



March 20, 2009

Jennifer Vermeer, Director  
Iowa Medicaid Enterprise  
Department of Human Services  
100 Army Post Road  
Des Moines, Iowa 50315

Re : Proposal for Magellan Behavioral Care of Iowa, Inc. (Magellan of Iowa) for the Iowa Plan for Behavioral Health

Dear Director Vermeer:

Magellan of Iowa is pleased to submit our proposal to the Iowa Department of Human Services and the Iowa Department of Public Health (IDPH) in response to the request for proposal (RFP # Med 09-010) for an administrator for the Iowa Plan for Behavioral Health.

Since 1995, Magellan of Iowa has been an integral component of Iowa's behavioral health system. Our sole focus is on providing comprehensive services that meet the behavioral health care needs of Iowa Plan Eligible Persons and their families. Magellan of Iowa brings significant experience and expertise along with genuine Iowa values, focus, and commitment to our services - experience that none of our competitors can match. For well over a decade now, we have provided behavioral health coverage for Iowans on behalf of DHS and IDPH annually for over 325,000 adults, adolescents and children, and successfully and continually attained the standards of excellence set in the Iowa Plan. In partnership with our consumer, provider, and state partners, we continue to make a difference in the lives of Iowans.

**As required by the RFP, we include the following information:**

**The individual authorized to legally bind Magellan of Iowa**

Joan Discher, Executive Director, 2600 Westown Parkway, Suite 200, West Des Moines, IA 50266, telephone: 515-273-5005.

Ms. Discher is signatory to this transmittal letter.

**The representative to contact regarding all contractual and technical matters**

Joan Discher, Executive Director, 2600 Westown Parkway, Suite 200, West Des Moines, IA 50266, e-mail address: JMDischer@magellanhealth.com, fax: 314-292-1177, telephone: 515-273-5005.

**The representative to contact regarding scheduling and other arrangements**

Joan Discher, Executive Director, 2600 Westown Parkway, Suite 200, West Des Moines, IA 50266, e-mail address; JMDischer@magellanhealth.com, telephone: 515-273-5005.

**Form of business**

Magellan Behavioral Care of Iowa, Inc. is a for profit Iowa corporation.

### **Receipt of Amendments and Responses**

Magellan of Iowa has received the responses to the Iowa Plan RFP questions dated February 3, 2009 and the First Amendment to the Iowa Plan for Behavioral Health RFP Med 09-010 revision issued February 4, 2009.

### **Acceptance of Terms and Conditions**

Magellan of Iowa accepts of all terms and conditions stated in the RFP and will meet all requirements of the RFP.

### **Mandatory Requirements and Disqualifications Checklist**

Magellan of Iowa has submitted the Mandatory Requirements and Disqualification Checklist with this transmittal letter.

### **Certification of Independence**

Magellan of Iowa certifies its independence and that there is no conflict of interest in providing scope of work required under the RFP.

### **Confidential Treatment of Information**

Magellan is requesting the confidential treatment of the portions of the proposal that describe Magellan's pattern, compilation, program, device, method, technique or process that derives independent economic, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by a person able to obtain economic value from its disclosure or use and is the subject of efforts by Magellan that are reasonable under the circumstances to maintain its secrecy.

Accordingly, we propose that the following portions of our proposal are trade secrets of Magellan as trade secret is defined in Iowa Code § 550.2 (4) and as such is exempt from public disclosure pursuant to Iowa Code § 22.7 (3).

1. 7A.2.1: Increasing Care, Reducing Administrative Costs (Page 2)
2. 7A.2.2: Next Generation Innovation Pilot to Address Social Isolation and its Behavioral Impact (Pages 9-10)
3. 7A.2.7: a Rationale for Number and Mix of UM Staff (Page 52)
4. 7A.2.8 e: Screen Shot (Page 61)
5. 7A.2.13: Magellan of Iowa Provider Web Screen shot (Page 85)
6. 7A.2.14: Pay for Performance Narrative (Page 102)
7. 7A.2.17: Operating Environment Narrative (Pages 129-130)
8. 7A.2.17.1: Magellan of Iowa Web Screen shot (Page 131)
9. 7A.2.17: Back-Up Processing and Transaction Files Narrative (Page 134)
10. 7A.2.17: Online Reports with the Customer Dashboard Narrative (Pages 137-138)
11. 7A.2.17: Customer Dashboard Web Screen Shot (Page 138)
12. Table 7A.3.3.1: Penalties, Disincentives or Payments Withheld for Magellan's Public Sector Contracts (Page 14)
13. 7A.4.2.A.: Rationale for Number and Mix of UM Staff (Page 5)
14. 7A.5: Budget Worksheet and Description (Page 1)

The individual authorized to respond to the Departments about the confidential nature of this information is Joan Discher, Executive Director, 2600 Westown Parkway, Suite 200, West Des Moines, IA 50266, e-mail address; JMDischer@magellanhealth.com, telephone: 515-273-5005.

