



April 10, 2023

Sandy Marcella  
Director, Bureau of Data and Claims Management  
Harrisburg Uptown Building 2525 N 7th Street, Suite 260  
Harrisburg, PA 17110

Dear Sandy,

Following the submission of our original letter dated October 7, 2022 regarding the amendment for the Pennsylvania PROMISE account, we had additional communications with Director Hoffecker. A request was made for the following:

- Pricing scenario for an amendment with a term of 1-year + 1 option year
- Pricing breakdown across the pricing scenarios

Please find the new pricing scenario for the 1-year with 1 option year in *Table 1: Pricing Scenarios* below.

**Table 1: Pricing Scenario**

		11/1/23 to 10/31/24	11/1/24 to 10/31/25
		Y1	Y2
1 year price	w/o EDIaaS	\$ 51,570,989	
1 year + 1 option year price	w/o EDIaaS	\$ 51,570,989	\$ 50,800,170
<b>Blended Rate</b>		<b>\$ 120.91</b>	<b>124.54</b>

The assumptions for this pricing scenario include:

- Continuation of M&O for all existing services; addition of M&O for Patient Access & Interoperability (PAI)
- EDIaaS not included; if implementation was initiated as part of Amendment 6 Option year 2, savings in Amendment 8 year 1 would be approximately \$1 to \$1.5 million

A breakdown of the pricing into key project components is provided in the *Table 2: Price Breakdown* below. For purposes of this breakdown, we used the first year of each of the pricing scenarios (example, the first year of the 1 year plus 1 option year pricing scenario, the first year of the 2 year plus 1 option year pricing scenario, etc. ).

The cost savings for moving to the EDIaaS solution is provided in the last row of the table.

**Table 2: Price Breakdown**

Project Component	Current	Year 1 of 1 year plus 1 Option year Pricing Scenario
EVV	\$ 5,768,742	\$ 5,768,742
FruadCapture	\$ 2,170,584	\$ 2,257,407
PAI	\$ -	\$ 608,449
MOD Hours	\$ 6,843,600	\$ 7,254,600
EDI (BES)	\$ 3,257,143	\$ 4,633,935
Data Center	\$ 4,800,000	\$ 6,414,531
Remaining Scope	\$ 22,794,836	\$ 24,633,325
<b>Total</b>	<b>\$ 45,634,905</b>	<b>\$ 51,570,989</b>

An extended contract term greater than one year brings significant cost savings and efficiencies for the Commonwealth. In addition, as outlined in the previous letter, the migration to the new Gainwell data center is essential. The prices provided in the table above are dependent upon the ability for Gainwell to move from the existing Peraton Data center (MDC) with the move completed by September 1, 2023. This would require approval by DHS by the end of 2022.

Thank you for the opportunity to continue our partnership. We look forward to your thoughts on our proposed pricing and moving forward with a scenario that optimizes efficiencies and cost savings for Pennsylvania.

Sincerely,

Rick Pope  
 Senior Vice President  
 Gainwell Technologies, LLC