

Five (5) - year Extension of HFP/SPE/AIM Administrative Vendor Contract

Background

In April 2003, the Managed Risk Medical Board (MRMIB) awarded a contract to MAXIMUS, Inc. to perform administrative vendor (AV) services for the Healthy Families Program (HFP), the Single Point of Entry (SPE) and the Access for Infants and Mothers Program (AIM) for the contract period of April 23, 2003, to December 31, 2008. In March 2008, the Board approved a one (1)-year contract extension to December 31, 2009 at the existing contract rate in recognition of the contractor's superior performance.

Aware that the original contract period was ending, MRMIB staff began preparing to conduct a procurement process for the AV services. Staff estimated that the procurement process including a possible turnover period (if a new vendor were successful) would take at least 24 months. In late 2008, MRMIB sought the additional resources necessary to conduct the procurement process but was not successful in obtaining them. Because MRMIB was very satisfied with the performance of the vendor (see Section I below), staff then advanced an alternate proposal to negotiate a no-cost long-term extension with the existing contractor. This approach was approved in January 2009.

Staff supported a long-term extension because:

1. MAXIMUS' performance as the administrative vendor has been superior;
2. The rates under the MAXIMUS contract achieved considerable savings for the state compared to the prior contract (\$123 million over five years); and
3. MAXIMUS had repeatedly demonstrated its ability to adapt to ongoing program changes.

The five (5) year contract extension timeframe was selected because:

- The Board has the statutory authority to negotiate a contract that provides the best overall value to the state which includes the enhanced service levels, technological improvements and cost-effectiveness.
- Maximus would be more likely to agree to significant program enhancements at no cost in the context of a longer extension;
- It maximizes state costs savings over an additional five year period (2004 rates through the end of 2015.);
- Given the severity and long term nature of the state budget crisis, it seemed unlikely that MRMIB would obtain resources to conduct a procurement process any time in the near future.
- It would take a minimum of two years to conduct a procurement that provided for the possibility of a contractor turnover; and
- The state contract periods for contracts of a similar size and complexity usually range from eight to ten years (The DHCS Fiscal Intermediary contract is for up to 10 years, including extension options, and the HCO contract is up to 8 years, including extension options).

The Board concurred with staff's recommendation to pursue a long term no-cost extension and directed staff to negotiate for additional program enhancements as part of the discussions.

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In March 2009, MRMIB staff discussed with the Board the enhancements staff would seek during the negotiation process. In April 2009, MRMIB staff also obtained input from the Department of Health Services (DHCS) who is responsible for the SPE functions of the vendor, on enhancements it would like for the SPE contract. Negotiations for new contractual requirements and enhancements continued through 2009 but became secondary to the state budget deficits impact on the HFP. The AV and MRMIB's priority became implementation of the HFP Wait List; developing and testing HFP AER Disenrollment Process (that never was implemented); and then the clearing of the HFP Wait List.

On November 18, 2009, the Board approved a second (2nd) one (1)-year extension of the contract at the existing contract rate structure. The Board also directed MRMIB staff to continue the negotiations for a long-term extension with Maximus. MRMIB staff followed the Board's direction and has completed negotiations on a long-term five (5) year extension of AV Contract with Maximus at the existing rates. The extension also includes priority enhancements to the contract requirements that MRMIB and DHCS sought. Those enhancements have an estimated value of approximately \$14.6 million.

Recommendation

MRMIB staff recommends that the Board approve the negotiated five (5) year contract extension of the HFP, SPE and AIM Administrative Vendor Services contract at the existing rate structure at its September 15, 2010 meeting.

I. AV Contractor Performance

Implementation of the contract began immediately upon the award and the change over of vendors occurred in January 2004. The new vendor was able to process applications by the first (1st) week of January. Six hundred thousand (600,000) children transitioned from the old vendor to the new. Inevitably, there were some operational system issues at the beginning, but after six (6) months the system was working reliably.

MAXIMUS' performance over the last six (6) years has been excellent and has been repeatedly independently verified through various external audits (BSA, SAS-70, ISO Certification and PERM). The vendor's contract includes both performance standards and quality/accuracy standards. For the HFP, MAXIMUS met the monthly performance standards in six hundred twenty nine (629) out of six hundred thirty two (632) categories, a 99.5 percent performance rate. In AIM, the vendor met the standards 204 times out of 204, equaling 100 percent. The quality and accuracy standards were added to the contract in November of 2006. Since the inception of the quality and accuracy standards, MAXIMUS met the standards 100 percent of the time for both HFP and AIM. For the HFP/SPE, MAXIMUS met two hundred thirty eight (238) quality standards of two hundred thirty eight (238). In AIM, MAXIMUS met thirty-four (34) quality standards of (34).

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The Center of Medicare and Medicaid Services (CMS) instituted the Payment Error Rate Measurement (PERM) for the Children's Health Insurance Program (CHIP). For Federal Fiscal Year (FFY) 2007 California was selected as one of the seventeen (17) states for the first round of PERM reporting for CHIP managed care claims. Through MAXIMUS' administration of the HFP, California's performance on PERM was exceptional and the HFP error rate was 0.04% — the best in the nation.

II. New Contract Enhancements

The extension with MAXIMUS provides for thirty-three (33) enhanced contract provisions with an estimated added value of approximately \$14.6 million while maintaining the existing payment structure and incurring no start-up costs. The enhanced contract provisions are included in Enclosure 1.

III. Savings and Enhancements Associated with the Original MAXIMUS Contract

The original contract with MAXIMUS provided for a number of improvements over the prior contract and offered significantly enhanced customer service provisions and much better price than the competing bid (and actual prior AV expenditures for HFP/SPE/AIM). (Enclosure 2)

1. The cost to the state and federal government decreased on a per enrollee basis by 23% (**\$123 Million savings**) from the prior contracts and was 16% (**\$80 Million savings**) less than the competing bid; and
2. The level of customer service required was significantly improved from the prior contract and was significantly better than the level proposed by the competitor. For example, the new contract requires:
 - 5 attempts (vs. 3) to reach a family to ask about customer satisfaction with vendor services;
 - 2 notices (as opposed to one) to families whose child disenrolled regarding the possibility of re-enrolling;
 - 5 Person Years (PYs) to provide on-site and on-line CAA registration and training;
 - An HFP and AIM website in Spanish;
 - An additional plan training on operational consumer and system issues (from 2 to 3);
 - An application that could be downloaded to a family's computer in 11 languages;
 - Mapping and driving directions when a family uses the network information service to locate a provider;
 - An automated dialing system to be used in efforts to contact families;
 - Doubled the Vendor's financial responsibility for incorrect eligibility determinations that result in applicant's incurring unreimbursed health, dental or vision expenses at initial application or at AER (\$500,000 per year for HFP and \$150,000 per year for AIM);

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- Provided the State online web-based access to a Decision Support System and all contractually required control binders;
- Provided actual electronic images of all incoming and outgoing correspondence; and
- Provided ability to listen to tapes of all incoming calls to the toll-free lines for appeal processing and staff training purposes.

