

Section 5: Cost Proposal

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SECTION 5: COST PROPOSAL

All subsections of Section 5 require a response. The Offeror must indicate certification of understanding for the Section and the Offeror must restate the subsection number and the text immediately prior to the written response.

DXC certifies our understanding of Section 5 requirements for the Cost Proposal. In our response to Section 5, we are restating subsection number and the text.

In a response to a bidder question, Montana stated “The Offeror's complete cost proposal shall be represented in Attachment G – Provider Pricing Schedules. . .” In compliance with this instruction, the major response to Section 5 is the completed Attachment G Cost Proposal, which we are uploading to Question 1.4 on the eMACS Vendor Portal.

We have embedded the pricing assumptions below in the response to 5.2.

5.1 ESTIMATED BUDGET

DPHHS has established the following estimated budget amount for the Provider Services module. This estimate is based on the amounts approved in the DPHHS modularity I-APD but the estimated budget does not represent a budgeted amount for Option A or Option B Services or a maximum budget for Provider Services. Table 5.1 outlines the Provider Services module estimated budget:

Table 5.1 Estimated Provider Services Module Budget by Phase and Duration



Phase	Duration in Months	Total Amount
DDI, Integration, Implementation & Certification	19 (7 month DDI / 12* month Certification)	\$3,796,875
Operations and Maintenance (Base years)	48	\$2,347,917
Operations and Maintenance (Optional years)	60	\$3,110,990
System Enhancement Hours (1,500 DDI Hours)		\$180,000
System Enhancement Hours (500*9 Operations years)		\$562,500
Total Estimated Budget		\$9,998,282
*The 12 months of Certification overlaps the first 12 months of Operations		

DXC certifies our understanding of the requirements identified in Section 5.1 Estimated Budget and Table 5.1.

5.2 PRICE SCHEDULES

Offerors must complete the Price Schedules provided in Attachment G. Offerors shall propose a firm fixed price for each of the fields contained on the pricing schedules. These schedules serve as the representation of Offeror's price. Offeror should include additional information as necessary to explain the Offeror's price. The Offeror's complete cost proposal shall be represented in Attachment G – Provider Pricing Schedules which includes the costs required in Attachment L - Technology Matrix. The requirements and schedules are detailed in Table 5.2 Pricing Schedule List:



Table 5.2 Pricing Schedule List (These schedules are provided in Attachment G, Provider Pricing Schedules).

List of Schedules	
Schedule	Title
Schedule A	Cost Summary
Schedule B - Schedule B-1 - Schedule B-2 - Schedule B-3	DDI Payment Milestone by Phase - Provider Services Base Scope of Work Design Development & Implementation (DDI) Payment Milestones By Phase - Provider Services Option A Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase - Provider Services Option B Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase Note: Schedule B - DDI Payment Milestone by Phase calculations shall be based on a hypothetical scenario for a Participating State that has 65,000 Total Providers or 65,000 Total Owners.
Schedule C	Cost of Operations
Schedule D	Enhancement Pool Hours
Schedule E	Resource Hourly Rates
Schedule F - Schedule F-1 - Schedule F-2 - Schedule F-3 - Schedule F-4	Provider Services Base Scope of Work Cost - Provider Services DDI Cost - Provider Services Operations Cost - Provider Services DDI Enhancement Pool Hour Cost - Provider Services Operations Enhancement Pool Hour Cost
Schedule G - Schedule G-1 - Schedule G-2 - Schedule G-3 - Schedule G-4	Provider Services Option A Scope of Work Cost - Provider Services DDI Cost - Provider Services Operations Cost - Provider Services DDI Enhancement Pool Hour Cost - Provider Services Operations Enhancement Pool Hour Cost
Schedule H - Schedule H-1 - Schedule H-2 - Schedule H-3 - Schedule H-4	Provider Services Option B Scope of Work Cost - Provider Services DDI Cost - Provider Services Operations Cost - Provider Services DDI Enhancement Pool Hour Cost - Provider Services Operations Enhancement Pool Hour Cost

All schedules must be completed in full at the time of submittal. Montana state law dictates a contract limit of 10 years. The Contract term will include DDI and operations years for the MPATH project.

The preferred technical standards for the State of Montana Department of Public Health and Human Services (Department) have been provided in the procurement library. The



Department does not have excess licenses for these components. Therefore, if the Contractor chooses to include any of these components in their solution, the Contractor shall include the costs of these components in their proposal.

