

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

Purchasing/Property Records/Warehouse

817 Bill Beck Boulevard, Building 2000 • Kissimmee • Florida 34744-4495

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SCHOOL BOARD MEMBERS

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District 5 – John McKay, Chair
407-957-4056



Superintendent of Schools

Michael A. Grego, Ed.D.

June 11, 2009

Healthcare Clinic (onsite) For the School District of Osceola County, Florida

RFP # SDOC-09-P-119 NM Addendum # 3 (To be attached and become a part of the RFP)

The Due Date for submittals is **July 14**, 2009, 2:00 p.m., at the School District of Osceola County, 817 Bill Beck Blvd., Building 2000, Purchasing Department Office, Kissimmee, Florida.

This Addendum is being issued to address additional questions received after the Pre-Proposal meeting which was held June 2, 2009 and because several questions that were asked required additional research.

A. Questions/Answers:

What is the District looking for in regards to Performance Guarantees? **Respondents are to provide performance guarantees in the following areas. The District would expect 15% of the administrative / management fee be at risk.**

Outcomes Medical cost avoidance linked to bidder's projections - reductions in:

- Primary care office visits**
- Hospital inpatient admissions**
- Emergency room visits**
- Specialty referral Occupational health returns to work (absence duration)**
- Adherence to budget**
- Wait times (maximum of 15 minutes, etc)**
- Appointment times/capacity**

Operational

- Flawless Implementation**
- Reporting (including timely quarterly reporting)**
- Satisfaction (client and member)**
- Integration with third party and data feeds (e.g., CIGNA)**
- Claims payment and processing as appropriate**

Student Achievement – Our Number One Priority

Districtwide Accreditation by the Southern Association of Colleges and Schools

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An Equal Opportunity Agency

B. Tab 15 – Fee Structure, page 40, which reads:

The proposer will provide professional consulting services as outlined in the Scope of Services for a monthly fee. The monthly fee will include all professional consulting services, travel, telephone consultations, and administrative support. In addition to the monthly fee for services addressed in this RFP, the District would like an hourly rate for Special Project for professional services not specifically addressed in the RFP Scope of Services.

The proposer must identify the total compensation package that they receive for all services rendered, including but not limited to commissions received from insurance products sold by the proposer.

The fee structures shall only appear in the hard copy marked “original” and shall be in a separate sealed envelope.

Change to read:

The District's Consultant Aon's Appendix A1 shall be used for determining the Respondent's Fee(s) Structure for the services herein addressed.

The Fee(s) Structure shall only appear in the hard copy marked “original” in a separate sealed envelope and in (on) the **two (2) COMPLETE electronic copies on CD's**.

C. Add Tab 16 – **Tour of Existing Clinic** – (Weighted Value 10)

Provide, in your submittal, a photographic tour of an existing clinic, as addressed herein. The tour should include photos of the following:

- Front of the building (clinic)
- Reception area
- Waiting area(s)
- Exam Rooms
- Labs
- Lab Equipment
- Pharmacy
- Filing Room (Patient Files)
- Other areas

D. Item 9 – Fee Schedule, page 42, Section 5, Oral Presentation Evaluation Criteria:

The Evaluation Committee shall use the Respondent's response to Appendix A1 in the ranking.

E. Add Item 10, under Section 5, Oral Presentation Evaluation Criteria, page 42, **Virtual Tour* - (Weighted Value 10)**

Respondents are to provide, during their Oral Presentation, a virtual tour of one of their existing clinics. Areas of interest are:

- Front of the building (clinic)
- Reception area
- Waiting area(s)
- Exam Rooms

Virtual Tour - Continued

- Labs
- Lab Equipment
- Pharmacy
- Filing Room (Patient Files)
- Other areas

*Virtual Tour – A **virtual tour** (or panoramic tour) is a computer simulation of an existing location, usually composed of panoramic images, a sequence of hyperlinked still or video images, and/or virtual models of the real location.

F. **DELETE** Appendix A and **REPLACE** with the attached Appendix A1; **Feasibility Analysis.**

G. **Change in Events:**

June 17, 2009

July 14, 2009

July 30, 2009

- *The week of*

August 5 & 6th, 2009

August 25, 2009

August 26, 2009

September 22, 2009

Deadline for questions – Due before 1:00 p.m.