IV Proven Vendor with the Ability to Adapt to Ongoing Program Changes

During the past two (2) years, the State, MRMIB and MAXIMUS have faced unprecedented funding uncertainty and have had to implement significant program changes accurately, efficiently and quickly to maintain the HFP. MAXIMUS has been a flexible and creative partner as HFP and AIM have gone through these very challenging times. It has taken a superior organization to keep pace with the shifting realities of HFP and AIM program changes and funding.

Timeline of Specific Program Changes

Program Changes Since July 2008

- November 1, 2009 HFP changes implemented to reduce expenditures including 2nd premium increase, co-payment increase and limited dental plan choice for new subscribers
- September 2009 Began clearing the approximate 108,000 children that were placed on the HFP wait list
- August 2009 Developed and tested HFP AER Disenrollment process to reduce program expenditures but never implemented due to availability of new funds
- July 31, 2009 HFP change implemented to reduce expenditures by elimination of application assistance payments
- July 17, 2009 Implemented the HFP Wait List in order to reduce program expenditures
- June 30, 2009 HFP change implemented for lawfully residing aliens to bring in \$12 million in new federal CHIP funding
- Development of business rules and specifications for system changes necessary to implement HFP changes; systems and acceptance testing of new program changes prior to implementation of the HFP premium increase, dental benefit cap and vision benefit modifications
- Sending out Premium Re-evaluation Forms to allow existing HFP families the opportunity to reduce their HFP premium level prior to the implementation of the HFP premium increase
- February 2009 Program changes implemented to reduce program expenditures including premium increase for higher income families
- Development and implement two (2) HFP Open Enrollment Processes and two (2) HFP handbooks effective February and July 2009
- Development of business rules and specifications for system changes necessary. to implement HFP waiting list

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Program Changes Since January 2004

In the past seven (7) years, the Governor, the Legislature and the Board have instituted many program changes to HFP and AIM. It is critical that the administrative vendor have the flexibility to adapt to program changes. MRMIB has amended the contract eight (8) times since January 2004. The vendor implemented all changes accurately and on time. The eight (8) amendments did the following;

1. Made various changes to financial requirements for administering AIM and HFP premium collections and refunds. Added funding to reimburse the costs of mailing outreach materials to applicants and to specify compliance with additional provisions of the federal Health Insurance Portability and Accountability Act. (1/2004)
2. Added and funded a Research Analyst position. (Amendment has expired)
3. Modified the payment process for Open Enrollment (OE). The original contract indicated that MAXIMUS collect OE costs directly from the plans. The amendment revises the payment process to reflect that MRMIB will pay MAXIMUS directly for OE and then bill the plans. It provides for additional services such as allowing families to have automatic re-occurring credit card payments and adding a T-1 circuit line. The line allows MAXIMUS to accept higher volumes of incoming calls through the toll-free line and decreases the likelihood of busy signals for callers. (3/2006)
4. Established SPE/HFP/AIM Quality and Accuracy standards, the highest standards in the country.(11/2006)
5. Revised the OE process. MAXIMUS no longer sends families customized OE packets, Instead, OE postcards are sent to families who do not experience a change in HFP premiums or who are not required to transfer to another plan. Families who receive OE postcards must contact MAXIMUS in order to receive customized OE packets. Families who experience premium changes or are required to transfer to another plan automatically receive OE customized packets and do not receive postcards. The amendment also adds services for Health-e-App public access. MAXIMUS is required to assess the technical requirements needed in order for Health-e-App to become available for public use. (12/2006)
6. Incorporates scope of work changes for the streamline enrollment projects, such as no longer requiring families to submit their initial premium payment for the application process, as well as automatic and equitable assignment of plans when the families' selections are not provided with the initial application. The Amendment also includes the encounter data project. (12/2006)
7. Extended the term of the original agreement by one (1) year, incorporates state flexibility into HFP Open Enrollment process, revision of joint application, adds two additional joint application languages (Arabic and Tagalog), updated the pre-printed telephone and Health-e-App with the revised joint application and incorporated the state agreement with the Social Security Administration,
8. Implementation of February 2009 HFP increase; implementation and funding for the HeApp Public Access Project; and reporting of translation/interpretive services costs for CHIPRA purposes.

MAXIMUS has successfully implemented a number of other program changes in a relatively short time period such as replacing the HFP-to-Medi-Cal Bridge with presumptive eligibility. MAXIMUS was the creator of the on-line eligibility verification system designed so plans can electronically confirm eligibility and all pertinent information of their assigned subscribers. Every HFP plan can access their subscriber information on a secured web based site.

HFP/SPE/AIM CONTRACT EXTENSION

MAXIMUS ADDED VALUE

Contribution Elements

Item Number	Contract Extension Element	Description	Added Value
1	Access for Infants and Mothers Program (AIM): Eleventh Month Report	Technical conforming change to align contract verbiage with existing methodology.	
2	Audits: Payment Error Rate Measurement (PERM)	Inclusion of PERM support effort.	
3	Call Center: Reporting Plan Complaints	Operational and system enhancements to include reporting of plan complaints received via applicants/families.	
4	Call Center: System and Operational Enhancements	Enhancement to the MAXe2 Call Center Single Screen.	
5	Call Center: Interactive Voice Response (IVR) Enhancements	Partnership with Contact Solutions, Inc. to enhance the IVR functionality and customer service elements	
6	CHIPRA: Date of Expiration	Operational and system enhancements to comply with CHIPRA.	
7	CHIPRA: Direct access to Vital Statistics	Operational and system enhancements to comply with CHIPRA.	
8	CHIPRA: Other	Operational and system enhancements to comply with CHIPRA.	
9	Department of Health Care Services/Single Point of Entry (DHCS/SPE):Medi-Cal Eligibility Database System (MEDS) Reconciliation	Incorporation of a liquidated damage element.	
10	DHCS/SPE: County Welfare Department (CWD) Process and Liaisons	Operational and system enhancements to enhance the services provided by the CWD and SPE Liaison Team. Example: Liaison Recruitment .	
11	Enrollment Entity/Certified Application Assistant (EE/CAA): Imaging	Imaging of all relevant documentation and correspondence.	
12	EE/CAA: Website Enhancements	Expansion of information available on the HFP website to include EE and CC level information and indicator for Health-e-App users.	
13	EE/CAA: Reporting	Inclusion of additional EE/CAA reporting elements.	
14	Electronic Application Process: CWD	Replacement of the existing paper process with an electronic process for CWD application and supporting document transmission.	
15	Plans: Healthy Families Program (HFP) Monthly Plan Reconciliation	Service incorporated into Per Month Per Member (PMPM) payment provision.	
16	Plans: AIM Capitation	Inclusion of monthly AIM plan capitation process.	
17	Plans: AIM Monthly Plan Reconciliation	Service incorporated into PMPM payment provision.	
18	Plans: AIM On-line Eligibility Verification Service (OEVS)	Inclusion of OEVS for AIM plans.	

