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A Wipro Company



State of Montana

DPHHS

Claims Processing and Management Services
for Montana's Program for Automating and
Transforming Healthcare (MPATH)

RFP # DPHHS-RFP-2020-0254T

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Cost Proposal

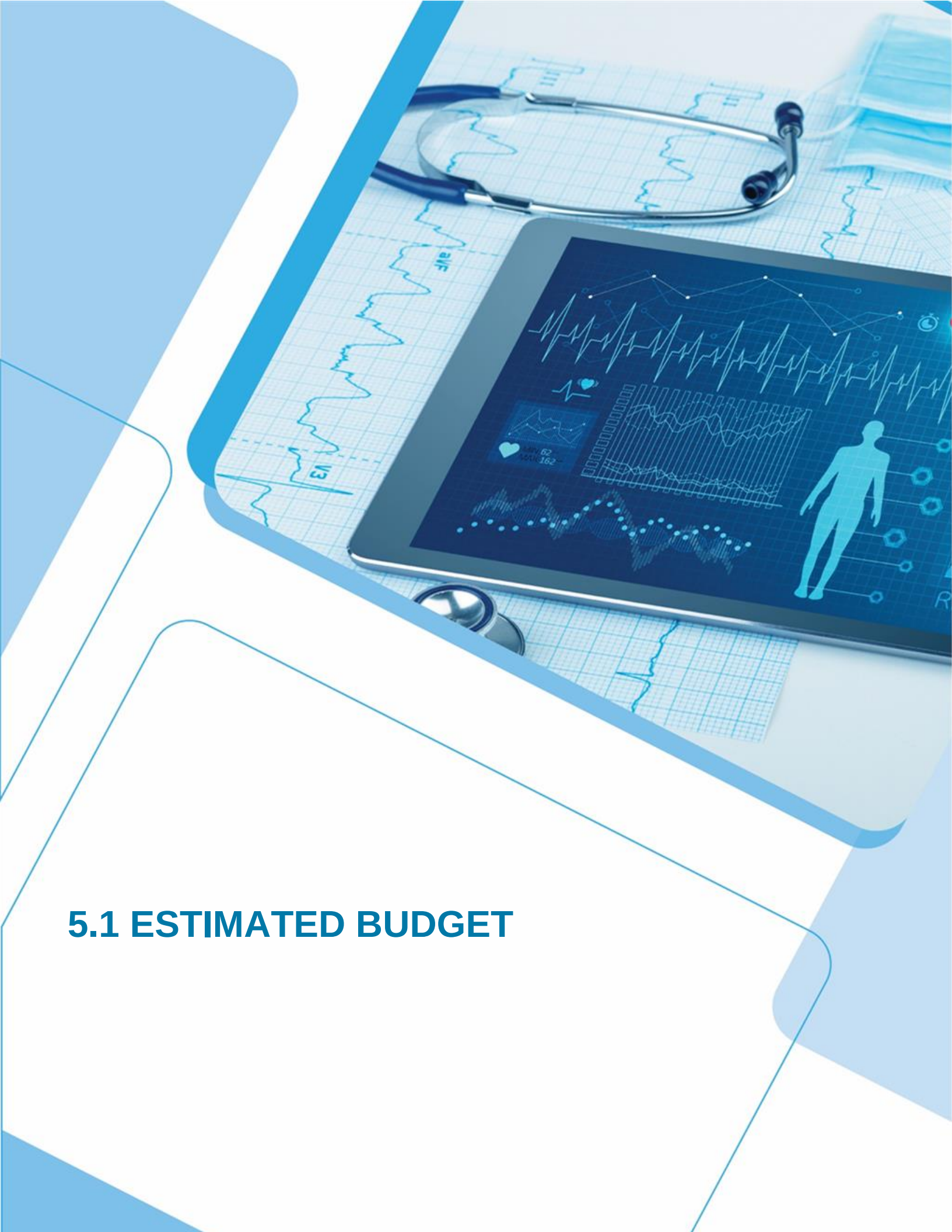
TABLE OF CONTENTS

TABLE OF CONTENTS.....	5-1
SECTION 5: COST PROPOSAL.....	5-2
5.1 ESTIMATED BUDGET.....	5-4
5.2 PRICE SCHEDULES.....	5-6
5.2.1 Fee for Service Annual Spend per State.....	5-6
5.2.2 Total Number of Members per State.....	5-6
5.2.3 Tier Based Fee for Service Annual Spend and Group Combination.....	5-7
5.2.4 Procurement Administrative Fees	5-7
5.2.5 Pricing Schedule Details	5-9
5.2.6 Calculating State Specific Costs.....	5-13
5.3 PAYMENTS.....	5-17

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.

Team Wipro has read and understands the requirements of this section. Please see our responses below to the various subsections.



5.1 ESTIMATED BUDGET

5.1 ESTIMATED BUDGET

DPHHS has established the following estimated budget amount for the Claims Processing and Management 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, Option B or Option C Services or a maximum budget for Claims Processing and Management Services. Table 5.1 outlines the Claims Processing and Management Services module estimated budget:

Table 5.1 Estimated Claims Services Module Budget by Phase and Duration

Phase	Duration in Months	Total Amount
DDI, Integration, Implementation, and Certification	28 *	\$20,275,225
Operations and Maintenance (Base Years)	44	\$44,000,000
Operations and Maintenance (Optional Years)	48	\$50,400,000
System Enhancement Hours (7,500 DDI Hours)		\$937,500
System Enhancement Hours (4,000 *8 Operations years)		\$4,000,000
Total Estimated Budget		\$119,612,725

*The number listed in the Duration in Months column for DDI Integration, Implementation, and Certification represent the Department's estimates for the duration of DDI activities. These estimated durations should not influence the vendors proposed timeline.

