

Approach, Assumptions and Methodology for the Cost Proposal

Overview

In developing our cost proposal we focused on achieving value for Georgia through the following:

- Delivering a team of experienced professionals and partners in Mede/Analytics and Myers & Stauffer with a proven track record of success for the technology and business services that Georgia has defined in your EDS requirements.
- Maximizing the solution's qualification for enhanced Federal Financial Participation (FFP) for design, development and implementation.
- Providing a solution that will be in full compliance with CMS requirements to ensure maximized funding.

The updated excel cost sheet includes a summary of all costs for all phases, services and years. The updated cost sheet includes costs for two stages, DDI and O&M with a project commencement on July 1, 2016 through completion of Rollout on June 30, 2018 as well as eight years of Operations & Maintenance. The cost sheet appendix includes all required hardware and software costs including acquisition costs and licensing costs.

The sections below are comprised of two distinct sections. The first includes the Crosswalk to the Cost Sheet Revisions which provide a reference describing the two revisions across the worksheets within the Updated Cost Sheet.

The second section provides our clarification to questions which were captured during the negotiation meeting on June 2, 2016.

Crosswalk to Cost Sheet Revisions

This section of the Approach to Updated Cost is a follow up to the negotiation meeting held between the State and Deloitte Consulting on Thursday June 2, 2016.

Below is a detailed listing of revisions made to the Updated Cost Sheet:

Updated Cost sheet revisions				
#	Tab in Workbook	Section Header	Excel Cell Reference	Revisions
1	NADC-Hosted Cost Proposal & Supplier Cost Proposal	Medicaid – Operations & Maintenance SHBP – Operations & Maintenance	NADC Hosted Tab: Consulting Retainer Services Row 22 and 45 Supplier Hosted Tab: Consulting Retainer Services Row 21 and 44	Per our conversations in the negotiations meeting on June 2 nd , DCH stated a desire to leverage the consulting retainer services hours with more senior subject matter experts, such as statisticians. Based on the discussion, we have changed the value of the consulting retainer services cells on rows 22 and 45 on the NADC-Hosted Cost Proposal and rows 21 and 44 on the Supplier-Hosted Cost Proposal sheet to reflect the rate for the staff role of a Statistician from our rate card. In addition, Deloitte will continue to honor the \$115/hour rate for services related to Operations and Maintenance activities. DCH may also leverage the rate card to procure specific skill sets at the blended rate provided for each labor category. If DCH can articulate an accurate breakdown of hours by resource category during a contract negotiation phase the overall blended rate can be further refined.
2	NADC-Hosted Cost Proposal & Supplier Hosted Cost Proposal	Medicaid – Operations & Maintenance SHBP – Operations & Maintenance	NADC Hosted Tab: Additional Data Sources Row 21 and 44 Supplier Hosted Tab: Additional Data Sources Row 20 and 43	Cost related to the “additional data sources” row in fiscal year 2021 and fiscal year 2022 have been removed (changed to \$0). The “additional data sources” row in fiscal year 2019 and fiscal year 2020 have been increased to represent the work related to additional data sources being completed by fiscal year 2020.

Negotiation Meeting Questions

Deloitte Consulting is listing the following clarifications to questions discussed during the negotiations meeting on June 2, 2016.

#	Question from June 2 Meeting	Deloitte Clarification
1	Are MECT 2.0 requirements reflected in the cost?	Yes requirements and activities related to the cost for MECT2.0 is included in the DDI services and O&M services.
2	There is a 75% drop off in cost from DDI to O&M. What is driving the drop in cost?	The O&M resource level is approximately 30% of the design, development, and implementation phase. Our experience on other projects with similar O&M requirements supports this level of staffing. For the O&M phase our proposal includes the level of effort and a mix of resources to deliver monthly enhancement releases. The monthly releases will be coordinated with any releases made commercially available by Mede. The reports and data sources included in each release will be prioritized with DCH. Our approach includes an annual planning process to develop the strategy and vision for the O&M releases. The Annual Plan will then be reviewed and approved with DCH on a mutually agreed upon frequency. Our resource mix in O&M includes an Information Manager, Data Analysts, Report Developers, and Call Center staff. Reference Section 7c of our technical proposal for the services provided by our O&M resources.
3	Does the Software-(Initial Purchase) include the HealthInteractive licensing fee?	The initial HealthInteractive licensing fee is included in the Software (Initial Purchases) row of the cost sheet.
4	Why is there such a large discount associated with the initial hardware purchase?	The hardware discount presented in our cost proposal is accurate and represents our good faith submission to the State.
5	Does the Services (All Inclusive except O&M) row for FY 17 and FY18 include data source feeds and maintenance?	Yes, Our proposal includes the data source feeds and maintenance costs for FY 17 and FY 18 within the Services (All inclusive except O&M) row. In addition, this includes the receipt and refresh of data sources for testing during DDI in FY17 and FY18. During the project, we will revise our work plan as needed to include refresh activities for the testing environments. We will then review this approach for approval with DCH.
6	Why are there no costs in the SHBP Data Sources Implementation row under DDI?	Associated costs for SHBP data source maintenance is included in the Services (All inclusive except O&M) row.
7	Were the assumptions the same for estimating standard data sources as the conditional data sources?	With no specific requirements for the conditional data sources specified in the RFP, Deloitte only estimated the effort to move clean data to the HealthInteractive solution and make it accessible to approved users. For the required standard data sources in the RFP, Deloitte has included then entire effort to analyze, load, cleans, transform and build and deploy the required analytics within the HealthInteractive platform as described in Section 4, 5 and 6 of our response.
8	How did we cost allocate across “data updates”, “reporting support”, “technical support” and “data source maintenance”?	When you look at the mix of resources, we allocated a percentage of the work to each of the resources based on the effort needed during O&M. For example, the Data Updates and Reporting Support are both roles that conduct separate activities although they will work closely together in coordination during O&M to deliver monthly enhancement releases. For this reason there allocation of time in the cost proposal are equivalent.
9	Regarding EMPI, where is the cost included? Is it referenced in services? Show the difference in EMPI cost vs NextGate.	Since our Ga DCH EDS proposal submission, the EMPI solution has been implemented statewide. Deloitte recommends that the SHBP members are included in EMPI as a single client repository and then source the SHBP data from EMPI to HealthInteractive. Deloitte has reviewed this change and will implement this approach at no additional cost.