price of the amount specified in the Vendor's proposal set forth in this Attachment. Payment of the implementation cost of the contract shall be made by BMS 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, and must be in accordance with Service Level Agreements (SLA)-001: Deliverable Service Level, per Table A3.2, and SLA-002: Solution Acceptance, per Table A3.3 of the RFP.
6	The "Total" column will be automatically calculated using the information entered in the Workbook. The Vendor must not change or modify content in this column.
7	The Reference tab includes historical costs for Mandatory and Optional Services. Cost references are for bid purposes only. All quantities included in the pricing page are to be considered estimates, which will be used for evaluation of bid purposes only. Actual utilization may be higher or lower than the estimates contained on the pricing page. Pricing submitted on pricing page is firm for the life of the contract.
8	Project deliverables will be charged using a firm-fixed-price. It is expected that the proposed cost per deliverable is all inclusive of initial submission and any updates or maintenance required. Payments will be made using a deliverables-based approach.
9	The list of deliverables provided in this document are deliverables the State has identified as critical for the TPL program. All tasks associated with the implementation services proposed must be included in the total one-time cost for that service.
10	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.
11	All activities related to implementation must be completed prior to operational start date.
12	The number of months in the operational base year one has been determined to be 9 months to allow for 3-month implementation.

Instructions:
 1) Vendors shall populate the yellow highlighted cells within each table with a value for each solution of the TPL program, including Optional Services. This tab of the spreadsheet applies to only Medicaid beneficiaries, and excludes the WVCHIP population.
 2) The annual total amount and total project cost will auto-calculate. The total project cost is the sum of each annual cost amount, and implementation costs.
 3) Recoveries are calculated at a percentage fee, whereas Third Party Adds is a Per Policy Add arrangement. Optional services, including Medicare Buy-In, Premium Reimbursement Program(s), and Work Incentive/Premium Program(s), are also a PMPM arrangement whereas RAC services are a percentage fee. Enhancement Services reflect additional hours necessary to complete unforeseen activities and are capped at 4,000 hours annually, and is for bid purposes only.
 4) Estimated Annual Recoveries for Percentage Fees and Enhancement Hours are adjusted for the 9 month term for Base Year 1 by multiplying the proposed percentage fee by 0.75.
 5) Estimated Annual Fees for PMPM arrangements are adjusted for the 9 month term for Base Year 1 by multiplying by 9, and for full term years by multiplying by 12.
 6) Implementation period must not exceed 3 months, and must be in accordance with Service Level Agreements (SLA)-001: Deliverable Service Level, per Table A3.2, and SLA-002: Solution Acceptance, per Table A3.3 of the RFP. BMS has defined Task Group 4 - Solution Deployment, payment milestones 7 through 9, as the overall completion of deployment to production as found in Appendix 2: Deliverables and Milestones Dictionary. The total value of payment milestones 7 through 9 will be equal to 30% of the total implementation cost.

