

EXHIBIT E
COST PROPOSAL

See Attached



COST PROPOSAL COVER SHEET

Sign and Submit with Proposal

In submitting and signing this Proposal, we also certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free trade or competition; that no attempt has been made to induce any other person or firm to submit or not to submit a Proposal; that this Proposal has been independently arrived at without collusion with any other vendor, competitor, or potential competitor; that this Proposal has not knowingly been disclosed prior to the opening of the Proposals to any other vendor or competitor; that the above statement is accurate under penalty of perjury.

In submitting and signing this Proposal, we represent that we have thoroughly read and reviewed this Request for Proposal and are submitting this response in good faith. We understand the requirements of the program and have provided the required information listed within the Request for Proposal.

The undersigned certifies and represents that all data, pricing, representations, and other information of any sort or type, contained in this response, is true, complete, accurate, and correct. Further, the undersigned acknowledges that Milwaukee County is, in part, relying on the information contained in this Proposal in order to evaluate and compare all responses to **RFP # 98180020 – Correctional Medical Services.**

Proposing Vendor Name: Correct Care Solutions, LLC

Representative Name: Patrick Cummiskey

Representative Title: President & Chief Strategy Officer

Signature: 

Date: September 13, 2018

House of Correction & Office of the Sheriff

Milwaukee, Wisconsin

Correctional Medical Services

RFP # 98180020

Cost Proposal

September 14, 2018

3:00 p.m. CST



Respectfully Submitted to:

Erin Schaffer
Department of Administrative Services
Procurement Division
633 West Wisconsin Avenue, Suite 901
414-278-4129



Submitted by:

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This submission includes the following required copies:
Cost Proposal – Submitted electronically via Bonfire website



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1. Pricing Model

Respondents must submit an annual pricing model for the proposed services for a five (5) year contract. Pricing must be comprehensive for the proposed services. In the pricing model, the following should be considered:

- Respondents must provide a Cost Proposal breakdown for all areas as listed in this RFP. Dental, Diagnostic, Health Information Management, and Mental Health Services must be included in the Cost Proposal for the health care services Contract. Milwaukee County welcomes cost-saving recommendations from Contractors as alternatives that reduce costs while maintaining quality health care standards.
- Milwaukee County seeks an overall comprehensive price with an \$800,000 cap for medical, hospitalization, and specialty care. After reaching \$800,000, the County will share 50% of these costs with the Contractor for each fiscal year.
- Pharmacy costs up to \$750,000 will be paid directly to Clinical Solutions, LLC, by Milwaukee County. Pharmaceutical costs above this base will be shared 75% by Contractor and 25% by the County.
- Personnel costs should be based upon the Consent Decree mandated 128.8 FTEs. Any additional personnel costs required should be broken out into separate line items in the Cost Proposal.
- Costs to run/maintain the EHR should be identified, and any additional costs that may be incurred due to the transfer of the EHR to County control should be clearly stated, including the cost of transfer of software rights.
- Any County staff involvement must be clearly identified in the Respondent's Proposal so the County's internal costs can be identified.

We have provided our completed Cost Sheet (Attachment D) in its original format on the following page.



MILWAUKEE COUNTY
RFP # 98180020: Correctional Medical Services

ATTACHMENT D

COST SHEET

This Cost Sheet must be filled out completely. Please attach additional pages necessary to answer all questions and treat all requests in [Section 22: Cost Proposal](#).

1. Entity Name: Correct Care Solutions, LLC

Annual Cost Proposed:

Year 1: \$19,380,180

Year 2: \$19,961,580

Year 3: \$20,560,428

Year 4: \$21,177,252

Year 5: \$21,812,568

2. Provide a breakdown for all areas as listed in this RFP (Dental, Diagnostic, Health Information Management, and Mental Health Services.) Attach as a separate page.
3. Provide any personnel costs for additional personnel required beyond the Consent Decree mandated 128.8 FTEs. Attach as a separate page.
4. Provide your costs to run/maintain the EHR, and any additional costs that may be incurred due to the transfer of the EHR to County control, including the cost of transfer of software rights. Attach as a separate page.
5. Identify any County staff involvement required. Attach as a separate page.
6. Provide a brief narrative (not longer than two pages) in support of the Cost Proposal as requested in [Section 22.2: Cost Proposal Narrative](#). The narrative should be focused on clarifying how the proposed price correspond directly to the Respondent's Technical Proposal. Attach as a separate page.
7. List and describe any special cost assumptions, conditions, and/or constraints relative to, or which impact, the prices presented, per [Section 22.3: Cost Assumptions, Conditions and Constraints](#). Attach as a separate page.



Cost Breakdown

Following is a breakdown of the Annual Cost Proposed for each of the five years, broken down by the required categories.