### **Affirmative Action**

Magellan of Iowa makes decisions on employment and promotions based on an individual's qualifications relative to the position being filled. As an equal opportunity employer, Magellan of

Iowa is committed to providing equal employment opportunities to employees and applicants for employment, as well as making all employment decisions and administering personnel actions without regard to race, color, creed, religion, gender, sexual orientation, marital status, age, national origin, ancestry, citizenship, physical or mental disability, disabled veteran or veteran of the Vietnam Era status, political affiliation, or any other factors protected by law. This includes employment decisions related to recruiting, training, terminations, transfers, and promotions.

**Additionally, Magellan of Iowa makes the following assurances:**

- Magellan of Iowa will furnish the mental health and substance abuse services required by Enrollees as promptly as is appropriate and the services provided will meet the Departments' quality standards.
- Magellan of Iowa agrees that the percentage of the Medicaid capitation payment designated for the Claim Fund is payment in full for all required and covered services plus any optional or other services provided to Iowa Plan Enrollees by Magellan of Iowa, and that any costs for services in excess of the capitation payment are the sole responsibility of Magellan.
- Magellan of Iowa agrees that the percentage of the capitation payment designated for the Medicaid Administrative Fund is payment in full for all required administrative services related to Iowa Plan Enrollees, and that any costs for administrative services in excess of the capitation payment are the sole responsibility of Magellan of Iowa.
- Magellan of Iowa agrees that the Iowa Department of Public Health (IDPH) payment designated for the IDPH Administrative Fund is payment in full for all IDPH-related administrative services required of Magellan of Iowa in this RFP.
- Magellan of Iowa agrees to place programs at risk for the costs of services to IDPH Participants.
- Magellan of Iowa acknowledges that liquidated damages may be imposed for failure to perform as set forth in this RFP.
- Magellan of Iowa acknowledges that the contract will be performance-based and both incentives and disincentives may apply to Magellan of Iowa's performance as set forth in this RFP.
- Magellan of Iowa will meet all provisions set forth in this proposal.

Please do not hesitate to contact me regarding any additional questions or requests for information. We look forward to continuing to serve the residents of Iowa.

Sincerely,



Joan M. Discher, Executive Director  
Magellan Behavioral Care of Iowa, Inc.  
2600 Westown Parkway, Suite 200  
West Des Moines, IA 50266  
515-273-5005  
JMDischer@magellanhealth.com

## MANDATORY REQUIREMENTS AND REASONS FOR DISQUALIFICATION

*The Departments will only evaluate proposals that meet the mandatory requirements defined in Part 1 of this addendum and are not subject to disqualification for the reasons listed in Part 2.*

**PART 1: MANDATORY REQUIREMENTS CHECKLIST**

Bidders are expected to confirm review of their proposal against the Mandatory Requirements for this RFP by initialing in the space provided. The Departments will make the final determination as to whether Mandatory Requirements have been met.

Bidder	Departments	Mandatory Requirements
		1. Bid Proposal security as specified in the Special RFP Terms.
		2. Bid Proposal received by the due date and time as specified in Special RFP Terms. (RFP Section 3.2.(9))
		3. Bid Proposal acknowledges receipt of the Departments' amendments to the RFP. (RFP Section 3.2(10))
		4. Bid Proposal format meets RFP preparation requirements. (RFP Section 3.3(1))
		5. Transmittal Letter with all required content/information. (RFP Section 3.3(2)(a))
		6. Acceptance of terms and conditions stipulation. (RFP Section 3.3(2)(a)(3))
		7. Table of Contents. (RFP Section 3.3(2)(b))
		8. Executive Summary. (RFP Section 3.3(2)(c))
		9. Background information with all required content/information. (RFP Section 3.3(2)(d))
		10. Bid Proposal is fully responsive and able to meet the service requirements. (RFP Section 3.3(2)(e))
		11. Experience information with all required content/information. (RFP Section 3.3(2)(f))
		12. Personnel information with all required content/information. (RFP Section 3.3(2)(g))
		13. Financial information with all required content/information. (RFP Section 3.3(2)(h))
		14. Termination, litigation and investigation information. (RFP Section 3.3(2)(i))
		15. Submission of RFP Attachments. (RFP Section 3.3(2)(j))
		16. Cost proposal with all required content/information. (RFP Section 3.3(3))
		17. Bid Proposal contains all signatures, certifications, authorizations, stipulations, disclosures or guarantees required in the RFP.

Signature of Authorized Representative for Bidder      Initials

Printed Name

Signature of Agency Representative      Initials      Printed Name