Section A: Mandatory Services														
RFP Reference	Service/Program	Base Year 1 (3 Month Implementation) Proposed Fees												Total
Section A	Implementation Costs for Mandatory Services (3 months prior to operational services)	\$	\$											\$
RFP Reference	Service/Program	Base Year 1 (9 Month Term) Proposed Rate	Base Year 1 (9 Month Term) Estimated Annual Recovery	Base Year 2 Proposed Rate	Base Year 2 Estimated Annual Recovery	Base Year 3 Proposed Rate	Base Year 3 Estimated Annual Recovery	Optional Renewal Year 1 Proposed Rate	Optional Renewal Year 1 Estimated Annual Recovery	Optional Renewal Year 2 Proposed Rate	Optional Renewal Year 2 Estimated Annual Recovery	Optional Renewal Year 3 Proposed Rate	Optional Renewal Year 3 Estimated Annual Recovery	Total
Section A	Percentage Fee for Recoveries (Cost-Avoidance/TPL Additions; Post-Payment Recovery; TPL Credit Balance Audits; Medicare, Tri-Care, and Commercial Recovery; Trauma Recovery; and Estate Recovery)	10.95%	\$ 752,664.13	10.95%	\$ 1,003,552.17	10.95%	\$ 1,003,552.17	10.95%	\$ 1,003,552.17	10.95%	\$ 1,003,552.17	10.95%	\$ 1,003,552.17	\$ 5,770,424.98
RFP Reference	Service/Program	Base Year 1 (9 Month Term) Proposed Rate	Base Year 1 (9 Month Term) Estimated Annual Fees	Base Year 2 Proposed Rate	Base Year 2 Estimated Annual Fees	Base Year 3 Proposed Rate	Base Year 3 Estimated Annual Fees	Optional Renewal Year 1 Proposed Rate	Optional Renewal Year 1 Estimated Annual Fees	Optional Renewal Year 2 Proposed Rate	Optional Renewal Year 2 Estimated Annual Fees	Optional Renewal Year 3 Proposed Rate	Optional Renewal Year 3 Estimated Annual Fees	Total
Section A	Verified Third Party Adds (Per Policy Add)	\$ 27.50	\$ 1,856,250.00	\$ 27.50	\$ 2,475,000.00	\$ 27.50	\$ 2,475,000.00	\$ 27.50	\$ 2,475,000.00	\$ 27.50	\$ 2,475,000.00	\$ 27.50	\$ 206,250.00	\$ 11,962,500.00
Section A: Total Mandatory Services Costs			\$ 2,608,914.13		\$ 3,478,552.17		\$ 3,478,552.17		\$ 3,478,552.17		\$ 3,478,552.17		\$ 1,209,802.17	\$ 17,732,924.98
Section A: Total Mandatory Services Costs														

Section B: Optional Services														
RFP Reference	Service/Program	Base Year 1 (3 Month Implementation) Proposed Fees												Total
Section B	Implementation Costs for RAC Services (3 months prior to operational services)	\$	\$											\$
RFP Reference	Service/Program	Base Year 1 (9 Month Term) Proposed Rate	Base Year 1 (9 Month Term) Estimated Annual Recovery	Base Year 2 Proposed Rate	Base Year 2 Estimated Annual Recovery	Base Year 3 Proposed Rate	Base Year 3 Estimated Annual Recovery	Optional Renewal Year 1 Proposed Rate	Optional Renewal Year 1 Estimated Annual Recovery	Optional Renewal Year 2 Proposed Rate	Optional Renewal Year 2 Estimated Annual Recovery	Optional Renewal Year 3 Proposed Rate	Optional Renewal Year 3 Estimated Annual Recovery	Total
Section B	Percentage Fee for RAC Overpayments - Medical/Dental/DME	16.00%	\$ 420,000.00	16.00%	\$ 560,000.00	16.00%	\$ 560,000.00	16.00%	\$ 560,000.00	16.00%	\$ 560,000.00	16.00%	\$ 560,000.00	\$ 2,660,000.00
Section B	Percentage Fee for RAC Underpayments - Medical/Dental/DME	16.00%	\$ 42,000.00	16.00%	\$ 56,000.00	16.00%	\$ 56,000.00	16.00%	\$ 56,000.00	16.00%	\$ 56,000.00	16.00%	\$ 56,000.00	\$ 266,000.00
Total Optional RAC Costs														
RFP Reference	Service/Program	Base Year 1 (3 Month Implementation) Proposed Fees												Total
Section B	Implementation Costs for Medicare Buy-In (3 months prior to operational services)	\$	\$											\$