HFP/SPE/AIM CONTRACT EXTENSION MAXIMUS ADDED VALUE Contribution Elements

Item Number	Contract Extension Element	Description	Added Value
19	Public Access: AIM credit card payments	Inclusion of AIM credit card payments following implementation of Public Access.	
20	Public Access: Operational	Inclusion of operational support of Public Access.	
21	Public Access: Infrastructure	Inclusion of infrastructure support of Public Access.	
22	Appeal Chronologies	Service incorporated into PMPM payment provision.	
23	American Recovery and Reinvestment Act of 2009 (ARRA)	Operational and system enhancements to comply with ARRA.	
24	California Children's Services (CCS)	Operational and system enhancements to comply with HFP regulations to include indicator for CCS children.	
25	Revised HFP Application	Technical conforming change to align contract verbiage with existing methodology. Two new languages for Phone-in-Application.	
26	Envelope Decal	Envelope Decal on the outside of key correspondence such as HFP Missing Information and AER Missing Information.	
27	Premium Re-evaluation Missing Information	Operational and system enhancements to include a Missing Information Process for Premium Re-evaluations.	
28	Medi-Cal Presumptive Eligibility	Technical conforming change to align contract verbiage with current business rules.	
29	Encounter data	Inclusion of dental encounters and scope of most recent payment provision amendment.	
30	Translations and Desktop Publishing	Inclusion of translations and desktop publishing (such as correspondence and brochures).	
31	Social Media	Inclusion of Social Media for HFP and AIM: Currently in pilot stage.	
32	Appeals/Eligibility Mailboxes	Staffing of mailboxes specifically for MRMIB for Eligibility, Appeals and general inquiries.	
33	School Outreach	Support to MRMIB school outreach initiative due to loss of funding.	
	*Estimated for 5 years and 6 months		
Added Value Grand Total			\$14.6M

**Healthy Families Program (HFP),
Access for Infants & Mothers (AIM) Program, and
Single Point of Entry (SPE) Screening
Administrative Vendor
Award of New Contract**

Background

The Managed Risk Medical Insurance Board (MRMIB) approved and released the 2003 Model Contract and Proposal Solicitation for the HFP, AIM, and SPE Screening Administrative Vendor on December 19, 2002. Draft model contracts and proposal solicitations had previously been reviewed at the October, November and December 2002 Board meetings.

The Model Contract requires transition and assumption of administrative services by the successful selected vendor by January 1, 2004. The selected vendor will begin transition activities immediately after the Board's action on the award of a new Administrative Vendor Contract. The new contract requires consolidation of administrative services currently provided by three different administrative vendors with enhanced administrative service levels.

The solicitation required submission of proposals from interested entities by February 28, 2003. Two proposals were received by the submission deadline. The proposals were submitted by Electronic Data Systems (EDS), the incumbent administrative vendor, and MAXIMUS.

Evaluation Process

Evaluation and Negotiation teams comprised of MRMIB and Department of Health Services' staff conducted the procurement process for the new contract. After an initial review and evaluation of the two proposals, the teams held multiple meetings, system demonstrations, and conference calls with each vendor. The purpose of these meetings and conference calls was to discuss any proposed changes to the Model Contract, to clarify the State's understanding of vendor's proposed services, to provide clarification of Model Contract requirements to the vendors, and to negotiate improved service levels and price. The State allowed each vendor to enhance its original proposal submission various

times through the negotiation process and the vendors were given a final opportunity to improve the service levels and prices in their bids. The Evaluation team re-evaluated each final revised proposal based on the selection criteria below.

Selection Criteria

Staff reviewed all proposals in their totality based on the following selection criteria as required by the proposal solicitation:

1. **Organizational background.** This may include the organization's reputation, experience, expertise, references, licensing and/or certification, and record concerning quality performance in the areas of insurance, government programs, health coverage service, or administration and provision of direct services to the general public.
2. **The overall strength of the proposer's technical proposal** for providing the required administrative services as outlined in the proposer's revised Model Contract. Proposed improvements to the service levels, and/or enhanced technological or business practices that improve efficiency and/or quality will be evaluated and substantiated. If substantiated, the improvements and enhancements will be deemed positive. Wording changes requested by the bidder in the model contract language, that indicate the bidders' inability or unwillingness to meet performance and quality standards, and/or accept other contractual terms will be deemed negative.
3. **Organizational ability to successfully accomplish the transition and operations requirements** of the Model Contract. This may include data systems; creativity and effectiveness of proposed technological solutions; experience of key personnel; adequacy of proposed staffing levels, and any proposed subcontracts; approach to communication with linguistically and culturally diverse populations; adequacy of all plans submitted with the proposal; demonstrated ability to complete these plans as evidenced by the Transition Schedule and Transition Work Plan submitted by the bidder; and ability and approach concerning customer service.
4. **Financial solvency and stability** of the potential vendor organization.
5. **Cost-effectiveness of the proposal** which includes start-up and/or transition costs, operational costs and total costs. Only sixty (60) percent of proposed start-up and/or transition costs (up to \$15,000,000 based on the \$25,000,000 maximum allowable as specified on page 8) will be evaluated with the operational costs in

determining the cost-effectiveness of the proposal. Forty (40) percent of proposed start-up and/or transition costs (up to \$10,000,000 based on the \$25,000,000 maximum allowable as specified on page 8) will be disregarded in determining the cost-effectiveness of the proposal.

