

### Cost Proposal Form

Complete parts I, II and III. Propose pricing for Initial Term (5/1/2008 – 2/28/2010) only. Option terms, if any, will be negotiated and authorized as set forth in Attachment 1 Contract Terms, Exhibit B, Special Provisions, Paragraph 38 Agreement Terms and Options.

Terms used herein, such as Claims Administration, New claims, Existing Claims, Runoff Claims, Data Conversion, indemnity, Medical only, Incident, Medical Management Services, PPO network, Medical Bill Review, Medical Provider Network, Hospital Bill Audit, Utilization Review, Field case Management and Peer Review shall have the same meaning as set forth in Attachment 1, Contract Terms, Exhibit B, paragraph 1.

I. For Claims Administration, the State will pay the Contractor the Cost Plus Rate, to fully staff the claims team and provide timely adjustment of any and all claim files, not to exceed the following amounts by Term.

- i. \$TBD\_\_\_\_\_ for the Initial Term.
- ii. \$TBD\_\_\_\_\_ for the First Option Term.
- iii. \$TBD\_\_\_\_\_ for the Second Option Term.
- iv. \$TBD\_\_\_\_\_ for the Third Option Term.

#### II. Reimbursement of Data Conversion Rates

Propose the Data Conversion rate per transfer of each county's runoff claims files. The transfer shall include all claims open, closed, indemnity, medical only, record only. The State will reimburse the Contractor the Data Conversion Rate, for Term, as set forth, below, for the actual number of Data Conversions transferred, for runoff claims, not to exceed the following amounts by Term. The AOC does not have a schedule for the take-over process of runoff claims; rather the APC will provide the new TPA contractor with 30 days notice when the runoff claims are ready for transfer. The requirements for electronic transfer of data will apply to these transfers.

- i. \$TBD\_\_\_\_\_ for the Initial Term.
- ii. \$TBD\_\_\_\_\_ for the First Option Term.
- iii. \$TBD\_\_\_\_\_ for the Second Option Term.
- iv. \$TBD\_\_\_\_\_ for the Third Option Term.

#### III. Payment for Medical Management Service Charges

Propose a flat fee or rate, as applicable, for each of the following Medical Management Services. The selected TPA contractor shall not invoice the AOC nor shall the AOC pay for review of duplicated bill reviews.

- i. PPO Network: \$TBD\_\_\_\_\_ flat fee per non-duplicated bill review.

- ii. Medical Bill Review: either \$TBD\_\_\_\_\_ flat fee per non-duplicated bill review or \$TBD\_\_\_\_\_ flat fee per billed line item or \$TBD\_\_\_\_\_ percentage of savings from non-duplicated bill review.
- iii. Hospital Bill Audit: \$TBD\_\_\_\_\_ flat fee for all non-duplicated bill reviews.
- iv. Utilization Review: \$TBD\_\_\_\_\_ per review, including pre-certification and concurrent UR during hospitalization, but not applicable to MPN provider.
- v. Telephonic Case Management: \$TBD\_\_\_\_\_ flat fee per Claim.
- vi. Field Case Management: \$TBD\_\_\_\_\_ per hour.
- vii. Peer Review: \$TBD\_\_\_\_\_ per half hour, billed in 15-minute increments; but not applicable to MPN provider.

*END OF FORM*