RFP Reference	Service/Program	Base Year 1 (9 Month Term) Proposed Rate	Base Year 1 (9 Month Term) Estimated Annual Fees	Base Year 2 Proposed Rate	Base Year 2 Estimated Annual Fees	Base Year 3 Proposed Rate	Base Year 3 Estimated Annual Fees	Optional Renewal Year 1 Proposed Rate	Optional Renewal Year 1 Estimated Annual Fees	Optional Renewal Year 2 Proposed Rate	Optional Renewal Year 2 Estimated Annual Fees	Optional Renewal Year 3 Proposed Rate	Optional Renewal Year 3 Estimated Annual Fees	Total	
Section B	Medicare Buy-In (PMPM)	\$ 0.95	\$ 656,296.00	\$ 0.95	\$ 875,064.00	\$ 0.95	\$ 875,064.00	\$ 0.95	\$ 875,064.00	\$ 0.95	\$ 875,064.00	\$ 0.95	\$ 875,064.00	\$ 5,031,618.00	
Total Optional Medicare Buy-In Costs															
RFP Reference	Service/Program	Base Year 1 (9 Month Implementation)													Total
Section B	Implementation Costs for Premium Reimbursement Program(s) (3 months prior to operational services)	\$	\$												\$
RFP Reference	Service/Program	Base Year 1 (9 Month Term) Proposed Rate	Base Year 1 (9 Month Term) Estimated Annual Fees	Base Year 2 Proposed Rate	Base Year 2 Estimated Annual Fees	Base Year 3 Proposed Rate	Base Year 3 Estimated Annual Fees	Optional Renewal Year 1 Proposed Rate	Optional Renewal Year 1 Estimated Annual Fees	Optional Renewal Year 2 Proposed Rate	Optional Renewal Year 2 Estimated Annual Fees	Optional Renewal Year 3 Proposed Rate	Optional Renewal Year 3 Estimated Annual Fees	Total	
Section B	Premium Reimbursement Program(s) (PMPM)	\$ 35.00	\$ 94,500.00	\$ 35.00	\$ 126,000.00	\$ 35.00	\$ 126,000.00	\$ 35.00	\$ 126,000.00	\$ 35.00	\$ 126,000.00	\$ 35.00	\$ 126,000.00	\$ 724,500.00	
Total Optional Premium Reimbursement Program(s) Costs															
RFP Reference	Service/Program	Base Year 1 (9 Month Implementation)													Total
Section B	Implementation Costs for Work Incentive/Premium Program(s) (3 months prior to operational services)	\$	\$												\$
RFP Reference	Service/Program	Base Year 1 (9 Month Term) Proposed Rate	Base Year 1 (9 Month Term) Estimated Annual Fees	Base Year 2 Proposed Rate	Base Year 2 Estimated Annual Fees	Base Year 3 Proposed Rate	Base Year 3 Estimated Annual Fees	Optional Renewal Year 1 Proposed Rate	Optional Renewal Year 1 Estimated Annual Fees	Optional Renewal Year 2 Proposed Rate	Optional Renewal Year 2 Estimated Annual Fees	Optional Renewal Year 3 Proposed Rate	Optional Renewal Year 3 Estimated Annual Fees	Total	
Section B	Work Incentive/Premium Program(s) (PMPM)	\$ 20.00	\$ 189,000.00	\$ 20.00	\$ 252,000.00	\$ 20.00	\$ 252,000.00	\$ 20.00	\$ 252,000.00	\$ 20.00	\$ 252,000.00	\$ 20.00	\$ 252,000.00	\$ 1,449,000.00	
Total Optional Work Incentive/Premium Program(s) Costs															
RFP Reference	Service/Program	Base Year 1 (9 Month Term) Proposed Hourly Rate	Base Year 1 (9 Month Term) Estimated Annual Fees	Base Year 2 Proposed Hourly Rate	Base Year 2 Estimated Annual Fees	Base Year 3 Proposed Hourly Rate	Base Year 3 Estimated Annual Fees	Optional Renewal Year 1 Proposed Hourly Rate	Optional Renewal Year 1 Estimated Annual Fees	Optional Renewal Year 2 Proposed Hourly Rate	Optional Renewal Year 2 Estimated Annual Fees	Optional Renewal Year 3 Proposed Hourly Rate	Optional Renewal Year 3 Estimated Annual Fees	Total	
Section 5.3.7	Enhancement Hours (4,000 hours/year)	\$ 115.00	\$ 345,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 2,645,000.00	
Total Optional Enhancement Hours Costs														\$ 2,645,000.00	
Section B: Total Optional Services Costs														\$ 11,779,119.00	
Grand Total: Mandatory Services and Optional Services Operational Costs															