No one area of the Board's selection criteria was more important than any other area. Individual criteria are not assigned specific numbers of points in the evaluation process. Proposals are evaluated in their entirety. The Board is not required to select the lowest priced proposal submitted. The Evaluation team evaluated the proposals based on the selection criteria and made a final recommendation to the Executive Director, who concurred with the team's recommendation. The Evaluation team and the Executive Director based their assessment on the best overall value to the State. This is the recommendation that has been forwarded to the Board. The final decision is at the sole discretion of the MRMIB.

Staff Recommendation

➤ **Staff recommends award of the new Administrative Vendor Contract to MAXIMUS.**

The MAXIMUS proposal demonstrates and substantiates its superior ability to provide enhanced administrative services for a competitive price. The Vendor illustrates its comprehensive understanding of the State's requirements and awareness of each program's objectives. In addition to complying with all contract requirements, the Vendor exceeded the minimum contract standards by placing a strong emphasis on enhanced customer service levels in order to achieve increased enrollment and retention rates for each program and to promote program awareness for California's diverse population. The Vendor demonstrates its capability and competence in successfully accomplishing the State's aggressive transition deliverables through advanced technological solutions and automation. The Vendor's strategy to provide administrative services is accountable, innovative, efficient, and is, overall, the best value to the State.

Specifically, the MAXIMUS proposal includes, among other features and services: more technological and service level enhancements considered substantive by the reviewers than its competitor offered; willingness to meet all the State's contract requirements and terms; data systems that include a single platform, as well as state of the art technical design methodology which provides the State increased future flexibility for system enhancements or modifications; increased customer service levels including more developed cultural and linguistic services than its competitor; and a substantially lower price than its competitor, despite enhanced service levels.

Evaluation

The following charts detail and summarize the key features and services of each proposal in relation to each selection criterion. Where an enhancement, feature or service is relevant to more than one criterion, it is listed more than once.

<p style="text-align: center;">EDS ORGANIZATIONAL BACKGROUND</p>	<p style="text-align: center;">Maximus ORGANIZATIONAL BACKGROUND</p>
<p>EDS is a publicly held corporation founded on June 27, 1962 in the State of Texas and is headquartered in Plano, Texas. They provide process and technical services to 9,000 clients worldwide. Government service contracts constitute more than one quarter (25%+) of its annual revenue.</p> <p>Experience</p> <ul style="list-style-type: none"> • Incumbent Administrative Vendor for SPE and HFP (California's SCHIP) since 1998 and SCHIP Enrollment Services in five (5) States. (DE, IN, NH, VE and WI. • Fiscal Intermediary Vendor for Medi-Cal (California Medicaid) since 1987 and Medicaid related contracts in twenty (20) States. • Medicare Part B claims processing in five (5) States. (CA, MA, ME, NH, and VT) 	<p>Maximus is a publicly held corporation founded on October 1, 1975 in the Commonwealth of Virginia and is headquartered in Reston, Virginia. They provide health and human services management and systems for more than 4,000 government agencies in all 50 States. Government service contracts constitute more than fifty-nine (59%+) percent of its annual revenue.</p> <p>Experience</p> <ul style="list-style-type: none"> • SCHIP Administrative and Enrollment Services in three (3) States. (MI, IA, KS) • Medicaid Managed Care and Provider Enrollment Broker in eleven (11) States. (CA, TX, MI, NYC, MA, KS, VT, CO, MO, UT and VA). • TANF and Welfare-to-Work Services • Child Care and Child Welfare Services

<p style="text-align: center;">EDS ORGANIZATIONAL BACKGROUND</p>	<p style="text-align: center;">Maximus ORGANIZATIONAL BACKGROUND</p>
<p>Expertise</p> <p>The Vendor has demonstrated its ability to perform administrative services as required in the Model Contract based on its business experience in the following:</p> <p>SCHIP Administration and Enrollment Services include the following:</p> <ul style="list-style-type: none"> • Application Processing • Eligibility Assessments and Determinations • Plan and Provider Enrollment • Plan and Provider Payment Processing • Information Systems Support • Customer Service • Call Center Administration • Premium Payment Processing • Community Outreach and Education • Program Material Development • Mailhouse Operations • Quality Management Systems • Plan, Provider and Client Training • Program Reporting Services • Encounter and Claims Data Collection 	<p>Expertise</p> <p>The Vendor has demonstrated its ability to perform administrative services as required in the Model Contract based on its business experience in the following:</p> <p>SCHIP Administration and Enrollment Services include the following:</p> <ul style="list-style-type: none"> • Application Processing • Eligibility Assessments and Determinations • Plan and Provider Enrollment • Plan and Provider Payment Processing • Information Systems Support • Customer Service • Call Center Administration • Premium Payment Processing • Community Outreach and Education • Program Material Development • Mailhouse Operations • Quality Management Systems • Plan, Provider and Client Training • Program Reporting Services • Encounter and Claims Data Collection

<p style="text-align: center;">EDS ORGANIZATIONAL BACKGROUND</p>	<p style="text-align: center;">Maximus ORGANIZATIONAL BACKGROUND</p>
<p>Fiscal Intermediary and other Medicaid related services include the following:</p> <ul style="list-style-type: none"> • Claims Processing • Capitation Payments • Customer Service • Call Center Administration • Plan and Provider Enrollment • Financial Support Services • Vaccine Administration • Community Outreach and Education • Program Material Development • Mailhouse Operations • Plan and Provider Training • Program Reporting Services • Encounter and Claims Data Collection <p>References</p> <p>References in six States were contacted to validate proposal references and the contracted services provided by the Vendor. Please see Attachment I for detailed list of references that were contacted.</p>	<p>Medicaid Manage Care and Provider Enrollment Broker Services include the following:</p> <ul style="list-style-type: none"> • Plan and Provider Enrollment • Plan and Provider Payment Processing • Information Systems Support • Customer Service • Call Center Administration • Community Outreach and Education • Program Material Development • Mailhouse Operations • Quality Management Systems • Plan, Provider and Client Training • Program Reporting Services • Encounter and Claims Data Collection <p>References</p> <p>References in seven States were contacted to validate proposal references and the contracted services provided by the Vendor. Please see Attachment I for detailed list of references that were contacted.</p>