Team Wipro has read and understands the estimated budget is not the maximum budget for the Claims Processing and Management project, and the estimated timelines does not influence our proposed timelines for the project.



5.2 PRICE SCHEDULES

5.2 PRICE SCHEDULES

In order to allow Offerors more flexibility in their pricing, the cost proposal was constructed using a multivariate approach.

Team Wipro has read and understands the Price Schedules subsection. We understand the multivariate approach to allow offerors more flexibility in pricing for the core solution and Options A, B and C.

5.2.1 FEE FOR SERVICE ANNUAL SPEND PER STATE

A five (5) tier scale using ten years of historical Fee for Service annual spending for every State. Attachment N offers a detailed table of the Fee for Service spending ranges of every Tier (See Table 5.2.1 below). When a State is ready to sign a participating addendum, they will identify their total Fee for Service dollars spent in the previously completed Federal Fiscal Year that is published on the CMS website. Once they have identified that number, they will go to the corresponding Federal Fiscal Year columns and find the row for the range that contains their total Fee for Service dollar spend. That row is the State's Claims Pricing Tier.

Table 5.2.1 Claims Processing and Management Services Fee for Service Spend Tiers (FY2019)

Claims Pricing Tiers			
Claims Pricing Tier	Lower Limit	Higher Limit	Range Spend
Tier 1	\$ 0	\$ 1,499,999,999	\$ 1,499,999,999
Tier 2	\$ 1,500,000,000	\$ 3,499,999,999	\$ 2,000,000,000
Tier 3	\$ 3,500,000,000	\$ 6,499,999,999	\$ 3,000,000,000
Tier 4	\$ 6,500,000,000	\$ 13,999,999,999	\$ 7,500,000,000
Tier 5	\$ 14,000,000,000	+	infinite

Team Wipro understands the five Tiers based on annual Fee for Service spend. Cost proposal for any state is based on their Tier.