Instructions:
 1) Vendors shall populate the yellow highlighted cells within each table with a value for each solution of the TPI program. This tab of the spreadsheet applies to only WVCHIP beneficiaries, and excludes the Medicaid population.
 2) The annual total amount and total project cost will auto-calculate. The total project cost is the sum of each annual cost amount, and implementation costs.
 3) Recoveries are calculated at a percentage fee, whereas Third Party Adds is a Per Policy Add arrangement. Enhancement Services reflect additional hours necessary to complete unforeseen activities and are capped at 4,000 hours annually, and is for bid purposes only.
 4) Estimated Annual Recoveries for Percentage Fees and Enhancement Hours are adjusted for the 9 month term for Base Year 1 by multiplying the proposed percentage fee by 0.75.
 5) Estimated Annual Fees for PMPM arrangements are adjusted for the 9 month term for Base Year 1 by multiplying by 9, and for full term years by multiplying by 12.
 6) Implementation period must not exceed 3 months, and must be in accordance with Service Level Agreements (SLA)-001: Deliverable Service Level, per Table A3.2, and SLA-002: Solution Acceptance, per Table A3.3 of the RFP. BMS has defined Task Group 4 - Solution Deployment, payment milestones 7 through 9, as the overall completion of deployment to production as found in Appendix 2: Deliverables and Milestones Dictionary. The total value of payment milestones 7 through 9 will be equal to 30% of the total implementation cost.

Section A: Mandatory Services														
RFP Reference	Service/Program	Base Year 1 (3 Month Implementation)												Total
Section A	Implementation Costs for Mandatory Services (3 months prior to operational services)	\$	\$											\$
RFP Reference	Service/Program	Base Year 1 (9 Month Term): Proposed Rate	Base Year 1 (9 Month Term): Estimated Annual Recovery	Base Year 2: Proposed Rate	Base Year 2: Estimated Annual Recovery	Base Year 3: Proposed Rate	Base Year 3: Estimated Annual Recovery	Optional Renewal Year 1: Proposed Rate	Optional Renewal Year 1: Estimated Annual Recovery	Optional Renewal Year 2: Proposed Rate	Optional Renewal Year 2: Estimated Annual Recovery	Optional Renewal Year 3: Proposed Rate	Optional Renewal Year 3: Estimated Annual Recovery	Total
Section A	Percentage Fee for Recoveries (Casualty-Trauma Recovery)	10.95%	\$ 6,159.38	10.95%	\$ 8,212.50	10.95%	\$ 8,212.50	10.95%	\$ 8,212.50	10.95%	\$ 8,212.50	10.95%	\$ 8,212.50	\$ 47,221.88
RFP Reference	Service/Program	Base Year 1 (9 Month Term): Proposed Rate	Base Year 1 (9 Month Term): Estimated Annual Fees	Base Year 2: Proposed Rate	Base Year 2: Estimated Annual Fees	Base Year 3: Proposed Rate	Base Year 3: Estimated Annual Fees	Optional Renewal Year 1: Proposed Rate	Optional Renewal Year 1: Estimated Annual Fees	Optional Renewal Year 2: Proposed Rate	Optional Renewal Year 2: Estimated Annual Fees	Optional Renewal Year 3: Proposed Rate	Optional Renewal Year 3: Estimated Annual Fees	Total
Section A	Per Member Verified Third Party Adds (Per Policy Add)	\$ 27.50	\$ 111,375.00	\$ 27.50	\$ 148,500.00	\$ 27.50	\$ 148,500.00	\$ 27.50	\$ 148,500.00	\$ 27.50	\$ 148,500.00	\$ 27.50	\$ 148,500.00	\$ 853,875.00
Section A. Total Mandatory Services Costs:		\$ 117,534.38	\$ 117,534.38	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 156,712.50	\$ 901,096.88