	Year 1	Year 2	Year 3	Year 4	Year 5
Dental	\$411,821	\$424,176	\$436,896	\$450,000	\$463,500
Diagnostic	\$14,885,844	\$15,332,424	\$15,792,408	\$16,266,192	\$16,754,184
Health Information Management	\$458,391	\$472,140	\$486,300	\$500,892	\$515,916
Mental Health	\$3,624,124	\$3,732,840	\$3,844,824	\$3,960,168	\$4,078,968
TOTAL	\$19,380,180	\$19,961,580	\$20,560,428	\$21,177,252	\$21,812,568



Additional Personnel Costs

CCS is not proposing additional personnel beyond the Consent Decree mandated 128.8 FTEs.



EHR Costs

ERMA is an essential part of our proposed medical program. Therefore, CCS will provide Milwaukee with our ERMA system and all related equipment and support ***at no additional cost***.

In the event that Milwaukee County no longer contracts with CCS, we will facilitate the transfer of the EHR to the County. The cost to transfer the ERMA software rights to the County would be \$0.075 per inmate per day, which for Milwaukee County's ADP would be approximately \$62,963 per year.



County Staff Involvement

CCS would expect the following involvement from County staff:

- Be responsible for security of inmates at all times
- Provide electricity, water, and a telephone for local calls
- Provide CCS with ample workspace
- Maintain the facility and facility equipment in the area assigned to CCS, including necessary painting; maintenance of water, steam, sewer, and electrical lines; ventilation; air conditioning; lighting; heating; duct work; and other similar fixtures
- Provide necessary medical equipment established by mutual agreement (over \$1,500); CCS will bear the expense of the repairs to these same items as necessary due to the negligence of CCS employees (excluding damage caused by inmates)
- Have no liability to CCS for fraud, theft, damage, or loss from whatever cause to CCS equipment and systems; this shall include, without limiting the foregoing, vandalism and damage inflicted by inmates
- Provide pest control for all areas assigned to CCS
- Provide for trash disposal if required or necessary
- Provide adequate ingress and egress, including reasonable use of existing corridors, passageways, driveways, loading platforms, and storage space; CCS personnel will park in an area designated by facility administration
- Provide CCS with all information in possession of the HOC/MCJ that relates to the HOC/MCJ's requirements for the services or which is relevant to the contract
- Designate representatives with respect to the services to be performed; such person shall transmit instructions, receive information, and interpret and define local policy and decisions pertaining to CCS services
- Provide designated County staff to attend monthly, quarterly, and annual meetings



2. Cost Proposal Narrative

The Respondent should provide a brief narrative (not longer than two pages) in support of the Cost Proposal. The narrative should be focused on clarifying how the proposed price correspond directly to the Respondent's Technical Proposal. For example, evaluators will expect detailed explanation of costs to correspond to service areas if described in the Technical Proposal. Please compose and return this document in a Microsoft Word format.

We have provided our Cost Proposal Narrative on the following two pages as required.



Thank you for the opportunity to describe in detail the CCS cost of delivering comprehensive medical and mental health services for the HOC and MCJ. Our Cost Proposal is based on the requirements of the RFP, Addenda, and the Christensen Consent Decree. Our program is customized to meet the specific needs of the County's inmate population and meets or exceeds NCCHC standards.

CCS has calculated a comprehensive budget with the defined capitations for pharmacy and for off-site care and on-site specialty care. We have included all costs for qualified staffing, equipment, medical/office supplies, permits/licenses, subcontracting, pharmaceuticals, necessary application fees, insurance, transportation, compliance directives, and corporate and regional support teams necessary to fulfill our commitment. In the requested categories, we have included clearly defined direct costs related to each area such as staffing and necessary equipment. There are, however, costs such as administration coverage, insurance, travel etc. that overlap all areas. All other calculated indirect and support costs have been proportionately allocated to each category.

Dental

CCS will operate the dental program using the required hours of dental personnel licensed to practice in the State of Wisconsin. A credentialed Dentist and Dental Assistant will be on site 40 hours per week to serve patients at the HOC and MCJ. If acceptable, we will follow the current schedule of service provided in the existing dental operatory at the HOC and MCJ. We have included direct staffing costs, workers' compensation, and dental supplies in this category. For all other program costs associated with and indirectly supporting the dental program, we have allocated a prorated budget. The dental budget includes all dental actions defined in or related to our response in the Technical Proposal, section **4.21 Dental Care**.