Due Date

Written Evaluations (Committee)

Oral Presentations / Informal Interviews (Committee)

Recommendation of Top-Ranked Firm

Pre-Contract Meetings

Submittal of Final Contract for Board Approval

◇ The Board requests that Respondents keep the week of August 3rd open for Oral Presentations. Depending on the number of Firms Short-Listed, Oral Presentation should be August 5th and may be August 6th. As soon as the Evaluation Committee has selected firms to invite for the Oral Presentation, the Purchasing Department will contact these firms about dates and times of the Oral Interviews.

If you have any questions regarding this Addendum #3 please contact Neil D. McDonald, Purchasing Supervisor by phone at (407) 870-4625 or by email at mcdonaln@osceola.k12.fl.us

Please sign and include this Addendum #3 in your submittal indicating that you have read and understand the changes listed herein.

Authorized Signature

Date



Request for Proposal for Onsite Medical Center Services

Appendix A1: Feasibility Analysis -- Aon Prescribed Usage Scenario

You are required to provide findings of your Feasibility analysis in the tables in this section of the RFP based on the data and assumptions set forth in this Appendix, which reflect a summary or overview of your detailed analysis. Please provide all of the detail of your Feasibility analysis in a separate file labeled, "**Feasibility Analysis Detail - Aon Prescribed Usage Scenario**".

Aon Consulting has established overall utilization by service that you must use in developing the staffing, savings potential and overall financial feasibility of the project. Therefore, use the Aon prescribed penetration rates and utilization assumptions by service for your analysis in Appendix A1. In Appendix A2, Vendor Prescribed Usage Scenario, you are encouraged to use your own utilization and other assumptions.

Note:

	The light yellow shaded cells denote Aon Prescribed data or assumptions that should NOT be changed.
	The light turquoise shaded cells will be automatically calculated by formulas based on the data prescribed by Aon and/or the data provided by you.
	The light green shaded cells are the only cells you should populate.

SPECIAL NOTE: PLEASE SHOW ALL FORMULAS USED WITHIN YOUR CALCULATIONS IN THIS SPREADSHEET

A. ONSITE CENTER OPERATIONS

1. Onsite Center Services Provided

Indicate in the table below (Yes=1, No=0) which services you propose to provide at the onsite center based upon your analysis of client needs.

Service Category	Years 1-5
Primary Care	
Office Visits	1
Preventive Health Exams	1
Allergy-Related	1
Immunizations/Vaccinations	1
Physical Therapy	1
X-Ray	1
Laboratory Services	1
Other Diagnostic & Therapeutic Services	1
Hearing Testing	1
Occupational Health Services	1

2. Onsite Center Hours of Operation

Complete the table below showing the hours by day of week you intend to staff the onsite center.

Note: Due to the limited flexibility of teacher’s schedules, it is of critical importance to the District to have availability of evening and weekend hours.

Schedule	Mon	Tue	Wed	Thur	Fri	Sat	Sun
Open							
Close							
Total Hours							

Indicate any hours when you propose to have a mid-level medical professional be the lead clinician on duty.

B. ONSITE CENTER UTILIZATION

1. Projected Healthcare Service Utilization for Entire Covered Population

The table below provides *estimated* utilization data for the covered population (employees, retirees and dependents). Utilization projections are based upon a total of 1,500 employees/retirees and 1,950 dependents who reside within three zip codes which contain or are adjacent to the health center location.

Service Category	Units				
	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Care					
Office Visits	8,625	8,625	8,625	8,625	8,625
Preventive Health Exams	1,122	1,122	1,122	1,122	1,122
Allergy-Related	988	988	988	988	988
Immunizations/Vaccinations	1,042	1,042	1,042	1,042	1,042
Physical Therapy	2,972	2,972	2,972	2,972	2,972
X-Ray	675	675	675	675	675
Laboratory Services	2,691	2,691	2,691	2,691	2,691
Other Diagnostic & Therapeutic Services	718	718	718	718	718
Hearing Testing	94	94	94	94	94
Occupational Health Services	1,350	1,350	1,350	1,350	1,350

2. Projected Onsite Center Penetration Rates

The table below provides the penetration rates (i.e., percentage of community-based services that onsite center will replace) for the services provided by the onsite center.

As noted in the RFP, we encourage you in Appendix C to develop a scenario based upon your own assumptions at your discretion.

