



Banner
University Family Care

Banner – University Family Care/ACC

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November 1, 2021

AHCCCS

Meggan LaPorte

Chief Procurement Officer

Subject: Request for Best and Final Offer - Competitive Contract Expansion Solicitation #YH20-0002

Dear Ms. LaPorte,

Banner - University Family Care (BUFC) appreciates the opportunity to respond to the Request for Best and Final Offer - Competitive Contract Expansion Solicitation #YH20-0002. BUFC reviewed in detail our administrative bid submission to evaluate whether there was an opportunity to improve upon our Administrative Cost Bid Submission. We were careful to ensure our administrative cost bid was sufficient to implement all contractually-required program elements and all commitments outlined in our narrative bid submission, including value-add initiatives and positions and the system transformation efforts we described. With that said, BUFC has revised its bid as reflected in the attached Administrative Cost Bid Submission Workbook. BUFC has identified administrative savings in both fixed and variable cost categories. Consistent with this change, BUFC has attached a revised Actuarial Certification.

Fixed: BUFC identified several opportunities to reduce fixed costs allocated to this program without impacting our bid submission and/or our ability to serve this vulnerable population. We reduced projected administrative costs in the following areas: plan facility costs based on a planned lease renewal and more staff working from home; improved vendor pricing due to overall plan growth/expansion; and a modest reduction of overall overhead allocation for this expansion contract. Approximately 40% of the administrative bid reduction falls into this final category.

Variable: BUFC identified several non-bid committed and/or required positions that could be reduced without impacting our ability to meet and exceed contract requirements. We found opportunities to reduce costs by merging a supervisor and manager on a smaller team; achieving economies-of-scale savings for a few volume-based roles that will be more efficient when combined with other plans and associate growth as part of this contract expansion; and a reduction in associated employee-related expenses for these positions, to name a few. Approximately 60% of the administrative bid reduction falls into this final category.

BUFC has a strong track record of delivering on our bid commitments. Through a collaborative community approach, we have developed a road map for system transformation to truly provide a better way to care for individuals with a serious mental illness and those accessing crisis services. This approach does require administrative investments and we are confident that the changes outlined above will not impact our ability to honor our commitments. Thank you for the opportunity to respond to this request for best and final offer and the ability to further impact members to help them achieve their whole health outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Stringham".

James R. Stringham

VP/CEO, BUFC