Diagnostic

CCS will operate our program with the required hours per the mandated staffing plan of qualified health professionals. Our budget includes all salaries, benefits, and workers' compensation costs. We have also included all equipment, medical/office supplies, pharmacy, defined specialty care, and off-site expenses in this budget. The minimal cost associated with telemedicine services/equipment is also included in this category. For all other program costs associated with and indirectly supporting the diagnostic program, we have allocated a prorated budget. The diagnostic budget includes the provision of our medical program as defined in our Technical Proposal, section **4 Inmate Care and Treatment: General and Specific** (with the exception of Dental Care, which is budgeted separately) and section **6 Inmate Care and Treatment: Pharmacy Services**.

Based on the County's historical spend rate, the operations data provided, and our comparison to comparable programs, we have conservatively budgeted for the capitated off-site care, on-site and off-site specialty care and pharmacy costs for this program. If CCS is awarded the contract, we are willing to discuss additional and alternative changes to this model to benefit the County.

Health Information Management

We are offering our own electronic health record (EHR) system, the Electronic Record Management Application (ERMA), to meet the County's current and future needs. ERMA is a web-based system custom designed, developed, operated, and fully hosted by CCS. Offering our own system that we fully control provides total flexibility and improved client responsiveness. CCS provides timely enhancements, upgrades, and new features to our system as they become available at no additional cost to our clients.



Our program includes all equipment, permits/licenses, training, interfaces, and supplies to operate a comprehensive information system connecting all service points from intake through on-site and off-site services to discharge. ERMA has established interfaces with Clinical Solutions, Mobilex, and LabCorp, and an interface with WISHIN is currently in development at our client sites in Waukesha, Dane, and Brown Counties. CCS will take responsibility for any risks or requirements of those interfaces that may impact the project.

A detailed discussion of our program is provided in the Technical Proposal, section **10 Health Records and Data**. Additionally, our Technical Proposal includes examples of how we use ERMA throughout every phase of our program operations, from intake to discharge, to provide efficient services and informative reports.

In health care, an EHR is not a choice, but a necessary foundation for promoting accurate clinical outcomes, improving operational efficiencies, and monitoring risk and budget through transparent reporting. CCS does not offer a program of this scope without a legitimate EHR solution. Because ERMA is integrated into every process, procedure, and operation in our medical, dental, and mental health programs, **there is no separate cost for this system**. It is part of our cost of doing business and we will provide our complete ERMA system at no additional cost to you, our partner client.

The only direct cost for this category is the required staffing hours for medical records staff. CCS will provide ERMA and all associated equipment, support, upgrades, enhancements, and licenses at no charge as long as we have the privilege of serving as your health care partner. As required, we have quantified a go-forward budget that would only apply in the event our partnership should end and the County wishes to retain ERMA.

Mental Health

We will provide all mandated hours of credentialed mental health professionals following the mandated staffing plan. In addition to budgeting for all wages and benefits for each position, we have quantified the workers' compensation expense for this group. We were also able to calculate the specific pharmacy costs for the mental health program. As with the dental and diagnostic program, all other program costs associated with and indirectly supporting the mental health program are allocated at a prorated budget.

Our comprehensive Mental Health Program described in the Technical Proposal, section 5 Inmate Care and Treatment: Mental Health Services, consists of inmate assessment, referrals for care, evaluation, crisis management, individual/group counseling, medication management, psychiatry services, special needs plans, and discharge planning. CCS will also explore using telepsychiatry to expand services and improve patient response time, as described in the Technical Proposal, section **4.23 Telemedicine and Videoconferencing**.

CCS places special emphasis on suicide prevention through evidence-based training initiatives, including our 7 Minutes to Save campaign. We believe that every encounter with health care or custody staff, family member, and fellow inmate is a potential risk assessment. Suicide prevention begins at the door and does not end until the patient is released. To enhance our initiative to save lives, CCS is offering our exclusive PAMM (Patient Activity Monitoring Management) system **at no charge** to Milwaukee County to complete Wellness Checks, as described in the Technical Proposal, section **5.4 Segregation (Restricted Housing)**.



3. Cost Assumptions, Conditions & Constraints

The Respondent should list and describe as part of its Cost Proposal any special cost assumptions, conditions, and/or constraints relative to, or which impact, the prices presented on the Cost Schedules. It is of particular importance to describe any assumptions made by the Respondent in the development of the Respondent's Technical and/or Resource Proposal that have a material impact on price. It is in the best interest of the Respondent to make explicit the assumptions, conditions, and/or constraints that underlie the values presented on the Cost Schedules. Assumptions, conditions or constraints that conflict with the County's requirements are not acceptable. Please compose and return this document in a Microsoft Word format.

CCS has made the following assumptions in developing our Cost Proposal. Each of these directives, circumstances, and conditions influence the current budget. A substantial change in any area may alter the projected budget.