Section A: Total Mandatory Services Costs \$ 901,096.88

Section B: Optional Services														
RFP Reference	Service/Program	Base Year 1 (9 Month Term): Proposed Hourly Rate	Base Year 1 (9 Month Term): Estimated Annual Fees	Base Year 2: Proposed Hourly Rate	Base Year 2: Estimated Annual Fees	Base Year 3: Proposed Hourly Rate	Base Year 3: Estimated Annual Fees	Optional Renewal Year 1: Proposed Hourly Rate	Optional Renewal Year 1: Estimated Annual Fees	Optional Renewal Year 2: Proposed Hourly Rate	Optional Renewal Year 2: Estimated Annual Fees	Optional Renewal Year 3: Proposed Hourly Rate	Optional Renewal Year 3: Estimated Annual Fees	Total
Section 5.3.7	Enhancement Hours (4,000 hours/year)	\$ 115.00	\$ 345,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 115.00	\$ 460,000.00	\$ 2,645,000.00
Total Optional Enhancement Hours Costs:			\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00	\$ 2,645,000.00
Section B: Total Optional Services Costs:			\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00		\$ 2,645,000.00	\$ 2,645,000.00

Grand Total: Mandatory and Optional Services Costs: \$ 3,346,096.88

Instructions: This tab auto-populates totals from the Medicaid and WVCHIP tabs, and combines proposed rates and overall costs for both programs. Vendors should not edit or revise these figures.

Section A: Mandatory Services		
RFP Reference	Service/Program	Total
Section 4.1	Recoveries (Cost-Avoidance/TPL Additions; Post-Payment Recovery; TPL Credit Balance Audits; Medicare, Tri-Care, and Commercial Recovery; Trauma Recovery; and Estate Recovery)	\$ 5,817,646.85
Section 4.1	Third Party Adds	\$ 12,816,375.00
Section 4.1	Mandatory Services Implementation Costs	\$ -
Section A: Total Mandatory Services Costs		\$ 18,634,021.85
Section B: Optional Services		
RFP Reference	Service/Program	Total
Section 4.1	RAC (Underpayment and Overpayments)	\$ 2,926,001.60
Section 4.1	RAC Implementation Costs	\$ -
Total Optional RAC Costs		\$ 2,926,001.60
RFP Reference	Service/Program	Total
Section 4.1	Medicare Buy-In	\$ 5,031,618.00
Section 4.1	Medicare Buy-In Implementation Costs	\$ -
Total Optional Medicare Buy-In Costs		\$ 5,031,618.00
RFP Reference	Service/Program	Total
Section 4.1	Premium Reimbursement Program(s)	\$ 724,500.00
Section 4.1	Premium Reimbursement Program(s) Implementation Costs	\$ -
Total Optional Premium Reimbursement Program Costs		\$ 724,500.00
RFP Reference	Service/Program	Total
Section 4.1	Work Incentive/Premium Program(s)	\$ 1,449,000.00
Section 4.1	Work Incentive/Premium Program(s) Implementation Costs	\$ -
Total Optional Work Incentive Program Costs		\$ 1,449,000.00
RFP Reference	Service/Program	Total
Section B	Enhancement Services (4,000 hours/annually)	\$ 5,290,000.00
Section B: Total Optional Services Costs		\$ 15,421,119.60
Grand Total: Mandatory Services and Optional Services Costs (Medicaid and WVCHIP)		\$ 34,055,141.45

Instructions: Vendors should use this information to inform their proposed costs for the Cost Workbook tab. Costs below are historical program costs for each Mandatory and Optional Services, reflective as of November 2019. RAC services are based upon Fee For Service (FFS) membership figures from February 2020. Cost references are for bid purposes only.

Service/Program	Costs/Members Medicaid	Costs/Members WVCHIP
Annual Recoveries (Cost-Avoidance/TPL Additions; Post-Payment Recovery; TPL Credit Balance Audits; Medicare, Tri-Care, and Commercial Recovery; Trauma Recovery; and Estate Recovery)	\$ 9,164,860.00	\$ 75,000.00
Monthly Third Party Adds (Average Members per Month)	7,500	450
Optional Service: Annual Recoveries for RAC, Overpayment - Medical/Dental/DME	\$ 3,500,000.00	
Optional Service: Annual Recoveries for RAC, Underpayments - Medical/Dental/DME	\$ 350,000.00	
Optional Service: Monthly Medicare Buy-In (Average Members Per Month)	76,760	
Optional Service: Monthly Premium Reimbursement Program(s) (Average Members Per Month)	300	
Optional Service: Monthly Work Incentive/Premium Program(s) (Average Members Per Month)	1,050	