

**Instructions** - The Budget Template outlines planned expenses for the resultant contract. It requires the Proposer to identify costs by major function and to separate costs attributed to this contract and those expenses that are attributable to any other function or contract where staff serve multiple functions or serve multiple contracts. The Proposer must identify personnel by FTE (full time equivalent) and function. In the Business Cost Proposal narrative submission the Proposer must justify and explain the rationale for utilizing the number of FTEs to perform the tasks. When addressing Call Center, Prior Authorization, Claims Management and Operations functions, in particular, the Proposer should include in its explanation a projection of total volume of calls in bound and out bound, authorizations granted, claims managed, etc. or other type of production assumptions. Furthermore, the Proposer must discuss in its narrative individuals that perform several functions. For this budget purpose, an individual may not be counted as more than one FTE, although an individual may perform multiple functions in which case the FTE must be apportioned by percentage to each function. Also, this Budget Template requires the Proposer to count only those FTEs charged to the resultant contract.

Connecticut Operations refers to the Connecticut operations personnel and expenses charged to this contract. The Corporate Allocation refers to a percentage taken on the fixed costs of the contract, exclusive of postage and printing. It should be expressed as a percentage and discussed in the narrative, detailing what is charged as corporate allocation. This Budget Template requires the Proposer to identify its corporate allocation and profit.

The Proposer shall supply a startup budget. The start up budget should be accompanied by a complete description and justification of expenses including a schedule for those expenses. The startup expenses should be completed within **four** months. The Proposer shall also supply a one year “base” budget for the first twelve month operational period. The proposer shall also supply budgets for each subsequent 12 month period for the contract term. For purposes of this RFP the Proposer shall also propose a projected annual change (increase or decrease) factor with a narrative indicating the reasons for the changes in subsequent annual budgets. The proposer must describe the assumptions on which it bases its future budgets. For purposes of this budget template, Fringe Benefits refer to: Payroll Taxes, Medical/Dental, Workers’ Compensation, Unemployment Compensation, Pension/Retirement, and any other fringe benefit. The Proposer shall fully explain any other benefit provided and any expected public benefit utilization. The template requires the Proposer to budget staff costs in the following categories:

- a. Project Manager and Administration
- b. Call Center

**To submit a responsive proposal the Proposer shall propose call volume assumptions in conjunction with its call center management plan found on page 62 of 161. To determine the call volume assumptions proposed, the Proposer shall use the enrollment data on page 2 and page 3 of this Exhibit Six, the utilization data provided in Exhibit Eight, and its business process for managing phone calls. These assumptions shall be numeric, accompanied by a detailed narrative of the Proposer’s business process for accepting calls, both incoming and outbound, and arranging transportation. The Proposer also shall detail the methodology for achieving its the call volume assumptions.**

**Note: Call volume data will not be provided.**

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- c. Operations – Network Maintenance including transportation provider subcontracting and enrollment management;
- d. Staff training;
- e. Prior Authorization, Client Status Management: including Medical Review (Minimum qualifications of a nurse with the ability to professionally converse with other medical personnel to establish the medical necessity for particular modes of transportation. The Proposer should propose as an optional service below a higher level of medical review or peer review);
- f. Claims Management;
- g. Quality management, Utilization Review and Audit;
- h. Data systems;
- i. Corporate Support.

**Instructions:**

Expenses:

Include only expenses that are directly or indirectly in support of the services requested of the Broker. For expenses that need to be allocated, please do the following:

- Corporate Affiliation Expenses/Allocations: Proposer must explicitly identify any corporate allocations expressed as a percentage that are included within the above cost template. Enter that portion of any affiliated company management fees and/or other allocations/charges incurred by the affiliate on behalf of the Broker that will be charged to the resultant Contract which are not specifically allocable to other costs.
- A Broker paying any management fees to an affiliated company must allocate the costs to the appropriate administrative expense classifications as if the costs had been paid in that category directly by the Broker. The Proposer may estimate these expense allocations based on a formula or other reasonable basis and should use the method consistently from year to year, as applicable.

The initial productivity and budget assumptions should be based on total client membership by population for the first quarter of CY 2011.

The total client membership (summed quarterly in FFS, HUSKY A and LIA) is 1,676,812 with the following membership by category:

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Fee for Service (Aged, Blind, Disabled and PCCM)	322,199
HUSKY A (MCO)	1,173,400
LIA	181,213
Total	1,676,812

The average monthly membership for January – March 2011.

Fee for Service (Aged, Blind, Disabled and PCCM)	107,400
HUSKY A (MCO)	391,133
LIA	60,404
Total	558,937

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The Department will consider budget proposals that include expansion or reduction based on the productivity assumptions and based on sustained Client increases or reductions in a three month period of at least 30,000 members per month with similar client mix as the base amount of 558,937 members.

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