- The diagnostic, dental, and mental health programs will be operated in compliance with current NCCHC guidelines. Our cost reflects the level of services required to meet or exceed NCCHC standards and ensure an accreditation-ready program for Milwaukee County.
- The program will be operated with the mandated 128.8 FTE staffing plan. All programs are unique and appropriate staffing is a function of each facility's characteristics (two separate operations), requested services, and average daily population (ADP). Since staffing is the largest part of any correctional health care budget, the flexibility to change the characteristics of the staffing plan would directly affect the budget.
- The mandated staffing matrix designates the HSA as a 40-hour position. Our HSA will be scheduled for 40 hours per week on site and will be on call 24/7 to fulfill the Court Monitor's requirement for clinical positions to be staffed 24/7/365.
- To ensure our ability to effectively recruit and retain health care staff, we utilized salary surveys for health professionals in Milwaukee County, as well as our experience providing the required staff and services at similarly sized institutions and other Wisconsin jails. However, based on the historical turnover and unacceptable vacancy rates at the HOC and MCJ, CCS has assumed the need to offer above-market salaries and benefits to successfully hire and retain the highest qualified medical and mental health care professionals and reduce this critical barrier to success. This requirement influences the budget.
- As defined in the RFP and Addenda, the CCS budget assumes that 100% of all off-site/specialty services and 100% of all on-site specialty services will be included in the \$800,000 capitated limit. After reaching \$800,000, CCS will share 50% of these costs with the County for each fiscal year. Changes to the definition of "off-site" or to the shared formula would change the budget. ***Should CCS successfully maintain services below the \$800,000 cap, these funds will be returned to Milwaukee County.***
- The CCS budget assumes that pharmacy costs up to \$750,000 will be paid directly to Clinical Solutions, LLC, by Milwaukee County. Pharmaceutical costs above this base will be shared 75% by CCS and 25% by the County. A change in this model or formula would greatly impact the projected budget.
- CCS assumes there will be reciprocal collaboration with custody staff and facility administration. We have historically found that cooperation and goal alignment enhances program efficiencies, improves accuracy, reduces risks, and positively impacts the budget.



Potential Cost Savings

The CCS program will follow the directive of the court-monitored Consent Decree. CCS has extensive experience operating programs that are under Consent Decrees and successfully relieving clients of this constraint. In our experience, once a program is deemed substantially compliant, this allows for added flexibility, which can yield potential budget savings.

Insurance Requirements

CCS guarantees our ability to satisfy the RFP's insurance requirements. However, the RFP requirement to have dedicated insurance limits of \$2,000,000 per occurrence with a \$5,000,000 aggregate insurance program specifically dedicated for the contract requires a special layer of insurance coverage beyond our typical structure. The cost for this dedicated layer of coverage adds a significant premium to our cost. CCS is prepared to provide the required coverage; however, if Milwaukee County will accept a blanket insurance program with limits of \$2,000,000 per occurrence and \$6,000,000 aggregate, we will not have to purchase the additional insurance and **can reduce our price by \$200,000 annually**. As the provider for 447 facilities and nearly 270,000 patients nationwide, CCS is confident that our typical insurance coverage is sufficient to meet the needs of this contract.

Off-site Efficiencies

CCS is confident in our ability to reduce off-site trips by maximizing on-site services through specialty clinics and the potential use of telemedicine. **Should CCS successfully maintain services below the \$800,000 cap, these funds will be returned to Milwaukee County.**

Change in Scope of Work

The CCS Cost Proposal reflects the scope of care as outlined in our Technical Proposal, in the RFP requirements, and based on the current community standard of care with regard to correctional health care services. Should there be any change in or modification of the local, national, or community standards of care or scope of services, court rulings or interpretation, state or federal law or statute, or interpretation thereof, that results in a material increase in costs to CCS, coverage of costs related to such changes are not included in this proposal and may need to be negotiated with Milwaukee County to ensure both parties' interests are properly aligned.

YOUR Assumptions

There are certain things we urge Milwaukee County to keep in mind as you review our Cost Proposal. The fact is, some companies fail to adequately budget in an effort to deliver an attractive proposal. Unfortunately, this restricts their ability to recruit and retain qualified staff, support sufficient training, and provide continuity of care, jeopardizing the overall health care program. Since transitioning other clients from your incumbent provider, we have learned why our staff stays with us and why our turnover rate is so low—we pay at or above the local market rates, which ensures the availability of quality staff.

We know you want to provide the best possible program for the individuals in your care, and with the added scrutiny of the Consent Decree, you simply cannot afford to cut corners. CCS is the right partner to provide Milwaukee County with a scalable health care plan that will ensure continued quality care for your patients, and produce the desired operational and financial outcomes for the County. We are confident we have offered an appropriately budgeted program that will meet the increased needs of the HOC and MCJ, and exceed the expectations of the County and the Court Monitor. We look forward to discussing our budget and program with you in person.