5.2.2 TOTAL NUMBER OF MEMBERS PER STATE

A seven (7) group scale based on the number of active de-duplicated Members served by each State across healthcare programs (Fee-for-Service and Managed Care) was created within each one of the five Fee for Service tiers. To further expand the difference between how an Offeror will use the Tier/Group, please observe the table 5.2.2 below:

Table 5.2.2 Groups (Member Range)

Groups (Member Range)							
	0-249,999	250K – 399,999	400K – 899,999	900K – 1,349,000	1.35M – 1,799,999	1.8M – 3,999,999	4M +
Tier 1	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
Tier 2	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7

Tier 3	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
Tier 4	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
Tier 5	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7

Team Wipro understands that there are seven Groups for each Tier, based on the active de-duplicated Members. Cost proposal for any state is based on their Tier and Group.

5.2.3 TIER BASED FEE FOR SERVICE ANNUAL SPEND AND GROUP COMBINATION

The combination of “Tier” based on the Fee for Service annual spend and “Group” number of Members being served by each State provides the Contractor additional flexibility to tailor the cost to the size and scale of the states in their cost proposal.

The Table 5.2.3 below presents the number of States that are in each Tier and Group combination based on 2018 figures.

Table 5.2.3 Count of States per Tier/Group

Count of State/ Territory	Groups							
Tiers	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Grand Total
Tier 1	6	5	1					12
Tier 2	2	3	3	2	2			12
Tier 3			3	5	3	2		13
Tier 4			2	2	2	4	1	11
Tier 5							3	3
Grand Total	8	8	9	9	7	6	4	51

Attachment G – Pricing Schedules is comprised of five 5 workbooks, one for each Tier. Each workbook represents a Tier derived from the Total Fee for Services Spend per State. Offerors must complete all of the Price Schedules for each of the five Tier workbooks 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, if requested, to explain the Offeror's price. No cost information shall be included in the technical proposal. All schedules must be completed in full at the time of submittal. The Offeror's complete cost proposal shall be represented in Attachment G –Pricing Schedules and includes the costs for the items included in Attachment L - Technology Matrix.

Team Wipro understands the multi-variate cost proposal is structured around five tiers and seven groups, based on the State's annual Fee for Service spend and active de-duplicated Members, respectively.

5.2.4 PROCUREMENT ADMINISTRATIVE FEES

The Offeror will be required to pay two separate procurement administrative fees as part of this procurement (NASPO ValuePoint Administrative Fee and Participating State Procurement

Administrative Fee) for Design, Development, and Implementation (DDI) services portion of the Participating Addendum (e.g., procurement administrative fees will be applied to all DDI expenditures including the "...SVCS DDI Costs" and "...SVCS DDI Pool Costs" from Attachment G – Pricing Schedules, schedules F-1 and F-3, G-1 and G-3, H-1 and H-3, I-1 and I-3, plus any additional optional data conversion years cost required by a state in Schedule L - Data Conversion Optional Years). Procurement administrative fees will not be assessed on the Operations portion of the Participating Addendum. Procurement administrative fees will not be paid by the Participating State. Therefore, the Offeror's total proposed cost must account for the Offeror's responsibility to pay these fees to the respective entity at the time their invoices are paid. These procurement administrative fees support either the administration of the ValuePoint multi-state cooperative procurement program or they support the Participating State procurement activities in support of the multi-state cooperative procurement. The details of each administrative fee are as follows:

- a. NASPO ValuePoint Administrative Fee: The Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) on DDI payments received from the Participating Entity no later than sixty (60) days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee shall be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping) performed up until the time Design, Development, and Implementation (DDI) is completed. This fee is to be included as part of the pricing submitted with any proposal to a potential Participating Entity.
- b. Participating State Procurement Administrative Fee: If required by the Participating State, the Contractor shall pay to the Participating State Chief Procurement Officer, or its assignee, a Participating State Procurement Administrative Fee of no more than two percent (2.0% or 0.02) on DDI payments received from the Participating Entity no later than sixty (60) days following the end of each calendar quarter (or subject to the terms of the Participating Addendum whichever is sooner). The Participating State Procurement Administrative Fee shall be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping) performed up until the time Design, Development, and Implementation (DDI) is completed. This fee is to be included as part of the pricing submitted with any proposal to a potential Participating Entity. If a Participating State chooses to assess a procurement administrative fee in excess of two percent, the Offeror will be allowed to adjust their proposed cost for the Participating State to account for the difference. If the Participating State does not choose to assess a Procurement Administrative fee or if the Participating State Procurement Administrative Fee is less than 2.0%, the Contractor shall reduce their cost proportionally as part of the Participating Addendum.

Team Wipro understands and confirms that the cost proposal includes 0.25% Administrative Fee on all Design, Development, and Implementation (DDI) costs charged to the State, which will be paid by us to NASPO ValuePoint every quarter.

Team Wipro also understands and confirms that the cost proposal includes 2.00% State Procurement Administrative Fee on all DDI costs charged to the State, which will be paid by us to the State every quarter, if the State chooses to assess this fee. If the State does not choose to assess this fee or assess a fee lesser than 2%, then the cost proposal will be proportionally reduced in the Participating Addendum.

5.2.5 PRICING SCHEDULE DETAILS

The requirements and schedules are detailed in Table 5.2.4 Pricing Schedule List:

Table 5.2.4 Pricing Schedule List (These schedules are provided in Attachment G, Pricing Schedules).

List of Schedules	
Schedule	Title
Schedule A**	Cost Summary
Schedule B**	DDI Payment Milestone by Phase
- Schedule B-1 - Schedule B-2 - Schedule B-3 - Schedule B-4 - Schedule B-5	- Claims Services Core Scope of Work Claims Solution Installation for Agency - Claims Services Core Scope of Work Design Development & Implementation (DDI) Payment Milestones By Phase - Claims Services Option A Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase - Claims Services Option B Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase - Claims Services Option C Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase
Schedule C**	Cost of Operations
Schedule D**	Enhancement Pool Hours
Schedule E	Resource Hourly Rates
Schedule F	Claims Services Core Scope of Work Cost
- Schedule F-1 - Schedule F-2 - Schedule F-3 - Schedule F-4	- Claims Services DDI Cost - Claims Services Operations Cost - Claims Services DDI Enhancement Pool Hour Cost - Claims Services Operations Enhancement Pool Hour Cost
Schedule G (optional*)	Claims Services Option A Scope of Work Cost
- Schedule G-1 - Schedule G-2 - Schedule G-3 - Schedule G-4	- Claims Services DDI Cost - Claims Services Operations Cost - Claims Services DDI Enhancement Pool Hour Cost - Claims Services Operations Enhancement Pool Hour Cost
Schedule H (optional*)	Claims Services Option B Scope of Work Cost
- Schedule H-1 - Schedule H-2 - Schedule H-3 - Schedule H-4	- Claims Services DDI Cost - Claims Services Operations Cost - Claims Services DDI Enhancement Pool Hour Cost - Claims Services Operations Enhancement Pool Hour Cost

Schedule I (optional*)	Claims Services Option C Scope of Work Cost
- Schedule I-1 - Schedule I-2 - Schedule I-3 - Schedule I-4	- Claims Services DDI Cost - Claims Services Operations Cost - Claims Services DDI Enhancement Pool Hour Cost - Claims Services Operations Enhancement Pool Hour Cost
Schedule J	Claims Services Integration Service Types
Schedule K	DDI Requisitioned Integration Services Pool Hours and Cost
Schedule L	Claims Services Data Conversion Optional Years of Data Costs
Schedule M (optional**)	Claims Services Option D Scope of Work Cost
- Schedule M-1 - Schedule M-2 - Schedule M-3 - Schedule M-4	- Claims Services DDI Cost - Claims Services Operations Cost - Claims Services DDI Enhancement Pool Hour Cost - Claims Services Operations Enhancement Pool Hour Cost

*These schedules are optional.