<p style="text-align: center;">EDS ORGANIZATIONAL BACKGROUND</p>	<p style="text-align: center;">Maximus ORGANIZATIONAL BACKGROUND</p>
<p>Licensing and/or Certification</p> <p>California licensed business.</p> <p>Record concerning quality performance in the areas of insurance, government programs, health coverage service, or administration and provision of direct services to the general public</p> <p>According to the references, the Vendor has a record of quality performance in government health service contracts in multiple States. Based on the references, the Vendor has been a good business partner and has performed well in delivering the contracted services.</p> <p>The only cautionary note during the reference calls was that, when there have been problems, the root cause has usually been inconsistent or contradictory direction by State staff to the Vendor and multiple changing State requirements during system development or modification.</p>	<p>Licensing and/or Certification</p> <p>California licensed business</p> <p>Record concerning quality performance in the areas of insurance, government programs, health coverage service, or administration and provision of direct services to the general public</p> <p>According to the references, the Vendor has a record of quality performance in government health service contracts in multiple States. Based on the references, the Vendor has been a good business partner and has performed well in delivering the contracted services.</p> <p>The only cautionary note during the reference calls was that, when there have been problems, the root cause has usually been inconsistent or contradictory direction by State staff to the Vendor and multiple changing State requirements during system development or modification.</p>

<p style="text-align: center;">EDS STRENGTH OF TECHNICAL PROPOSAL</p>	<p style="text-align: center;">MAXIMUS STRENGTH OF TECHNICAL PROPOSAL</p>
<p>Redline Enhancements to the Model Contract that improve efficiency and quality of services provided to the public and the State.</p> <p>Increased Service Levels:</p> <ol style="list-style-type: none"> 1. Increase the number of County Liaisons to five (5) from the current requirement of three (3). {Substantive} 2. Staff a Policy Interface Unit to assist the State in the development of standard and ad-hoc inquiries into the Decision Support System (DSS). However, the DSS has a delayed implementation date of December 2004, which does not comply with Model Contract requirements. {Substantive} 3. Improve required correspondence and program review processing time to ten (10) business days from the current fifteen (15) business days. {Substantive} 4. Commits to conducting registration and training responsibilities for the Enrollment Entity (EE)/Certified Application Assistant (CAA) at a reduced service level from the Model Contract requirements, if funding is not allocated for this purpose. Two (2) FTEs will provide onsite 	<p>Redline Enhancements to the Model Contract that improve efficiency and quality of services provided to the public and the State.</p> <p>Increased Service Levels:</p> <ol style="list-style-type: none"> 1. Double the Vendor's financial responsibility for incorrect eligibility determinations that result in applicants incurring unreimbursed health, dental or vision expenses at initial application and/or at annual eligibility review (\$500,000 annually for the HFP and \$150,000 for AIM). {Substantive} 2. Increase call back requirement for SPE/HFP/AIM to at least five (5) calls from the current level of three (3) calls and adds State approved questions to measure general consumer satisfaction. {Substantive} 3. Send a second written notification and a re-enrollment form thirty (30) days after a non-requested disenrollment encouraging subscriber to re-apply. {Substantive} 4. Commits to conducting the Enrollment Entity (EE)/Certified Application Assistant (CAA) registration and trainings responsibilities in the Model Contract, if funding is not allocated for this

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<p>registration and training. {Substantive}</p> <p>5. Increase the Outreach toll-free line hours of operations from 8:00 am to 8:00 pm from current 9:00 am to 6:00 pm. {Substantive}</p> <p>6. Increase the public availability of the toll-free lines IVR systems to twenty (20) hours per day from the current eighteen (18) hours per day. {Minimal}</p> <p>7. Include alternative method (U.S. Postal Service) for transmitting duplicate OE packet, not just the current faxing requirement. {Minimal}</p> <p>8. Improve application request processing time for the Outreach Toll-Free line Unit to five (5) to (10) days from the current ten (10) to (15) days. {Minimal}</p> <p>9. Provide the State \$2,500 per month cost savings, if the Vendor is not fully staffed for the County Liaison positions and does not submit a qualified applicant to the State within sixty (60) days of the vacancy. {Minimal}</p> <p>10. Increase application packet fulfillment requirement for general mailing operations to two (2) business days from the current three (3) business days. {Minimal}</p>	<p>purpose. Five (5) FTEs, including two (2) in Los Angeles will provide onsite and online registration and training. {Substantive}</p> <p>5. Commits to development of the online CAA training (January 1, 2005), if funding is not allocated for this purpose. Also, if the State determines sufficient need, the Vendor will conduct fifteen (15) annual onsite CAA trainings and at least five (5) Spanish language onsite CAA trainings with appropriately translated training materials. {Substantive}</p> <p>6. Annually reassess staffing levels and determine whether Vendor's automated systems have improved administrative efficiencies reducing personnel staffing levels from bid staffing levels. The Vendor will share any cost savings with the State on a fifty (50%)-fifty (50%) basis. {Substantive}</p> <p>7. Increase number of Vendor's internal auditing staff to two (2) FTE from current staffing level of one (1) FTE. {Substantive}</p> <p>8. Increase the number of HFP/AIM plan trainings to three (3) yearly meetings from the current two (2) yearly. During the contract transition period and the 1st year of the contract, the Vendor will conduct monthly conference calls to address any</p>

EDS STRENGTH OF TECHNICAL PROPOSAL	MAXIMUS STRENGTH OF TECHNICAL PROPOSAL
	<ol style="list-style-type: none"> 3. Identify interested County Welfare Departments (CWD) to facilitate development of electronic exchange of application and annual eligibility review information through the SPE/HFP. {Substantive} 4. Provide all HFP/AIM website content in both English and Spanish. {Substantive} 5. Add all available HFP language applications and all available AIM language applications in a downloadable format to the website. {Substantive} 6. Provide the State with on-line web-based access to all contractually required control binders in an electronic format through a password protected interface. {Substantive} 7. Provide enhanced web-based access to Encounter and Claims data including flexible, user friendly ad-hoc reporting and statistical analysis tools. {Substantive} 8. Enhance web-based Network Information Service (provider search) to include mapping capabilities and driving directions. {Substantive} 9. Provide an integrated automated outgoing call dialing system to improve efficiency of contractually

EDS STRENGTH OF TECHNICAL PROPOSAL	MAXIMUS STRENGTH OF TECHNICAL PROPOSAL
	required outgoing telephone calls. {Substantive} 10. Provide an actual electronic image (PDF format) of all outgoing correspondence for SPE/HFP/AIM and shall maintain those electronic records in accordance with contractual records retention requirements. {Substantive}