Schedule A: This is a summary of the all-inclusive cost of the proposal. These totals should be taken from Schedules F (tabs F-1 thru F-4). Cost summary for Option A services should be taken from Schedule G (tabs G-1 thru G-4). Cost summary for Option B services should be taken from Schedule H (tabs H-1 thru H-4). Offerors are only required to complete Schedules G-1 thru G-4 and/or H-1 thru H-4 if choosing to bid on services outlined in Option A and/or Option B.

Schedule B: This schedule represents the percentage of the total cost for Design, Development and Implementation. Do not include operations costs in this schedule. This schedule reflects payment milestones for each phase of the project. The offeror must complete matrix B-1 and if applicable matrices B-2 and B-3 by inserting a dollar amount for each payment milestone/phase such that the total percentages by phase are within the minimum and max percentage for each phase. Offerors are only required to complete Schedules B-2 and/or B-3 if choosing to bid on services outlined in Option A and/or Option B. Schedule B - DDI Payment Milestone by Phase calculations shall be based on a hypothetical scenario for a Participating State that has 65,000 Total Providers or 65,000 Total Owners.

Schedule C: This schedule represents the total cost of operations including four base years and five optional years. This will be completed as an attachment to a Participating Addendum. Schedule C does not need to be completed as a part of the Offeror's proposal submission. Operations year one begins the first day of the month following the implementation of the MPATH module.

Schedule D: This schedule represents the cost for enhancement pool hours for both the DDI and Operations phases of the proposal. This will be completed as an attachment to a Participating Addendum. Schedule D does not need to be completed as a part of the Offeror's proposal submission. Operations year one begins the first day of the month following the implementation of the MPATH module.

Schedule E: This schedule represents the hourly rates for resources in both the DDI and Operations phases.

NOTE: Offerors are only required to complete Schedules G-1 thru G-4 and/or H-1 thru H-4 if choosing to bid on services outlined in Option A and/or Option B. Schedules F, G and H can be completed automatically or manually. Offerors completing Schedules F-H manually must enter values in each field highlighted in green and orange. Offerors completing Schedules F-H using the automated formulas must enter values in each field highlighted in green and blue. All other fields are protected and must not be changed. Offerors must use only Providers throughout all schedules and worksheets in schedules F, G, and H or use only Owners consistently throughout the schedules and worksheets in F, G, and H to compute cost. Examples have been provided in workbook tabs labeled Example F-1 Prov Svcs DDI Costs, Example F-2 Prov Svcs Ops Cost, Example F-3 Prov Svcs DDI Hour Pool and Example F-4 Prov Svcs Ops Hour Pool. The examples provided are for demonstration purposes only and do not represent the State's expected costs for offerors cost proposal.

Schedule F (includes tabs F-1 thru F-4): This schedule represents the Provider Services Base Scope of Work Cost by Providers or Owners. Offerors must use only Providers or use



only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule F based on the number of Providers or by the number of Owners for each tab (F-1 thru F-4) of Schedule F. Schedule F will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of F-1 thru F-4 or the Owner Section of F-1 thru F-4. The base and variable costs identified in tabs F-1 thru F-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Schedule G (includes tabs G-1 thru G-4): This schedule represents the Provider Services Option A Scope of Work Cost by Providers or Owners. Offerors are only required to complete Schedules G-1 thru G-4 if choosing to bid on services outlined in Option A. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule G based on the number of Providers or by the number of Owners for each tab (G-1 thru G-4) of Schedule G. Schedule G will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of G-1 thru G-4 or the Owner Section of G-1 thru G-4. The base and variable costs identified in tabs G-1 thru G-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Schedule H (includes tabs H-1 thru H-4): This schedule represents the Provider Services Option B Scope of Work Cost by Providers or Owners. Offerors are only required to complete Schedules H-1 thru H-4 if choosing to bid on services outlined in Option B. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule H based on the number of Providers or by the number of Owners for each tab (H-1 thru H-4) of Schedule H. Schedule H will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of H-1 thru H-4 or the Owner Section of H-1 thru H-4. The base and variable costs identified in tabs H-1 thru H-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix. Cost proposals will be evaluated for all offerors who passed the minimum score in Step 2 of the evaluation process for the Base Provider Services scope of work.

NOTE: The following information is provided to help the Offeror understand how a Participating Entity will use Schedules F, G, and H to determine DDI cost and annual Operations cost.

DDI Costs

The State will use the following method to compute State Specific Total DDI Costs:

1. Determine the number of total active de-duplicated providers (Total Providers) by computing the total active de-duplicated providers on the last day of each month. Then compute an average of the monthly active de-duplicated providers over the first twenty-four (24) months of the last twenty-seven (27) months. This will be completed as an attachment to a Participating Addendum.
2. Determine the net active de-duplicated providers (Variable Providers)



- a. Variable Providers = the total active de-duplicated providers (Total Providers) minus the 25,000 active de-duplicated providers included in base (Base Providers).
3. Identify the applicable Group using the Total Providers and select the corresponding Group Variable Rate.
4. Calculate the total variable DDI Costs (Variable DDI Costs) by multiplying the Variable Providers by the Group Variable Rate.
5. Calculate the Total DDI Costs by adding Base DDI Cost plus Variable DDI Costs.