** These schedules are only completed as part of the Participating Addendum.

All non-optional schedules in each of the Tier workbooks 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 Claims Processing and Management Services Module.

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 and will be completed in the Participating Addendum process. These totals will be automatically taken from the applicable Schedules B1, F1-F4, G1-G4, H1-H4, I1-I4, K, L, and M1-M4.

Schedule B: This schedule represents the percentage of the total cost for Design, Development and Implementation and will be completed in the Participating Addendum process. Do not include operations costs in this schedule. This schedule reflects payment milestones for each phase of the project. Schedule B does not need to be completed as a part of the Offeror's proposal submission. This schedule will be completed as part of the Participating Addendum process. As part of the Participating Addendum process, the offeror must complete matrices B-1 & B-2 and if applicable matrices B-3, B-4, and B-5 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. The total amount of each matrix should match the totals found in Schedules F-1, G-1, H-1, and I-1. If the Offeror is bidding on services outlined in Options A, B, or C, the Offeror is required to complete the corresponding Schedules B-3, B-4, B-5.

NOTE: In accordance with CMS guidance, Certification may not be requested by the Participating State until 6 months after implementation of the complete solution. The Certification process is complete once the presentation to CMS is completed, all open issues are resolved, and the Agency receives a letter from CMS certifying the solution.

Schedule C: This schedule represents the total cost of operations including four base years and optional years (optional years are equal to 10 years less (the DDI duration plus 4 base years of operations). 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. This schedule will be completed as part of the Participating Addendum process. Operations year one begins the first day of the month following the implementation of the Claims Processing and Management Services (CPMS) 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. This schedule will be completed as part of the Participating Addendum process. Operations year one begins the first day of the month following the implementation of the Claims Processing and Management Services module.

Schedule E: This schedule represents the hourly rates for Offeror resources. These rates are only to be used if a Participating State requests an estimate for work that is not initially contemplated in the original Scope of Work of the Claims Processing and Management Services module.

NOTES:

1. Offerors are only required to complete Schedules G-1 thru G-4, H-1 thru H-4 or I-1 thru I-4 if choosing to bid on services outlined in Option A, Option B or Option C respectively. Schedules F, G, H, I and M can be completed partially automated or manually. If Offeror decides to use the partially automated option for the generation of these schedules they must be aware that the formulas in the spreadsheet will use three distinct metrics to generate the final values, so they must have at hand the following:
 - a. Current Cost-of-Living-Adjustment (COLA) percentage (this metric will be year to year multiplier that will increase/decrease the price of Service Operation Costs and Pool hours),
 - b. Year 1 Hourly Rate for every type of schedule,
 - c. Their Variable Rate Factor for each Group Member Range (1-7).
2. Offerors completing Schedules F-I manually must enter values in each field highlighted in green and orange.
3. Offerors completing Schedules F-I using the automated formulas must enter values in each field highlighted in green and blue. All other fields are protected and cannot be changed.
4. Color code: Cells highlighted in Green, Orange, and Blue are the only cells designated for Offerors to use. Cells highlighted in Cyan are only for Participating States to use. All other cells are protected and cannot be changed.
5. Schedules E, F, G, H, I, K, L, & M will be updated by the Consumer Price Index Urban (CPI-U) once the Participating State Tab is completed by the Agency.

Schedule F (includes tabs F-1 thru F-4): This schedule represents the Claims Services Core Scope of Work Cost by Members. The Offeror must complete Schedule F based on the number of Members for each tab (F-1 thru F-4) of Schedule F. Schedule F will only be considered complete and valid if all the green and all the orange highlighted cells have a value in 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 **all Core contract requirements** including the technology detailed in Attachment L - Technology Matrix. For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS".