<p align="center">EDS ABILITY TO SUCCESSFULLY ACCOMPLISH TRANSITION AND OPERATIONS REQUIREMENTS</p>	<p align="center">MAXIMUS ABILITY TO SUCCESSFULLY ACCOMPLISH TRANSITION AND OPERATIONS REQUIREMENTS</p>
<p>Data Systems</p> <p>Vendor will continue to utilize a two (2) platforms environment, traditional, closed architecture system that is linked together and has been used for the first five (5) years of the SPE/HFP. The hardware configuration of the existing system is functional and has adequate processing power for the current contracted services.</p> <p>The existing traditional system design requires complex manual programming system changes. The system limits the ability to report, monitor, track program information and maintain quality control measures.</p> <p>The Vendor is proposing complete assimilation of AIM and implementation of the Decision Support System but not until December 2004, nearly twelve (12) months after the Model Contract requirement.</p> <p>The Vendor proposes to develop a new single platform, web-based, integrated, state of the art client server system using industry proven standard software. However, the new system will not be operational until at least July 2004.</p> <p>The proposed hardware for the "system transformation" is more than enough processing power than may ever be needed for providing contracted services.</p>	<p>Data Systems</p> <p>Vendor will utilize a single platform, web-based, integrated, open architecture, state of the art client server system using industry proven standard software. The proposed hardware configuration provides adequate processing power for providing contracted services and is expandable</p> <p>System's design methodology will be a modified prototyping methodology which is cutting edge, leading technology. The Vendor proposes centralized business rules, workflow engine utilizing data driven decision processes which means the system is modified simply by changing or adding data rather than reprogramming (recoding) it.</p> <p>The Integrated Systems Development Suite and Report Repository provides Vendor and State staff online (internet browser) interactive access to the latest systems design, prototypes, business rules, data models, process models, impact analysis and other critical aspects of the development process. The tool simplifies maintenance, support and enhancement, now and into the future resulting in systems and staffing cost savings.</p> <p>The Decision Support System will utilize a client server using the same industry proven standard software and will be implemented as required by the Model Contract.</p>

<p style="text-align: center;">EDS ABILITY TO SUCCESSFULLY ACCOMPLISH TRANSITION AND OPERATIONS REQUIREMENTS</p>	<p style="text-align: center;">MAXIMUS ABILITY TO SUCCESSFULLY ACCOMPLISH TRANSITION AND OPERATIONS REQUIREMENTS</p>
<p>Future Systems Transformation Project design methodology includes manual coding which is tested on a weekly basis. The Vendor proposes centralized business rules and an object oriented design, including rapid iterative development.</p> <p>The Decision Support System will utilize a client server using different industry proven standard software from the rest of the system and will be implemented nearly twelve (12) months after the Model Contract requirement.</p> <p>Encounter Data Systems</p> <p>Proposed system will be a modified version of the system used in California for the Medi-Cal fee-for-service program. The Medi-Cal System can hold fifteen (15) months of encounter data currently, but is being expanded to hold up to thirty-six (36) months of data. The expansion is anticipated prior to MRMIB's implementation of the HFP Encounter Data Project.</p> <p>Connectivity is achieved through a special cable/phone line (similar to the line used for the current HFP enrollment database). MRMIB staff will have access to the system through a software program on their desktop or through the internet.</p>	<p>Encounter Data Systems</p> <p>Proposed system is being implemented in Utah. It is not currently used in California. The system can hold 36 months of data and is easily expandable.</p> <p>Connectivity is achieved through the internet (web-based).</p> <p>The encounter system resides on the same platform as the enrollment system, making queries that require data from both systems easily integrated.</p> <p>Data will be collected from providers and health plans. Edits used in the system are designed to address issues of completeness, accuracy, and appropriateness (e.g.,</p>

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<p>The encounter data system will reside on a different platform than the enrollment system, requiring additional steps to link encounter with enrollment data.</p> <p>Data will be collected from providers and health plans. Edits that EDS uses for the claims system are based on Medi-Cal program rules. Edits for the HFP encounter data system will be developed in conjunction with participating plans and MRMIB staff.</p> <p>The proposed HFP Encounter Data System does not include a decision-support package, which limits data analysis. The system can produce summary tables based on provider, beneficiary, and type of service or diagnostic code. The range of queries is determined by the fields contained in the encounter/claims file. Queries can be conducted by MRMIB, however moderate to significant training will be required for the system. The proposal includes dedicated staff to provide MRMIB technical assistance with the system. Formal reports will require additional software.</p> <p>Creativity and Effectiveness of Technological Solutions</p> <p>Providing Blue Pumpkin software, workforce management tool, is industry proven standard software to improve the</p>	<p>diagnosis linked to appropriate age or gender). Additional edits can be implemented, if requested. All encounter files that are received from providers or plans are maintained in the system including reject files that are returned to the providers/plans for correction. The system provides an auditable tracking record of all encounter files received.</p> <p>The Encounter Data System contains a decision-support module. The system produces tables based on provider, subscriber, and type of service or diagnostic code. The system also produces encounter/claims error reports, showing the number of encounters rejected and the reasons for the rejections. The range of queries is determined by the fields contained in the encounter/claims files. Queries and formal reports are generated easily from the system without additional software.</p> <p>Creativity and Effectiveness of Technological Solutions</p> <p>Providing Blue Pumpkin software, workforce management tool, is industry proven standard software to improve the</p>

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<p>tracking and distribution of programmatic workload. The tool will improve efficiency of customer service response.</p> <p>Expanding existing Interactive Voice Response System capabilities to:</p> <ul style="list-style-type: none"> • increase hours of availability to twenty (20) hours per day from current eighteen (18) hour per day, • provide Open Enrollment (OE) Status, general information, and request resend of OE packet, • provide Annual Eligibility Review (AER) status and request resend of AER packet, • provide plan contact information, • request an Add a Child form, and • provide general program information. 	<p>tracking and distribution of programmatic workload. The tool will improve efficiency of customer service response.</p> <p>Expanding existing Interactive Voice Response System capabilities to:</p> <ul style="list-style-type: none"> • request automated faxed program materials, • route known applicant/subscribers to the appropriate language operator, • track abandoned calls and initiate return follow-up calls, and • request call back by entering phone number into the system and the system maintain place in line for the return call <p>System's design methodology will be a modified prototyping methodology which is cutting edge, leading technology. The Vendor proposes centralized business rules, workflow engine utilizing data driven decision processes which means the system is modified simply by changing or adding data rather than reprogramming (recoding) it.</p> <p>The Integrated Systems Development Suite and Report Repository provides Vendor and State staff online (internet browser) interactive access to the latest systems design, prototypes, business rules, data models, process models, impact analysis and other critical aspects of the development process. The tool simplifies maintenance,</p>

