



COMMONWEALTH of VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

600 East Broad Street, Suite 1300

Richmond, VA 23219

June 25, 2014

ADDENDUM No. 2 TO VENDORS:

Reference Request for Proposal: RFP 2014-01
Dated: May 28, 2014
Due: July 15, 2014

Below are updates that may delete, add, modify or clarify certain aspects of the aforementioned RFP. Please incorporate as necessary.

Page 97-117 Attachment I Cost Proposal

CHANGE- Attachment I Cost Proposal is changed per the attached.

A signed acknowledgment of this addendum must be received by this office either prior to the due date and hour required or attached to your proposal response. Signature on this addendum does not substitute for your signature on the original proposal document. The original proposal document must be signed.

Sincerely,

Christopher M. Banaszak
DMAS Contract Manager

Name of Firm: _____

Signature and Title: _____

Date: _____

**ATTACHMENT I - COST PROPOSAL
OFFEROR'S COST DETAILS FOR PRICING
(Reference RFP # 2014-01 Section 18.3)**

Schedule A-1: Total Price

Item	Price
Implementation and Start-Up (Total from Schedule B)	\$
Total annual cost for Year 1 in Schedule B-1	\$
Total annual cost for Year 2 in Schedule B-1	\$
Total annual cost for Year 3 in Schedule B-1	\$
Total annual cost for Year 4 in Schedule B-1	\$
Total Contract Cost (Add amounts in right hand column)	\$
<i>Note: The Total Cost Proposal dollar amount will also be used for RFP 2014-01 Small Business Subcontracting Plan Scoring purposes.</i>	

**Schedule A-2: Independent Review of FAMIS
Appeals**

Item	Price
FAMIS Appeals (Total from Schedule C-1)	\$
<i>Note: Cost by 1 Appeal</i>	

**Schedule A-3: Education and Technical Assistance
or Quality Improvement**

Position	Hourly Rate
	\$
	\$
	\$
	\$
	\$
	\$

ATTACHMENT I - COST PROPOSAL
OFFEROR'S COST DETAILS FOR PRICING – OPTIONAL SERVICES
(Reference RFP # 2014-01 Section 18.3)

Schedule A-4: Total Price Optional Services

Item	Price
Total cost for HAP - Task F.3 <i>One 12 month period</i> (Total from Schedule D-1)	\$
Total cost for New to Medicaid Population - Task F.4 <i>One 12 month period</i> (Total from Schedule D-2)	\$
Total Contract Cost (Add amounts in right hand column)	\$
<p><i>Note¹: Cost for optional services is for informational purposes and will not be included in the scoring of cost proposals or the scoring of the Small Business Subcontracting Plans.</i></p> <p><i>Note²: Optional services may be implemented at the Departments discretion during the period of the contract resulting from RFP #2014-01.</i></p>	

Attachment I Cost Proposal
RFP #2014-01
STARTUP/IMPLEMENTATION COST (Tasks A-B)
Schedule B

Item	Price
A. Staffing	\$
B. Facilities	\$
C. Hardware	\$
D. Software (including maintenance)	\$
E. Office Supplies	\$
F. Telecommunications	\$
Other Costs (itemize: add more rows as necessary)	
A.	\$
B.	\$
C.	\$
Total Startup/Implementation Costs¹	
(Add totals in far right column)	
\$	
Note 1: This amount will be transferred to Schedule A-1 in row labeled "Start-up/Implementation cost."	
Note 2: Reference Section 18.3 Cost Proposal for disallowable administrative costs.	

Startup/Implementation will be reimbursed 30 days after successful implementation as determined by DMAS.

Attachment I Cost Proposal
RFP #2014-01
Contract Years 1-4
Schedule B-1

Task	Task Name	Unit Definition	Unit Cost ¹	# of Units Expected	Frequency ²	Annual Cost Year 1 ³	Annual Cost Year 2 ³	Annual Cost Year 3 ³	Annual Cost Year 4 ³
Task D	<i>Commonwealth Coordinated Care, the Financial Alignment Initiative for Medicare and Medicaid</i>	3 MCOs							
D.1	Annual Technical Report	Report	\$	1	Annual				
D.2	Performance Improvement Project Validation & training	PIPS Validation	\$	3	Annual				
D.3	Performance Measure Validation	MCOs	\$	3	Annual				
D.4	Comprehensive Onsite Operational Systems Review & Report	MCO	\$	3	Once				
D.5	Encounter Data Validation	MCO	\$	3	Twice				
			\$						
Task E	Validate Medicaid MCO Performance Improvement Projects & PIP training	PIPs Validation	\$	7	Annual				
F.1	Prenatal Care & Birth Outcomes	Focused Study	\$	1	Annual				
F.2	Improving the Health of Children in Adoption Assistance or Foster Care through MCOs.	Focused Study	\$	1	Annual				

¹ Unit cost to include all combined costs for the task (direct and indirect costs, staff resources, IT, travel, subcontracts, other). Reference Section 18.3 Cost Proposal for disallowable administrative costs.