Operations

Each year, the State will use the following method to compute State Specific Total Monthly Operations Costs:

1. Determine the number of total active de-duplicated providers (Total Providers) by computing a twenty-four (24) month average of the monthly total active de-duplicated providers for the first twenty-four (24) of the last twenty-seven (27) months. This will be completed as an attachment to a Participating Addendum.
2. Determine the net active de-duplicated providers (Variable Providers)
 - a. Variable Providers = Total Providers minus the 25,000 active de-duplicated providers included in base (Base Providers).
3. Identify the applicable Group using the Total Providers and select the corresponding Group Variable Rate.
4. Calculate the total variable monthly operations costs (Variable Monthly Operations Costs) by multiplying the Variable Providers by the Group Variable Rate.
5. Calculate the Total State Monthly Operations by adding Base Operations Cost plus the Variable Monthly Operations Costs.

A similar method will be used to determine the cost of System Enhancement pool hour cost for DDI and System Enhancement pool hour cost for each year of Operations.

5.2.1 Adjusting DDI and Operational Costs One or More Years After the Effective Date of the Master Agreement

For Participating Addenda signed one year or more years after the effective date of the Master Agreement, the base cost and the initial variable rate for DDI and Operations will be adjusted using the Consumer Price Index Urban (CPI-U) to account for economic changes that may impact cost.

For DDI costs outlined in Attachment G – Provider Pricing Schedules, Schedule F-1 Provider Svcs DDI Cost, Schedule G-1 Provider Svcs DDI Cost, Schedule H-1 Provider Svcs DDI Cost:

For (Tab F-1 Provider Svcs DDI Cost: for Provider pricing cell C11 and cell C17 and for Owner pricing cell C29 and cell C35), (Tab G-1 Provider Svcs DDI Cost: for Provider pricing cell C11 and cell C17 and for Owner pricing cell C29 and cell C35), (Tab H-1 Provider Svcs DDI Cost: for Provider pricing cell C11 and cell C17 and for Owner pricing cell C29 and cell C35) can be adjusted using the inflation factor derived by utilizing the CPI-U calculation noted below. If a Participating Addendum is signed one year or more following the effective date of the Master Agreement, the cells noted above will be multiplied by the CPI-U inflation factor E. The CPI-U adjustment only applies to the cells referenced and only occurs at the initiation of the Contract. Following the execution of a Participating Addendum the cost will receive additional CPI-U adjustments.



For Operation costs outlined in Attachment G – Provider Pricing Schedules, Schedule F-2 Provider Svcs Ops Cost, G-2 Provider Svcs Ops Cost, and H-2 Provider Svcs Ops Cost:

For (Tab F-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50), (Tab G-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50), and (Tab H-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50) can be adjusted using the inflation factor derived by utilizing the CPI-U calculation noted below. If the Participating addenda is signed one year or more following the effective date of the Master Agreement, the cells would be multiplied by CPI-U inflation factor E. The CPI-U adjustment only applies to the cells referenced and only occurs at the initiation of the Contract. Following the execution of a Participating Addendum the cost will receive additional CPI-U adjustments.

CPIU for United States Adjustment Factor Calculation:

CPI-U Index for the month and year of the execution of a Participating Addendum: A
Less the CPI-U Index for the month and year of the Effective Date of the Master Agreement: B
Equals Index Point Change: C
Divided by CPI-U Index B: $C/B = D$
Equals: D
Result multiplied by 100: $D*100 = E$
Equals CPI-U Inflation Percentage: E

DXC Response

DXC certifies our understanding of Section 5.2 Price Schedules and its subsections.

Our response to Subsection 5.2 consists of:

- Attachment G Pricing Schedule
- Additional Information to Explain Price

Attachment G: Pricing Schedules

The completed Attachment G is DXC's response to Section 5.2 Price Schedules and its subsections.

In a response to a bidder question, Montana stated "The Offeror's complete cost proposal shall be represented in Attachment G – Provider Pricing Schedules. . . These documents must be uploaded in eMACS per Question 1.4 Cost Proposal."

In compliance with this instruction, the major response to Section 5 is the completed Attachment G Cost Proposal, which we are uploading to Question 1.4 on the eMACS Vendor Portal.