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<p>Providing <u>increased number</u> of State users, twenty (20) at any one time, access to the Decision Support System will improve the ability of the State to monitor, track, query, conduct impact analysis, and ensure quality control measures. Implementation of the system delayed until December 2004.</p>	<p>support and enhancement, now and into the future, resulting in systems cost savings.</p> <p>Providing <u>unlimited number</u> of State users' access to the Decision Support System will improve the ability of the State to monitor data performance and integrity, track, query, provide unlimited user friendly ad-hoc reports, and ensure quality control measures.</p> <p>Automated Integrated Outgoing Call Dialing System will increase the volume of outgoing call attempts to applicants and subscribers and leaves automated reminder messages. It eliminates human dialing and interaction with answering machines which makes efficient use of human resources.</p> <p>Expanding existing website content to include both English and Spanish.</p> <p>Adding all available HFP language applications and all available AIM language applications in a downloadable format to the website.</p> <p>Providing technical assistance and support for interested CWD in electronic exchange of application and annual eligibility review determinations which will improve efficient transmission and processing time of information between SPE/HFP and CWD.</p>

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<p>Experience of Key Personnel</p> <p>The Vendor's Key Personnel have demonstrated experience in administering the SPE and HFP administrative services for the past five years.</p> <p>For further detail, refer to the Attachment IIA.</p> <p>Adequacy of Proposed Staffing Levels and Proposed Subcontracts</p> <p>The proposal provides adequate and comparable staffing levels by functional category to provide the contracted services including nineteen (19) brief descriptions of key</p>	<p>Maintaining PDF file images of all actual outgoing correspondence. This improves the quality of records retention and assists in the program review and appeals processes, which is a significant improvement from the current process of recreating letters from print file.</p> <p>Providing online web-based access to all contractually required control binders in an electronic format through a password protected interface improves State accessibility to required program materials and documents.</p> <p>Experience of Key Personnel</p> <p>The Vendor's Key Personnel have academic background, work experience and successful accomplishments of large scale government health services contracts that demonstrate that they can successfully administer the administrative services in the Model Contract.</p> <p>For further detail, refer to the Attachment IIB.</p> <p>Adequacy of Proposed Staffing Levels and Proposed Subcontracts</p> <p>The proposal provides adequate and comparable staffing levels by functional category to provide the contracted services including detailed narrative position descriptions for</p>

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<p>positions. The number of full-time positions, included in the proposal, is nearly equivalent to the staffing levels proposed by its competitor.</p> <p>The following services are outsourced to the following organizations:</p> <ul style="list-style-type: none"> • Standard Register-Mail Operations • GeoAccess-Network Information Services • Moore Business Forms-Printing Services • Quebecor-Graphic Communication Services <p>Approach to Communication with Linguistically and Culturally Diverse Populations</p> <p>The Vendor's approach consists of the following:</p> <ul style="list-style-type: none"> • hiring diverse multilingual staff • External Community Review team conducts focus testing of translated program materials every two (2) years • Community Based Organization Partnerships • Internal Review Council to review program materials 	<p>seventy-four (74) identified personnel classifications to staff the contract. The number of full-time positions, included in the proposal, is nearly equivalent to the staffing levels proposed by its competitor.</p> <p>The Vendor's proposed subcontractors and the proposed services are as follows:</p> <ul style="list-style-type: none"> • Deloitte Consulting-Health-E Application • Standard Register-Fulfillment/Mailing Services • Dome Printing-Printing Services • U.S. Translation-Translation Services • Lurie, Besikof, Lapidus & Company-Independent Auditing Services <p>Approach to Communication with Linguistically and Culturally Diverse Populations</p> <p>The Vendor's approach consists of the following:</p> <ul style="list-style-type: none"> • hiring diverse multilingual staff • Special Advisory Panel of stakeholders reviews all program materials and outreach strategies quarterly • Community Based Organization Partnerships • MAXIMUS Center for Health Literacy reviews all program and outreach materials for clarity, reading level literacy

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<ul style="list-style-type: none"> • encouraging staff to attend and participate in cultural activities <p>Adequacy of All Plans Submitted with the Proposal</p> <p>The Vendor submitted plans that are inconsistent, incomplete and did not meet the requirements for the Transition Schedule and Transition Work Plan (Enclosure D). The narrative descriptions lacked detail and identified inconsistencies between the Transition Schedule (TS) and the tasks outlined in the components of the Transition Work Plan (TWP). Revised TWP did not address the inconsistencies.</p> <p>Demonstrated Ability to Complete Plans as Evidenced by the Transition Schedule and Transition Work Plan</p> <p>The TS and TWP do not meet the Model Contract requirements for delivery of the Decision Support System and the integration/assimilation of the AIM Program by January 1, 2004. AIM non-compliance with the required</p>	<p>and translation accuracy</p> <ul style="list-style-type: none"> • HFP/AIM website content in English and Spanish • Add all available HFP language applications and all available AIM language applications in a downloadable format to the website • Statewide targeted outreach strategies for the Spanish community <p>Adequacy of All Plans Submitted with the Proposal</p> <p>The Vendor submitted all the required plans as part of the Transition Schedule and Transition Work Plan. The plans are complete, comprehensive, detailed, thorough and representative of the tasks involved in transitioning to the new contract requirements. The narrative descriptions were detailed and showed consistency between the Transition Schedule (TS) and the tasks outlined in the components of the Transition Work Plan (TWP).</p> <p>Demonstrated Ability to Complete Plans as Evidenced by the Transition Schedule and Transition Work Plan</p> <p>The TS and TWP meet the Model Contract requirements for the deliverables due by January 1, 2004. The tasks and timeline assumption are reasonable.</p>

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<p>delivery date creates significant problems with consolidation of AIM infants into the HFP currently scheduled for mid year 2004.</p> <p>The non-descriptive and duplicative plans did not demonstrate a clear understanding of the required transition tasks for the new contract requirements. The plans do not provide the State with the necessary specificity to adequately evaluate the Vendor's ability to complete the plans.</p> <p>Ability and Approach to Customer Service</p> <p>The Vendor will meet the baseline customer service requirements contained in the Model Contract. The Vendor has committed to these additional services which indicate their approach to customer service:</p> <p>Increase the number of County Liaisons to five (5) from the current requirement of three (3).</p> <p>Improve required correspondence and program review processing time to ten (10) business days from the current fifteen (15) business days.</p> <p>Expand existing Interactive Voice Response System to:</p>	<p>The Vendor demonstrates a good understanding of the programs and the associated transition tasks as evidenced by the comprehensive detailed plans. The plans provide the State with the necessary specificity to adequately evaluate the Vendor's ability to complete the plans.</p> <p>Ability and Approach to Customer Service</p> <p>The Vendor will meet the baseline customer service requirements contained in the Model Contract. The Vendor has committed to these additional services which indicate their approach to customer service:</p> <p>Add State approved scripted questions to measure applicant satisfaction with the vendor's application processing approach to the required HFP/AIM welcome calls.</p> <p>Add State approved questions to measure general consumer satisfaction with the programs to the disenrollment calls.</p> <p>Expand Interactive Voice Response System capabilities to:</p>