² Frequency = duration of base contract (4 years). Reference Appendix F Four Year Timeline of Tasks.

³ Annual cost =unit cost x # of units expected x frequency. Reference Appendix F "Four Year Timeline of Tasks" to assist in calculating annual costs.

Task	Task Name	Unit Definition	Unit Cost ¹	# of Units Expected	Frequency ²	Annual Cost Year 1 ³	Annual Cost Year 2 ³	Annual Cost Year 3 ³	Annual Cost Year 4 ³
G.1	Quality Measure Set	MCOs	\$	7	Annual				
G.2	Performance Incentives Validation	MCOs	\$	7	Annual				
G.3	Health Care Needs Assessment-Population of Children in Adoption Assistance and Foster Care	MCOs	\$	7	Annual				
Task I	Calculate Measures For Asthma Related Emergency Department Utilization	Report	\$	1	Annual				
Task J	Calculate Measures for Managed Care Performance Incentive Awards Report	MCO	\$	7	Annual				
Task K	Conduct Medicaid MCO Operational Systems Review	MCO	\$	7	Every 3 years beginning CY 2017				
Task L	Produce EQR Annual Technical Report	Report	\$	1	Annual				
Task M	Implement and Validate Surveys – FAMIS (MCO+FFS combined) CAHPS for Children (general and chronic care conditions)	Survey	\$	1	Annual				
Task N	Encounter Data Validation Report	MCO	\$	1	Biennial				
					Total Annual Price (Transfer Amounts to Schedule A-1) ⁴				

⁴ Total Annual Prices must tie and agree to Total Annual Prices documented in Schedule B-1.1, B-1.2, B-1.3, and B-1.4.

SUBCONTRACTS		
Subtotal Subcontracts		
OTHER		
Subtotal Other		
		TOTAL ANNUAL PRICE³ \$

¹ Direct Costs are costs that can be directly associated with the contract, relatively easily, with a high degree of accuracy. Travel should be included as a direct cost. Costs should not be allocated as direct if any other costs incurred for the same purpose has been listed as an indirect cost.

² Indirect costs shall be limited to the portion of services applicable to the contract.

³ This amount shall agree to total annual price from Schedule B-1 and be transferred to Schedule A-1 Total Price.

SUBCONTRACTS		
Subtotal Subcontracts		
OTHER		
Subtotal Other		
	TOTAL ANNUAL PRICE³	\$

¹ Direct Costs are costs that can be directly associated with the contract, relatively easily, with a high degree of accuracy. Travel should be included as a direct cost. Costs should not be allocated as direct if any other costs incurred for the same purpose has been listed as an indirect cost.

² Indirect costs shall be limited to the portion of services applicable to the contract.

³ This amount shall agree to total annual price from Schedule B-1 and be transferred to Schedule A-1 Total Price.

SUBCONTRACTS		
Subtotal Subcontracts		
OTHER		
Subtotal Other		
	TOTAL ANNUAL PRICE³	\$

¹ Direct Costs are costs that can be directly associated with the contract, relatively easily, with a high degree of accuracy. Travel should be included as a direct cost. Costs should not be allocated as direct if any other costs incurred for the same purpose has been listed as an indirect cost.

² Indirect costs shall be limited to the portion of services applicable to the contract.

³ This amount shall agree to total annual price from Schedule B-1 and be transferred to Schedule A-1 Total Price.

SUBCONTRACTS		
Subtotal Subcontracts		
OTHER		
Subtotal Other		
		TOTAL ANNUAL PRICE³ \$

¹ Direct Costs are costs that can be directly associated with the contract, relatively easily, with a high degree of accuracy. Travel should be included as a direct cost. Costs should not be allocated as direct if any other costs incurred for the same purpose has been listed as an indirect cost.

² Indirect costs shall be limited to the portion of services applicable to the contract.

³ This amount shall agree to total annual price from Schedule B-1 and be transferred to Schedule A-1 Total Price.

Attachment I Cost Proposal
RFP #2014-01
Independent Review of FAMIS Appeals (Task H) Costs
Schedule C-1

Labor	FAMIS Appeals (Task H) ¹ <i>(Cost per 1 Appeal)</i>	
Position	FTE	# Hours
	Total Price²	\$

¹ Independent Review of Appeals are at the request of DMAS.

² Travel should be included in rate This amount shall be transferred to Schedule A-2.

