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3.0 ADD-ON COST

RFP Reference: 1.1, 1.2, 1.2.2

CONTINGENCY BASED COMPENSATION

1.1 The Offeror shall propose contingency fees as a percentage of recoveries for their proposed method of approach. The fee shall be inclusive of all costs associated with the delivery of the service and includes staff time, mileage, insurance, and administrative cost. No additional fees will be paid by AHCCCS.

1.2 The Offeror's proposed contingency fees shall be broken down as follows:

Per the above requirement and the Offeror's Checklist, please see **Section 10.0 Cost**, for HMS's TPL Services and Fee for Service RAC Services proposed fees.

1.2.2 Optional add-on related service: The Offeror may, at its option, submit a separate proposal (and a separate rate below) for providing other services not required by this solicitation. If the Offeror chooses to submit such a proposal, it will be considered only as an add-on to the TPL recovery services described herein. Whether the Offeror chooses or does not choose to submit this add-on proposal will have no effect on the evaluation of its TPL Recovery proposal and the add-on proposal itself will be negotiated only in conjunction with the award of the primary contract. If an add-on proposal is submitted, the Offeror must state so in its cover letter to the TPL proposal. The acceptance of any add-on service is at the sole option of AHCCCS.

MANAGED CARE PERFORMANCE, POWERED BY MC-TRACK

HMS is pleased to offer ***Managed Care Performance, Powered by MC-Track*** as an innovative optional service. **This solution qualifies for 90% federal matching funds.** In our pricing information, we are including total costs (federal and state) for implementation and then ongoing operations. (**Figure 3.0-1**) The costs presented below in **Exhibit A** include the following elements:

- Base solution (software and services)
- Hosting costs – if AZ does not plan to host the solution internally
- Add-on adapters for:
  - Network Adequacy Validation
  - Encounter Data Validation

Table 3.0-1. Arizona RFP Response – Optional Service: Managed Care Performance, Powered by MC-Track

	Implementation (9 months)	Operations (27 months)
Base Solution: MC-Track Software and Implementation Services	$ 4,335,750	$ 1,474,427
Optional Services:		
Hosting (Cloud)	$ 530,275	$ 1,568,184
Network Adequacy Validation and Monitoring (including Secret Shopper)	$ 1,260,740	$ 968,603
Encounter Data Validation	$ 799,498	N/A

ENHANCED COST AVOIDANCE COST

HMS is pleased to offer ***Enhanced Cost Avoidance*** as an innovative optional service. The products contained in this suite are new to market and HMS considers AHCCCS a progressive client in the face of cost savings initiatives. Given those considerations, should AHCCCS opt to accept any of the named Enhanced Cost Avoidance products within the first sixty (60) days following contract award, HMS would like to make any or all of them available at no cost for the first six months of delivery.

EXHIBIT A: COMPENSATION TABLE

RFP Reference: 3.2.1, 1.3

The evaluation of the category of Cost shall be based on the contingency fees, as indicated on the EXHIBIT A: Compensation Table submitted with Offeror's proposal.

The Offeror shall complete and submit the following table with their proposal:

CONTRACT PRICING – TPL SERVICES:

First Party Liability and Third Party Liability Recovery Programs and Commercial Insurance Coverage Verification / Data Match Services described in paragraph 5 and 6 of the Scope of Work	Percentage Fee
Recovery, Verification and Data Match Services	
Optional Add On Services	
- Base Solution: MC-Track Software and Implementation Services	$5,810,177*
Optional Services:	
Hosting (Cloud)	$2,098,459*
Network Adequacy Validation and Monitoring (including Secret Shopper)	$2,229,343*
Encounter Data Validation	$799,498*
- TMV	TBD

**Represents total cost for the 36-month contract term.*

CONTRACT PRICING – FEE FOR SERVICE RAC SERVICES:

Medicaid Recovery Audit Contractor (RAC) Services as described in paragraph 7 of the Scope of Work	Percentage Fee
RAC Services - Overpayments	
RAC Services - Underpayments	

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