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<ul style="list-style-type: none"> • increase hours of availability to twenty (20) hours per day from current eighteen (18) hour per day, • provide Open Enrollment (OE) Status, general information, and request resend of OE packet, • provide Annual Eligibility Review (AER) status and request resend of AER packet, • provide plan contact information, • request a Add a Child form, and • provide general program information. <p>Increase the Outreach toll-free line hours of operations from 8:00 am to 8:00 pm from current 9:00 am to 6:00 pm.</p> <p>Improve application request processing time for the Outreach Toll-Free line Unit to five (5) to (10) business days from the current ten (10) to (15) business days.</p> <p>Community Based Organization Partnerships</p> <p>External Community Review team conducts focus testing of translated program materials every two (2) years</p>	<ul style="list-style-type: none"> • allow the public to request automated faxed program materials, • routes known applicant/subscribers to the correct language operator, • tracks abandoned calls and initiates return follow-up calls, and • caller may request call back by entering phone number into the system and the system maintains their place in line for the return call <p>Increase call back requirement for SPE/HFP/AIM to at least five (5) calls from the current level of three (3) calls.</p> <p>Community Based Organization Partnerships.</p> <p>Special Advisory Panel of stakeholders reviews all program materials and outreach strategies quarterly.</p> <p>Send second written notification and a re-enrollment form thirty (30) days after a non-requested disenrollment encouraging subscriber to re-apply.</p> <p>Facilitate migration of Health-E Application (State's electronic application) to statewide general public use from current limited organization use through the world-wide web.</p>

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	<p>Identify interested CWD to facilitate development of electronic exchange of application and annual eligibility review information through the SPE/HFP.</p> <p>Provide all HFP/AIM website content in both English and Spanish.</p> <p>Add all available HFP language applications and all available AIM language applications in a downloadable format to the website.</p> <p>Automated Integrated Outgoing Call Dialing System will increase the volume of outgoing call attempts to applicants and subscribers and leave automated reminder messages.</p> <p>Utilize address and phone locator service.</p> <p>Utilize online enhanced Network Information Service to include a mapping services and driving directions.</p> <p>Incorporate additional billing coupon into the existing forty-five (45) non-payment of premium warning notice.</p> <p>Provide Consumer Health Education Outreach.</p> <p>Incorporate HFP/AIM Outreach into the School Max website system to promote health coverage to schools.</p>

EDS ABILITY TO SUCCESSFULLY ACCOMPLISH TRANSITION AND OPERATIONS REQUIREMENTS	MAXIMUS ABILITY TO SUCCESSFULLY ACCOMPLISH TRANSITION AND OPERATIONS REQUIREMENTS
	MAXIMUS Center for Health Literacy reviews all program and outreach materials for clarity, reading level literacy and translation accuracy.

EDS FINANCIAL SOLVENCY AND STABILITY	MAXIMUS FINANCIAL SOLVENCY AND STABILITY
<p>The model B Altman z score, for the last 3 fiscal years, for the Administrative Vendor candidate indicates that the company is in "Good Financial Health" for each of the years presented.</p> <p>For more information on the Altman Z Scores, please refer to Attachment III.</p>	<p>The model B Altman z score, for the last 3 fiscal years, for the Administrative Vendor candidate indicates that the company is in "Good Financial Health" for each of the years presented.</p> <p>For more information on the Altman Z Scores, please refer to Attachment III.</p>

EDS COST-EFFECTIVENESS OF THE PROPOSAL	MAXIMUS COST-EFFECTIVENESS OF THE PROPOSAL
The following are the Flat Fee Payments proposed by the Vendor:	The following are the Flat Fee Payments proposed by the Vendor:
<u>HFP Costs</u>	<u>HFP Costs</u>
HFP PSPM.....\$4.72	HFP PSPM (child)
	Tier 1 up to 799,999.....\$4.10
	Tier 2 800,000-899,999.....\$3.95
	Tier 3 900,000-999,999.....\$3.65
	Tier 4 1,000,000+.....\$3.28
	HFP PSPM (adult).....\$0.35
Encounter/claims data collection and analysis	Encounter/claims data collection and analysis
One time implementation.....\$360,000	Ongoing annual.....\$232,653
Ongoing annual.....\$320,000	
<u>SPE Costs</u>	<u>SPE Costs</u>
SPE PAPM.....\$20.79	SPE PAPM
	Tier 1 up to 3,999.....\$22.54
	Tier 2 4,000-5,499.....\$20.28
	Tier 3 5,500-6,999.....\$18.01
	Tier 4 7,000+.....\$14.79
	Health-E Applications over 5,500 baseline.....\$10.93

EDS COST-EFFECTIVENESS OF THE PROPOSAL	MAXIMUS COST-EFFECTIVENESS OF THE PROPOSAL
SPE Toll-free line	SPE Toll-free line
Talk Time PM.....\$1.19	Talk Time PM.....\$0.91
SPE Application Assistance	SPE Application Assistance
Talk Time PM.....\$0.98	Talk Time PM.....\$0.91
Preprinted Application and Postage PA.....\$3.80	Preprinted Application and Postage PA.....\$3.96
<u>AIM Costs</u>	<u>AIM Costs</u>
AIM PSPM.....\$7.09	AIM PSPM.....\$4.19
<u>Start-up/transition Costs</u>	<u>Start-up/transition Costs</u>
(60% of actual).....\$1,721,018	(60% of actual).....\$10,916,965
Total estimated cost term of the contract.....\$491,479,742.00 (Attachment IV through IX)	Total estimated cost term of the contract.....\$411,129,318.00 (Attachment IV through IX)
Total estimated cost current payment structure.....\$537,223,878.00	Total estimated cost current payment structure.....\$537,223,878.00
Percentage difference from current payment structure.....8.51% less dollar difference.....\$45,744,136.00	Percentage difference from current payment structure.....23.47% less dollar difference.....\$126,094,560.00
Percentage difference from competing proposal.....19.54% more dollar difference.....\$80,350,424.00	Percentage difference from competing proposal.....16.35% less dollar difference.....\$80,350,424.00

