



HMS:: A Proposal to
The State of West Virginia
Bureau for Medical Services

Recovery Audit Contract
Medical/Dental/DME

Request for Proposal MED 13001

Response Due: July 27, 2012 / 1:30 pm

Cost Proposal Copy



5615 High Point Drive
Irving, Texas 75038
Telephone: 214.453.3000
Fax: 469.359.4413

Cost Proposal

Health Management Systems, Inc. (HMS) is pleased to present this Cost Proposal to BMS. HMS is confident that the auditing and analytical services to identify and recover overpayments and underpayments described in this proposal will best provide for the needs of BMS.

For more than 27 years, we have successfully implemented projects of a similar scope. As a result of this experience, HMS offers the proven capabilities to fulfill the entire scope of project tasks described in the Request For Proposal.

HMS takes pride in our proven client service, capacity for delivery, highly qualified staff, and in-depth understanding of all aspects of the RAC program. During the 24 years serving BMS, we have become fully aware of the human, technical, and financial resources required for a successful engagement. We are committed and well prepared to apply our extensive knowledge of improper payment identification and audit to help BMS achieve its operational and financial goals.

We have used the form from Attachment C of the RFP (see next page) to submit our fees.

Attachment C: Cost Sheet

Cost information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked. **Vendor shall not alter Cost Sheet.**

Vendors are to use their business expertise in pricing the work described in this RFP, taking into consideration any intervening steps or activities that must be performed in order to complete the work and offer their rates accordingly, even if BMS does not explicitly identify those intervening costs in this RFP. The selected Vendor will be compensated as described in Attachment D: Special Terms and Conditions of the RFP and their proposed and accepted percentage rate which shall not exceed the following:

1. The highest Medicare RAC as specified by CMS in the Federal Register.
2. The highest Medicare RAC as specified by CMS for the recovery of improper payments made for "medical supplies, equipment and appliances suitable for use in the home" found within the home health services benefit authorized by section 1905(a)(7) of the Social Security Act.

Contingency Fee Percentage Rate: Vendor's Proposed Percentage: (for the contract term and any potential renewals)

A.) Overpayment – Medical/Dental			
Contract Year	Estimated Recovery	Contingency %	Contract Cost ¹
Year 1	\$ 5,000,000	11.45%	\$572,500.00
Optional Year 1	\$ 5,000,000	11.45%	\$572,500.00
Optional Year 2	\$ 5,000,000	11.45%	\$572,500.00
Subtotal – Medical/Dental	\$ 1,717,500.00		
B.) Overpayments – DME			
Contract Year	Estimated Recovery	Contingency %	Contract Cost ¹
Year 1	\$ 1,000,000	11.45%	\$114,500.00
Optional Year 1	\$ 1,000,000	11.45%	\$114,500.00
Optional Year 2	\$ 1,000,000	11.45%	\$114,500.00
Subtotal – DME	\$ 343,500.00		

¹ Estimated Recovery Amount x Contingency % = Estimated Contract Cost

C.) Underpayments – Medical/Dental			
Contract Year	Estimated Recovery	Contingency %	Contract Cost ¹
Year 1	\$ 500,000	9.95%	\$49,750.00
Optional Year 1	\$ 500,000	9.95%	\$49,750.00
Optional Year 2	\$ 500,000	9.95%	\$49,750.00
Subtotal – Underpayments Medical/Dental	\$ 149,250.00		
D.) Underpayments - DME			
Contract Year	Estimated Recovery	Contingency %	Contract Cost ²¹
Year 1	\$ 1,000,000	9.95%	\$99,500.00
Optional Year 1	\$ 1,000,000	9.95%	\$99,500.00
Optional Year 2	\$ 1,000,000	9.95%	\$99,500.00
Subtotal – Underpayments DME	\$ 298,500.00		
TOTAL NOT TO EXCEED COST for MEDICAL/DENTAL/DME RECOVERY ACTIVITIES (Sum of A+B+C +D)	\$ 2,508,750.00		

- 1) The Vendors all-inclusive not to exceed contingency percentage bid 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 recovery amounts are to be used for cost bid evaluation purposes only.
- 3) The cost bid proposal will be evaluated based on the Total Not to Exceed Cost of Contract.

If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal.

¹ Estimated Recovery Amount x Contingency % = Estimated Contract Cost