Service Category	Employee Penetration Rate				
	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Care					
Office Visits	20%	22%	24%	26%	28%
Preventive Health Exams	20%	22%	24%	26%	28%
Allergy-Related	22%	24%	26%	28%	30%
Immunizations/Vaccinations	22%	24%	26%	28%	30%
Physical Therapy	22%	24%	26%	28%	30%
X-Ray	15%	17%	19%	21%	23%
Laboratory Services	15%	17%	19%	21%	23%
Other Diagnostic & Therapeutic Services	15%	17%	19%	21%	23%
Hearing Testing	10%	12%	14%	16%	18%
Occupational Health Services	75%	77%	79%	81%	83%

Service Category	Retiree/Dependent Penetration Rate				
	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Care					
Office Visits	10%	12%	14%	16%	18%
Preventive Health Exams	10%	12%	14%	16%	18%
Allergy-Related	11%	13%	15%	17%	19%
Immunizations/Vaccinations	11%	13%	15%	17%	19%
Physical Therapy	11%	13%	15%	17%	19%
X-Ray	8%	10%	12%	14%	16%
Laboratory Services	8%	10%	12%	14%	16%
Other Diagnostic & Therapeutic Services	8%	10%	12%	14%	16%
Hearing Testing	5%	7%	9%	11%	13%
Occupational Health Services	0%	0%	0%	0%	0%

3. Projected Onsite Center Utilization

The table below applies the utilization/penetration assumptions to all services provided by the onsite center. Employee utilization is assumed to be 46% of total utilization and dependent utilization is assumed to be 54% of total utilization based on national Aon data.

Service Category	Units				
	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Care					
Office Visits	1,259	1,432	1,604	1,777	1,949
Preventive Health Exams	164	186	209	231	254
Allergy-Related	159	178	198	218	238
Immunizations/Vaccinations	167	188	209	230	251
Physical Therapy	477	537	596	656	715
X-Ray	74	87	101	114	128
Laboratory Services	295	348	402	456	510
Other Diagnostic & Therapeutic Services	79	93	107	122	136
Hearing Testing	7	9	11	13	14
Occupational Health Services	1,013	1,040	1,067	1,094	1,121

4. Value Per Service Unit

The table below shows the estimated costs paid by the School District by service type.

Assumed annual increase in cost:	7%	7%	7%	7%	7%
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Service Category	Value Per Unit				
	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Care					
Office Visits	\$54	\$57	\$61	\$66	\$70
Preventive Health Exams	\$117	\$126	\$134	\$144	\$154
Allergy-Related	\$43	\$46	\$49	\$53	\$57
Immunizations/Vaccinations	\$21	\$23	\$24	\$26	\$28
Physical Therapy	\$34	\$36	\$39	\$42	\$44
X-Ray	\$43	\$46	\$49	\$53	\$57
Laboratory Services	\$13	\$14	\$14	\$16	\$17
Other Diagnostic & Therapeutic Services	\$32	\$35	\$37	\$40	\$42
Hearing Testing	\$39	\$42	\$44	\$48	\$51
Occupational Health Services	\$113	\$121	\$129	\$139	\$148

C. ONSITE CENTER REVENUE

DIRECT SAVINGS

1. Value of Onsite Center Services Provided

Service Category	Value Per Unit				
	Year 1	Year 2	Year 3	Year 4	Year 5
Primary Care					
Office Visits	\$67,473	\$82,086	\$98,414	\$116,626	\$136,906
Preventive Health Exams	\$19,244	\$23,412	\$28,069	\$33,263	\$39,047
Allergy-Related	\$6,850	\$8,242	\$9,795	\$11,526	\$13,451
Immunizations/Vaccinations	\$3,533	\$4,252	\$5,053	\$5,946	\$6,939
Physical Therapy	\$16,183	\$19,472	\$23,142	\$27,231	\$31,779
X-Ray	\$3,193	\$4,041	\$4,991	\$6,055	\$7,243
Laboratory Services	\$3,729	\$4,719	\$5,830	\$7,072	\$8,460
Other Diagnostic & Therapeutic Services	\$2,534	\$3,207	\$3,961	\$4,806	\$5,749
Hearing Testing	\$267	\$364	\$474	\$597	\$734
Occupational Health Services	\$114,477	\$125,756	\$138,054	\$151,458	\$166,061
Total Value of Onsite Center Services Provided	\$237,483	\$275,550	\$317,783	\$364,579	\$416,368

2. Projected Onsite Center Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5
Office Visits to Onsite Center	1,259	1,432	1,604	1,777	1,949
Onsite Center Office Visit Co-payment (\$10 less than community physician co-payment)	\$10	\$10	\$10	\$10	\$10
Projected Co-payment Revenue					
Onsite Center Office Visit Co-payments from Employees	\$12,593	\$14,318	\$16,043	\$17,768	\$19,493
Other (list below):					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Total Co-payment and Other Revenue	\$12,593	\$14,318	\$16,043	\$17,768	\$19,493

Provide the details on your methodology for determining any other projected revenue you list in the table above.