Additional Information to Explain Price

The following statements are the assumptions that DXC made when we developed the pricing that appears in Attachment G.



Software Licensing—DXC is proposing a software-as-a-service solution hosted, operated, and supported through DXC, based on the defined contract period with right to use for the Department during the term on the legal contract. Further, DXC is directly responsible and holds licenses for any third-party software required as part of the DXC systems and solution. The assumption is that this model is acceptable to the Department and the Department is not expecting any licensed commercial-off-the-shelf (COTS) software to transfer to the Department on contract completion.

DDI Duration—For the DDI phase duration, DXC has assumed 14 months. This duration is estimated due to the complexity of requirements and the solution, as specified.

Option Years Duration—Due to the 14 month DDI, the overall contract option year's period has been adjusted to align to the maximum contractual period, as required for Montana law.

Schedule H—The DXC assumption is that each phase, as listed, is not autonomous from the others, but rather the phases are based on the vendor's deployment models and would include resources tasked to implement the components of the overall solution, even if not specifically assigned to the headings of each phase. For example, the DXC deployment includes multiple modules, components, and subsystems to meet the base and options requirements. While DXC is implementing the provider modules, parallel to that effort is data conversion, EDI integration, and telephony systems configuration, all of which have varying phase durations that do not necessarily align to the project phases for the overall project as depicted in Schedule H. For DXC, each phase in Schedule H has cumulative staff counts that align to the months as listed in the column headings. The months listed by DXC in each phase heading represent the months to which the primary heading phase will occur.

Data Conversions Requirements—DXC assumes that Montana DPHHS legacy system(s) will provide the historical provider data in a format and manner mapped to the DXC provider data models. If this assumption is not correct, additional DXC effort may be required during the DDI phase and will need to be identified during the contracting phase prior to start of DDI.

Interface Requirements—DXC understands that it is responsible for providing provider data in a file format suitable for the legacy system to consume. DXC understands that it is not responsible for any changes to the legacy system itself.

Future Interfaces are the responsibility of the SI vendor—It is DXC's understanding that the SI vendor will exchange, map, and resolve all data between MPATH modules as the legacy system is retired. DXC assumes this to mean:

- DXC will provide a complete list of standard interfaces that we use for our provider services modules and other vendor modules in the MPATH.
- This list of interfaces will be documented as Web Service Definition Language files (WSDLs)—whether published or subscribed—and will be available through the central ESB that will be managed by the System Integrator vendor to any vendor module that will communicate with the provider services modules.
- In addition to WSDLs, we have a dictionary of service definitions that allow external interface designers to understand what our interfaces expect in data (beyond just the message format of the WSDLs).
- Any interface that DXC must modify beyond configuring existing product module interfaces will be considered a change order.

DXC assumes that the incumbent vendor will provide existing content for the current provider portal (manuals, publications, user guides, videos, FAQs, letter templates, and so forth).



DXC assumes provider training will be done virtually.

DXC assumes that (following contract signature) the provider services module can be implemented, go live, and be certified irrespective of any failures of the procurements or implementations of the other RFPs or System Integrator vendor.

DXC will receive new portal content needed due to changes in other modules (for example, training, FAQs, articles, bulletins, manuals, and guides) in a publish-ready format that has already been approved by the State. DXC will publish to the portal. Examples would be changes in EDI and claim billing/submission procedures, benefits and policy changes, and care management.

Our proposal estimate is based on RFP requirements as we understand them, based on our experience with provider services in numerous states and our understanding of ACA requirements. Additional requirements and/or timeline changes are not covered in our fixed-price bid.

Requirement Assumptions

The following requirements will require further clarification on the specific data, interfaces, access, and workflows needed to support the required business functionality. During the Business Function Reviews, we will collaborate with the State to define the specific business needs and processes. This may result in additional DDI effort to implement.

Requirement	Description	DXC Response
COR12	The Contractor's solution shall support official approval and denial notifications to the provider. The notification will support consolidated communication for multiple taxonomies in the case of split approval and denial of provider enrollment service determinations.	The solution DXC is providing supports the approval and denial notifications to providers; however, we will need additional clarity on what is required for split approval and denial of provider enrollment determinations. We assume the State will, during the DDI phase, provide the detailed specifications that are needed for this requirement.
ENR08	The Contractor's solution shall have configurable business rules to suspend or restrict the enrollment of providers, trading partners or clinics affiliated with individuals debarred by State or Federal agencies, listed in Registries (e.g., Child Abuse, Elder/Adult Abuse, Sex Offender), or do not meet requirements specified by the State.	The DXC solution supports this requirement in that our screening includes publicly available data sources. However, we need additional clarity on what specific State agencies or registries would also be included. As noted in the responses to Questions and Answers, the State indicated that the registry interfaces will vary by state. We assume the State will, during the DDI phase, provide the detailed specifications (for example, data elements and interfaces) that are needed for this requirement.



