



March 1, 2012

Donna D. Smith, Senior Buyer
WV Department of Health and Human Resources - Office of Purchasing
One Davis Square, Suite 100
Charleston, WV 25301

Subject: Cost Proposal in Response to Request for Proposal MED12009: External Quality Review Organization

Dear Ms. Smith:

Qsource, the Centers for Medicare & Medicaid Services (CMS) designated Quality Improvement Organization and External Quality Review Organization for the State of Tennessee, is pleased to submit this proposal to serve as External Quality Review Organization for the State of West Virginia, Bureau for Medical Services.

Qsource accepts and agrees to the special terms and conditions set out in the RFP Attachment D, or to alter terms and conditions upon approval of the Bureau for Medical Services.

Pricing determinations made by Qsource for the proposed work were arrived at independently without collusion, consultation, communication or agreement. Qsource confirms that this proposal remains valid through the evaluation, selection and contract period.

3340 Players Club Pkwy., Ste. 300 • Memphis, TN 38125

The following individuals are authorized representatives who may be contacted regarding Qsource's RFP response:

Dawn M. FitzGerald, MS, MBA, Chief Executive Officer
Telephone: 800-528-2655, extension 2650

Patrick N. Brown, MBA, Chief Financial Officer
Telephone: 800-528-2655, extension 2680

John Couzins, EQRO Director
Telephone: 866-514-8595, extension 7217

Qsource looks forward to providing exceptional services to the Bureau for Medical Services. Qsource's qualifications, capability and experience provide a solid infrastructure to deliver services to the State of West Virginia.

Sincerely,



Dawn M. FitzGerald, MS, MBA
Chief Executive Officer



Attachment C: Cost Sheet

Cost information below as detailed in the RFP and submitted in a separate sealed envelope. Cost should be clearly marked. **Vendor shall not alter cost sheet.**

2.4 Project and Goals	Year 1	Year 2	Year 3	Year 4	Optional Year 1	Optional Year 2
Start-Up Costs	\$16,835					
Yearly Operating Costs	\$415,548	\$437,067	\$457,078	\$484,392	\$500,043	\$523,105
Additional Services* \$ <u>75.65</u> (all inclusive hourly rate) x 100 hours (estimated)	\$7,565					
Additional Services* \$ <u>79.43</u> (all inclusive hourly rate) x 100 hours (estimated)		\$7,943				
Additional Services* \$ <u>83.40</u> (all inclusive hourly rate) x 100 hours (estimated)			\$8,340			
Additional Services* \$ <u>87.56</u> (all inclusive hourly rate) x 100 hours (estimated)				\$8,756		
Additional Services* \$ <u>91.95</u> (all inclusive hourly rate) x 100 hours (estimated)					\$9,195	
Additional Services* \$ <u>96.54</u> (all inclusive hourly rate) x 100 hours (estimated)						\$9,654
Yearly Not to Exceed Cost	\$439,948	\$445,010	\$465,418	\$493,148	\$509,238	\$532,759
Total Not to Exceed Cost of Contract for six (6) Year Period						\$2,885,522

***All-inclusive Hourly Rate for Pricing Additional Services:**

The Bureau and Vendor will jointly determine a 'not-to-exceed' number of hours, time frame, and staff for each service. The Vendor must agree to provide a Statement of Work and estimation of effort and receive Bureau approval of the actual 'not-to-exceed' hours, time frame, and staff prior to work beginning.



1. The Vendors all-inclusive hourly rate will include all general and administrative staffing (secretarial, clerical, etc.), travel, supplies and other resource costs necessary to perform all services within the scope of this procurement.
2. The estimated hours are to be used for cost bid evaluation purposes only.
3. The cost bid proposal will be evaluated on the Total Not to Exceed Cost of Contract for six (6) year period.

Qsource

(Company)

Qsource

(Representative Name, Title)

Phone: 901-682-0381/Fax: 901-273-2695

(Contact Phone/Fax Number)

03/01/2012

(Date)