Schedule G (includes tabs G-1 thru G-4): This schedule represents the Claims Services Option A

(Financial) Scope of Work Cost by Members. Offerors are only required to complete Schedules G-1 thru G-4 if choosing to bid on services outlined in Option A. The Offeror must complete Schedule G based on the number of Members for each tab (G-1 thru G-4) of Schedule G. Schedule G will only be considered complete and valid if all the green and all the orange highlighted cells have a value in 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 **all Option A (Financial) contract requirements** including the technology detailed in Attachment L - Technology Matrix. For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS".

Schedule H (includes tabs H-1 thru H-4): This schedule represents the Claims Services Option B (Call Center) Scope of Work Cost by Members. Offerors are only required to complete Schedules H-1 thru H-4 if choosing to bid on services outlined in Option B. The Offeror must complete Schedule H based on the number of Members for each tab (H-1 thru H-4) of Schedule H. Schedule H will only be considered complete and valid if all the green and all the orange highlighted cells have a value in 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 **all Option B (Call Center) contract requirements** including the technology detailed in Attachment L - Technology Matrix. For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS".

Schedule I (includes tabs I-1 thru I-4): This schedule represents the Claims Services Option C (Federal Reporting) Scope of Work Cost by Members. Offerors are only required to complete Schedules I-1 thru I-4 if choosing to bid on services outlined in Option C. The Offeror must complete Schedule I based on the number of Members for each tab (I-1 thru I-4) of Schedule I. Schedule I will only be considered complete and valid if all the green and all the orange highlighted cells have a value in I-1 thru I-4. The base and variable costs identified in tabs I-1 thru I-4 must include the costs necessary to support **all Option C (Federal Reporting) contract requirements** including the technology detailed in Attachment L - Technology Matrix. For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS".

Schedule J: This schedule represents the Claims Services Integration Service Types. Offerors need to determine the number of hours for every resource specified in every one of the Integration Types:

1. Major Integration Service Type Effort
2. Complex Integration Service Type Effort
3. Standard Integration Service Type Effort
4. Simple Integration Service Type Effort
5. Onboarding Integration Service Type Effort

For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS". Examples of the Integration Service Type categories can be found in Attachment O – Integration Service Type Examples.

Schedule K: This schedule represents the DDI Requisitioned Integration Services Pool Hours and Cost. Offerors need to determine the Total Cost for the DDI Requisitioned Integration Services Pool Hours. Schedule K will only be considered complete and valid when the green highlighted cell has a value. For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS".

Schedule L: This schedule represents the Data Conversion Optional Years of Data Cost. Schedule

L will only be considered complete and valid when all the green and orange highlighted cells have a value. For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS".

Schedule M: This schedule represents the placeholder for Claims Services Option D (State Specific) Scope of Work Cost by Members. This Schedule is a placeholder for the costs associated with the State Specific requirements not currently found in the RFP but will be added on the Participating Addendum process. Offerors are only required to complete Schedules M-1 thru M-4 if the Participating States decide to have State Specific requirements that are not covered in the Core, Option A, Option B, or Option C requirements. The Offeror must complete Schedule M based on the number of Members for each tab (M-1 thru M-4) of Schedule M. Schedule M will only be considered complete and valid if all the green and all the orange highlighted cells have a value in M-1 thru M-4. The base and variable costs identified in tabs M-1 thru M-4 must include the costs necessary to support **all Option D (State Specific Requirements) contract requirements** including the technology detailed in Attachment L – Technology Matrix. For step by step instructions of how to fill this Schedule, review the attachment named "Partially Automated-Manual Pricing Instructions Offerors-PS".

Team Wipro understands and confirms that our cost proposal is compliant with the requirements and schedules detailed in Table 5.2.4 Pricing Schedule List above.