PMNT10	The Contractor's solution shall collect and maintain the Pay for Performance (P4P) information from Medicare.	The DXC solution supports the collection and maintenance of a variety of data for providers. As noted in the responses to Questions and Answers, the State indicated the source of P4P data will be CMS and State policy. We assume the State will, during the DDI phase, provide the detailed specifications (for example, data elements and interfaces) that are needed for this requirement.
PMNT35e	The Contractor's solution shall allow for mass updates to provider status based on criteria defined by the department (e.g., group practice changes) and initiate notification to the providers and appropriate programs.	The DXC provider module supports mass updates to provider status (to deactivate/terminate providers). However, we need more details regarding what specific criteria the department would use to allow mass updates to provider status. We assume the State will, during the DDI phase, provide the detailed specifications that are needed for this requirement.
PMNT50	The Contractor's solution shall support the ability to compare provider enrollment and revalidation information with PECOS if the provider is enrolled with Medicare. Depending on provider risk category, the solution shall verify completion of the fingerprint background check (if required), payment of application fee (if required) and verify Medicare ownership information matches the provider record in the provider module. If a mismatch is found, create an alert to the designated work group.	The DXC solution supports the ability to systematically compare enrollment data to third-party data such as PECOS. However, PECOS data is not publicly available and will require each State Medicaid Agency to authorize access to vendors. We assume that each participating state will grant sufficient licenses to DXC staff to support this requirement.
PMNT58	The Contractor's solution shall have the ability to automatically and manually link the unique provider number to other provider IDs used throughout the State enterprise (e.g. SABHRS or State Eligibility Systems IDs). The solution shall display all provider IDs.	The DXC solution supports the ability to link the unique provider number to other provider IDs. As noted in the response to Questions and Answers, the State indicated preference for an automated process. We assume the State will, during the DDI phase, provide the



		detailed specifications (for example, data elements and interfaces) that are needed for this requirement.
ENR25	The Contractor's enrollment process shall be configurable to include trading partner enrollment within the overall provider enrollment business process.	DXC can support this requirement; however, we will need to confirm during DDI that our solution aligns to State expectations. As noted in the response to Questions and Answer, the State has indicated that the workflows and interface requirements will be configured during the DDI phase. We assume this to include detailed workflow and interface requirements for trading partner enrollment.
Option A requirements	Requirements Description: Self-service transactions requirements for Option A.	Some of the Option A requirements may rely on interfaces to modules outside of DXC control. For example, to view claim status a provider can use the DXC Provider Portal to request the status from the claims system. We provide the front-end access to back-end data held by other module vendors or the legacy MMIS. Through web services, we send a request to the system which houses the data and displays the result of the request to the user. The DXC assumption is that web services will be supported by back end systems and the number of requirements will not exceed those as listed.
COR12	The Contractor's solution shall support official approval and denial notifications to the provider. The notification will support consolidated communication for multiple taxonomies in the case of split approval and denial of provider enrollment service determinations.	The solution DXC is providing supports the approval and denial notifications to providers; however, we will need additional clarity on what is required for split approval and denial of provider enrollment determinations. We assume the State will, during the DDI phase, provide the detailed specifications that are needed for this requirement.



5.3 PAYMENTS

During the DDI phase of the Contract, the Contractor will be paid for each successful payment milestone identified in Attachment G, Pricing Schedule B – DDI Payment Milestones, based on the approval and acceptance of the milestone by DPHHS. The Contractor will submit an invoice for each milestone after DPHHS acceptance. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

During operations, Contractor may submit monthly invoices equal to 1/12 of the fixed price proposed for that contract year as identified in Attachment G, Pricing Schedule C – Cost of Operations. The Contractor will submit an invoice at the beginning of the month following the month for which services were performed. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

Enhancement pool hours for both the DDI and Operations phase will be paid for each enhancement upon acceptance and approval by DPHHS. The Contractor will submit a monthly System Enhancement Pool Report itemizing the hours for accepted and approved enhancements during the previous month. The Department shall pay for associated hours in the approved System Enhancement Pool Report within 30 calendar days based on the proration of rates provided in Attachment G, Pricing Schedule D – Enhancement Pool Hours.

DXC certifies our understanding of Section 5.3 Payments. Project Manager Brian Haw and Contract Manager Carol Pangborn will establish the processes for invoicing and for reporting System Enhancement Pool usage.