D. COST AVOIDANCE

INDIRECT SAVINGS

1. Cost Avoidance Attributed to Onsite Center

Provide your projections for cost avoidance due to inpatient admissions/days, ER visits, specialist referrals, and productivity savings in the table below. We expect that any projected health improvement savings will impact inpatient admissions and ER visits. If you project any other savings associated with health improvement, please provide them in your vendor-generated scenario (Appendix A2) along with an explanation how they were derived.

	Year 1	Year 2	Year 3	Year 4	Year 5
Inpatient Hospital Admissions					
Expected Admissions (for employees, retirees, dependents)	225	225	225	225	225
Average Length of Stay	4.1	4.1	4.1	4.1	4.1
Total Days	927	927	927	927	927
Average Payment per Admission	\$8,428	\$9,018	\$9,650	\$10,325	\$11,048
Average Payment per Day	\$2,043	\$2,186	\$2,339	\$2,503	\$2,678
% Reduction in Admissions Due to Health Center	0%	0%	0%	0%	0%
Annual Volume Reduction	-	-	-	-	-
Annual Reduction in Days	-	-	-	-	-
Annual Cost Avoidance Savings	\$0	\$0	\$0	\$0	\$0
Emergency Room Visits					
Expected ER Visits (for employees, retirees, dependents)	664	664	664	664	664
Average Payment per Visit	\$730	\$781	\$835	\$894	\$957
% Reduction in ER Visits Due to Health Center	0%	0%	0%	0%	0%
Annual Volume Reduction	-	-	-	-	-
Annual Cost Avoidance Savings	\$0	\$0	\$0	\$0	\$0
Specialist Referrals					
Expected Specialist Referrals (for employees, retirees, dependents)	1,725	1,725	1,725	1,725	1,725
Average Payment per Visit	\$67	\$72	\$77	\$82	\$88
% Reduction in Specialist Referrals Due to Health Center	0%	0%	0%	0%	0%
Annual Volume Reduction	-	-	-	-	-
Annual Cost Avoidance Savings	\$0	\$0	\$0	\$0	\$0
Productivity - Lost Work Time					
Total Office Visits to Onsite Center (for employees only)	794	873	952	1,032	1,111
Hours Away from Work Saved Per Visit	2	2	2	2	2
Average Hourly Wage	\$15	\$16	\$17	\$18	\$19
Annual Cost Avoidance Savings	\$23,805	\$27,931	\$32,375	\$37,136	\$42,214

Provide explicit details on assumptions for cost avoidance due to inpatient admissions/days, ER visits, specialist referrals, and productivity savings.

Inpatient Hospital Admissions

Emergency Room Visits

Specialist Referrals

Productivity - Lost Work Time Savings

E. STAFFING

1. Staffing/Labor

Complete the table below showing the number of Full Time Equivalents (FTEs) that would staff the onsite center based upon your analysis of client needs and anticipated growth in utilization.

Position	Year 1	Year 2	Year 3	Year 4	Year 5
Medical Director	0	0	0	0	0
Physician	0	0	0	0	0
Nurse Practitioner	0	0	0	0	0
Physician Assistant	0	0	0	0	0
RN	0	0	0	0	0
LPN	0	0	0	0	0
Physical Therapist	0	0	0	0	0
X-Ray Tech	0	0	0	0	0
Lab Tech	0	0	0	0	0
Office Manager	0	0	0	0	0
Admin Assistant	0	0	0	0	0
Other (list below):					
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Total FTEs	0	0	0	0	0

2. Staffing/Labor Costs

Complete the table below by providing total annual projected staffing costs (salary, benefits, and other costs) for all of the FTEs listed above.