5.2.6 CALCULATING STATE SPECIFIC COSTS

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

DDI Cost

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

1. Determine the number of total active de-duplicated members (Total Members) by computing a twenty-four (24) month average of the quarterly total active de-duplicated members (i.e. Members with eligibility on the last day of the quarter) 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. Identify the applicable Group using the Total Members and enter the number of Total Members in row 8 for that group.
3. Calculate the total variable DDI Costs (Variable DDI Costs) by multiplying the Variable Members by the Group Variable Rate (done automatically).
4. Calculate the Total DDI Costs by adding Base DDI Cost plus Variable DDI Costs (done automatically).

Operations Cost

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 members (Total Members) by computing a twenty-four (24) month average of the quarterly total active de-duplicated members (i.e. Members with eligibility on the last day of the quarter) 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. Identify the applicable Group using the Total Members and enter the number of Total

- Members in row 9 for that group.
3. Calculate the total variable monthly operations costs (Variable Monthly Operations Costs) by multiplying the Variable Members by the Group Variable Rate (done automatically).
 4. Calculate the Total State Monthly Operations by adding Base Operations Cost plus the Variable Monthly Operations Costs (done automatically).

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.

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 –Pricing Schedules, Schedule F-1 Claims Svcs DDI Cost, Schedule G-1 Claims Svcs DDI Cost, Schedule H-1 Claims Svcs DDI Cost, Schedule I-1 Claims Svcs DDI Cost:

For (Tab F-1 Claims Svcs DDI Cost: cells D10, F10, H10, J10, L10, N10, P10 and R10), (Tab G-1 Claims Svcs DDI Cost: cell D10, F10, H10, J10, L10, N10, P10 and R10), (Tab H-1 Claims Svcs DDI Cost: cell D10, F10, H10, J10, L10, N10, P10 and R10), (Tab I-1 Claims Svcs DDI Cost: cell D10, F10, H10, J10, L10, N10, P10 and R10) and (Tab M-1 Claims Svcs DDI Cost: cell D10, F10, H10, J10, L10, N10, P10 and R10) 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. The CPI-U calculation will be performed automatically using the “Participating State” tab the workbook.

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

For (Tab F-2 Claims Svcs Ops Cost: cells D11:D19, F11:F19, I11:I19, L11:L19, O11:O19, U11:U19 and X11:X19), (Tab G-2 Claims Svcs Ops Cost: D11:D19, F11:F19, I11:I19, L11:L19, O11:O19, U11:U19 and X11:X19), (Tab H-2 Claims Svcs Ops Cost: cell D11:D19, F11:F19, I11:I19, L11:L19, O11:O19, U11:U19 and X11:X19), and (Tab I-2 Claims Svcs Ops Cost: cell D11:D19, F11:F19, I11:I19, L11:L19, O11:O19, U11:U19 and X11:X19), and (Tab M-2 Claims Svcs Ops Cost: cell D11:D19, F11:F19, I11:I19, L11:L19, O11:O19, U11:U19 and X11:X19) 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. The CPI-U calculation will be performed automatically using the “Participating State” tab the workbook.

CPI-U 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: $D \times 100 = E$

Equals CPI-U Inflation Percentage: E

Figure 3.9 below provides an example of the 10-year contract period.

Figure 3.9 Claims Contract Timeline



* The graphic above provides an example and is not trying to communicate a projected or expected DDI phase duration. The offeror should propose a realistic DDI phase duration based on the overall scope of the project and the proposed solution.

Team Wipro understands the method that is be used by the Participating Entity, as detailed above, to arrive at the cost proposal for the respective entity.



5.3 PAYMENTS

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 of acceptance of the enhancement based on the proration of rates provided in Attachment G, Pricing Schedule D – Enhancement Pool Hours.

Team Wipro understands and agrees to the Invoicing and Payment terms outlined above. DDI Payments are based on approved and accepted milestones; during operations monthly invoices will be submitted based on fixed price proposal; and Enhancement pool hours will be invoiced based on itemized report of hours for accepted and approved enhancements.