

Ohio Department of Medicaid, Office of Contracts and Procurement

Clinical Utilization Management and Prior Authorization Program

RFP Number: ODMR-2223-0006



Cost Proposal

October 26, 2022

2:00 PM Columbus Local Time

Cost Narrative

We are pleased to submit our cost proposal to ODM for the Clinical Utilization Management and Prior Authorization Program, and we confirm Permedion's costs align with RFP requirements. As a result of the technology and automation advancements and streamlined processes included in Permedion's proposal, in SFY24ODM will see a 5.9% discount to the current fees, and in SFY25, an additional 5.9% discount will be applied.

Our fees will not be adjusted for COLA until SFY28, which represents our commitment to remaining cost-effective to ODM despite continuing to see increased demand for clinical resources nationwide (which has significantly increased the cost of attracting and retaining qualified staff). Our top priority is to perform quality work at the highest standards; therefore, our proposed staff consists of highly qualified and specialized clinical experts to help support the contract scope.

| RFP Section 4.2 | Attachment C - Cost Proposal |
|--|--|
| A. Special Reviews | Pre-certification Reviews |
| B. Retrospective Reviews | Retrospective Reviews |
| C. Special Reviews | Retrospective Reviews |
| D. Focused Reviews | Focused Reviews |
| E. Community Behavioral Health Service Reviews | Behavioral Health and Substance Abuse Reviews |
| F. Psychiatric Hospital Admission Reviews | Pre-certification Reviews |
| G. Mobile Response & Stabilization Prior Authorizations | Mobile Response and Stabilization Service Prior Authorization |
| H. Prior Authorizations for Non-Institutional Services (including but not limited to outpatient dental, durable medical equipment, skilled therapies, hearing/vision, acupuncture, laboratory, chiropractor, etc.) | Prior Authorization for Non-Institutional Services |
| I. Provider Prior Authorizations Appeal Requests | Fee not included. Contract is with the individual MCEs and fees are not paid by ODM for MCE Provider Appeal SOW. |
| J. Prior Authorizations for Home Health Services | Prior Authorization for Home Health Services |
| K. Prior Authorizations for Private Duty Nursing | Prior Authorization for Private Duty Nursing |
| L. Offeror Prior Authorization Appeal Requests | Provider Prior Authorizations Appeal Requests |
| R. Other Prior Authorizations | Other Prior Authorizations |

We greatly value the partnership we have today with ODM in providing your UM/PA services. Permedion has submitted a fully compliant Technical Proposal along with competitive cost rates, and we look forward to continuing the collaborative relationship we have with ODM under a new contract term.

Cost Proposal Form

Instructions:

Offerors are to complete the Cost Proposal Form, sign it, and submit it as their separate, sealed Cost Proposal as instructed in the RFP. The Cost Proposal Form requires Offerors to provide, based on their understanding of the services required in this RFP, a cost per review/month (rate) for each of the deliverables outlined in the table below, with a fiscal year not to exceed sum total. Offerors are to use their business expertise in pricing the work described and to offer their rates accordingly. ODM encourages Offerors to provide rates that are reasonable and necessary to complete the objectives of the contract.

Offeror Cost Proposal

The Offeror's Cost Proposal must include an estimated total annual cost. Rates must be shown in the form of whole dollars. The quoted rates must encompass all administrative and overhead costs. Once the selected Offeror's Cost Proposal is accepted, the rates identified therein will be considered firm and all-inclusive.

Offeror Administrative Costs

Offerors are to include all administrative expenses and other costs into their stated rates. Offeror's administrative expenses include, but are not limited to, all costs related to the administrative activities of the project including personnel salaries, fringe benefits, vacation, holiday pay, sick leave, other paid leave, pension plan, group insurance, worker's compensation insurance, payroll taxes, repair and maintenance, employee-related expenses, supplies, communications, leases, depreciation, sales taxes, facilities, travel, etc.

Offeror Indirect Costs

ODM has deemed it unnecessary for the project to incur indirect costs. All costs should be factored into the stated rates.

Cost Proposal Consideration and Offeror Selection

Only those Offerors that meet the minimum scoring threshold in the Technical Proposal Score Sheet will advance to the second phase of the selection process—consideration of Offeror cost proposals.

The actual value of the contract will be determined by ODM based on the selected Offeror's proposed and accepted prices and the best estimation possible by ODM for the level or volume of each of those services likely to be utilized, and the amount of funds available. Work may only be started upon issuance of a purchase order.

Review Breakdown Table

| Deliverables | SFY 2024 | SFY 2025 | Estimated Annual Volume of Reviews |
|--|--------------|--------------|------------------------------------|
| Focused Reviews | \$ 852.89 | \$ 802.25 | 5 |
| Behavioral Health and Substance Abuse Reviews | \$ 99.09 | \$ 93.20 | 1,500 |
| Pre-certification Reviews | \$ 87.34 | \$ 82.15 | 2,500 |
| Retrospective Reviews | \$ 132.58 | \$ 124.71 | 20,000 |
| Mobile Response and Stabilization Service Prior Authorization | \$ 99.09 | \$ 93.20 | 60 |
| Prior Authorization for Non-Institutional Services | \$ 39.24 | \$ 36.91 | 31,500 |
| Provider Prior Authorization Appeal Requests | \$ 54.58 | \$ 51.34 | 100 |
| Prior Authorization for Home Health Services | \$ 53.15 | \$ 50.00 | 2,000 |
| Prior Authorization for Private Duty Nursing | \$ 285.59 | \$ 285.59 | 750 |
| Other Prior Authorization | \$ 99.09 | \$ 93.20 | <25 |
| Reporting and Analysis | \$ 28,240.29 | \$ 26,563.63 | 12 |
| Health Care Studies | \$ 40,993.62 | \$ 38,559.77 | 5 |
| Provider Education | \$ 7,146.59 | \$ 6,722.28 | 12 |
| Technical Assistance | \$ 127.67 | \$ 120.09 | 40 |
| N. Data Management – Cost incorporated into proposed fee for entire project. | | | |

Complete the following state fiscal year tables showing the annual fiscal year total using the estimated annual volume and proposed cost above. Scoring will be based on biennial total comparisons.

| | TOTAL FISCAL YEAR |
|-----------------------|------------------------|
| SFY 24 | \$5,228,126.65 |
| SFY 25 | \$4,930,442.45 |
| Biennial Total | \$10,158,569.10 |
| SFY 26* | \$4,930,442.45 |
| SFY 27* | \$4,930,442.45 |
| Biennial Total | \$9,860,884.90 |
| SFY 28* | \$5,078,355.72 |
| SFY 29* | \$5,230,706.40 |
| Biennial Total | \$10,309,062.12 |
| SFY 30* | \$5,387,627.59 |
| SFY 31* | \$5,549,256.42 |
| Biennial Total | \$10,936,884.00 |

*Subject to renewal as detailed in RFP

COST PROPOSAL CERTIFICATION

Offeror Name: Permedion, Inc.

Signed: Paul Saleh I affirm that the above rates per hour as quoted are firm and all-inclusive (to be signed by the Offeror's representative authorized to address contractual issues, including the authority to execute a contract on behalf of the Offeror, and to whom legal notices regarding contract termination or breach, should be sent.).

Paul Saleh, President and Chief Executive Officer

Name / Title

Permedion, Inc.

October 26, 2022

Company / Organization Name Date