

Cost Narrative and Introduction

In cooperation with State Purchasing, MHM developed the new pricing model based on knowledge of the program, using the current actual program costs as a baseline, plus the enhancements required by the contract and other factors we believe will further strengthen the program going forward.

It is important to note that the new pricing is based on meeting all of the requirements of the scope of services, including both employee and independent contractor retention requirements, and takes into account meeting the legal requirements for placing and compensating personnel under this current contract.

This new pricing schedule consolidates the previous structure and ensures that our model for retaining personnel as employees or independent contractors are compliant with applicable employment regulations and do not create liability for the State in engaging improper employment practices.

The updated pricing format reflects a change from our current billing structure. All positions will be billed utilizing the same rates; therefore, both the Employers Tax Contribution percentage and the Benefit Costs percentage in the new model represent blends based on the current mix of W-2 employees and 1099 independent contractors.

The table below represents new schedule.

RFP Required Prices					
	Admin Fee	Employers Tax Contribution	Benefit Cost	<i>Temp Medical Total Billable Rate</i>	<i>Locum Tenens Total Billable Rate</i>
Agency Recruitment	16.5%	4.8%	2.9%	24.2%	24.2%
Contractor Recruitment	20.5%	4.8%	2.9%	28.2%	28.2%