Position	Year 1	Year 2	Year 3	Year 4	Year 5
Medical Director	\$0	\$0	\$0	\$0	\$0
Physician	\$0	\$0	\$0	\$0	\$0
Nurse Practitioner	\$0	\$0	\$0	\$0	\$0
Physician Assistant	\$0	\$0	\$0	\$0	\$0
RN	\$0	\$0	\$0	\$0	\$0
LPN	\$0	\$0	\$0	\$0	\$0
Physical Therapist	\$0	\$0	\$0	\$0	\$0
X-Ray Tech	\$0	\$0	\$0	\$0	\$0
Lab Tech	\$0	\$0	\$0	\$0	\$0
Office Manager	\$0	\$0	\$0	\$0	\$0
Admin Assistant	\$0	\$0	\$0	\$0	\$0
Other (list below):					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Total Payroll & Benefits Costs	\$0	\$0	\$0	\$0	\$0

F. OPERATING EXPENSES

1. Projected Start-Up & Implementation Expenses

Provide your assumptions regarding the estimated size and cost of building the onsite center facility.

Facility Square Feet	
Cost per Square Foot	\$100

This \$100/square foot assumption is based upon renovation of existing space.

Please provide, in addition, the estimated cost per square foot and the total space cost for new construction in the cell below. You should not include the cost of new construction in your financial projections.

Complete the following table with your proposed start-up and implementation costs under the Aon prescribed scenario. Please provide any additional operating expense details in a worksheet labeled "Start-up Expenses" in your detailed Feasibility analysis file, "Feasibility Analysis - Aon Prescribed Usage Scenario".

Expense	Start-Up
Physical Space Renovations and Construction	\$0
Payroll & Benefits	
Furnishings, Equipment, Supplies	
Information Systems Hardware and Software	
Staff Recruitment	
Miscellaneous (Employee Orientation and Training, Implementation Travel, etc.)	
All Other Start-Up & Implementation*	
Implementation Management Fee	
TOTAL START-UP & IMPLEMENTATION	\$0

* Provide details on what is included in **All Other Start-Up & Implementation.**

2. Projected Ongoing Expenses

Complete the following table with your proposed operating costs under the Aon prescribed scenario. Please provide any additional operating expense details in a worksheet labeled "Operating Expenses" in your detailed Feasibility analysis file, "Feasibility Analysis - Aon Prescribed Usage Scenario".

Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Payroll & Benefits	\$0	\$0	\$0	\$0	\$0
Equipment – Maintenance					
IT - Health & Wellness System (includes EMR - Corporate Information Systems)					
Staff – (CME Training, CME Travel, Dues & Licenses, Malpractice Insurance, Recruiting, Uniform Allowance)					
Supplies – (Immunizations, Lab Tests & Fees, Medical, Patient Education Materials, Office)					
Utilities - (Postal Services, Express Delivery, Gas/Electric, Hazardous & Other Waste Removal, Water/Sewage, Other Utilities)					
Miscellaneous – (Laundry, X-Ray Readings, Third Party Billing, Transcription, Phone, Fuel/Mileage, Taxes (non-income), Advertising and Printing, Janitorial Services, Security System, Data Lines, Computers)					
All Other Ongoing Expenses*					
Management Fee					
TOTAL	\$0	\$0	\$0	\$0	\$0

* Provide details on what is included in **All Other Ongoing Expenses**.

List any underlying assumptions used in the preparation of your pricing proposal and implementation costs.

List any additional fees that would be assessed for the setup and operation of the onsite center.

List all services and costs that are specifically excluded from your offering which most clients need and pay for extra-contractually.

G. NET SAVINGS

The table below automatically calculates your projected overall Net Savings based on the information populated in the tables above. Please check the numbers below for reasonableness.

	Start-Up	Year 1	Year 2	Year 3	Year 4	Year 5
TOTAL REVENUES	\$0	\$273,881	\$317,799	\$366,201	\$419,482	\$478,075
Direct Savings						
Value of Onsite Center Services Provided	N/A	\$237,483	\$275,550	\$317,783	\$364,579	\$416,368
Co-payment and Other Revenue	N/A	\$12,593	\$14,318	\$16,043	\$17,768	\$19,493
Indirect Savings - Cost Avoidance						
Inpatient Hospital Admissions	N/A	\$0	\$0	\$0	\$0	\$0
Emergency Room Visits	N/A	\$0	\$0	\$0	\$0	\$0
Specialist Referrals	N/A	\$0	\$0	\$0	\$0	\$0
Productivity - Lost Work Time	N/A	\$23,805	\$27,931	\$32,375	\$37,136	\$42,214
TOTAL EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0
Start-Up	\$0	N/A	N/A	N/A	N/A	N/A
Net Operating Expenses	N/A	\$0	\$0	\$0	\$0	\$0
Management Fees	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL NET SAVINGS	\$0	\$273,881	\$317,799	\$366,201	\$419,482	\$478,075