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November 15, 2012

Thomas Fields  
Minnesota Department of Human Services  
Health Care Administration, Purchasing & Service Delivery Division  
P.O. Box 64984, St. Paul, MN 55164-0984

Dear Mr. Fields:

Public Consulting Group, Inc. (PCG) was pleased to participate in the negotiation session you moderated this past Tuesday. As a result, we have modified our proposal for the "Evaluation of Managed Care for State Public Health Care Programs" as directed. A revised document, outlining a modified project approach, is attached. The revisions include the following, which are summarized below and detailed in the attached spreadsheet:

- Items Added to the Workplan
  - A. Enhance Legislative Understanding of How Delivery System "Value" Can be Defined and Measured
  - B. Provide Data to Compare Purchasing, Contracting and Monitoring Strategies
  - C. Cost Analysis in Transitioning to Fee-for-Service
  - D. Level of Alignment with State and Federal Reform Initiatives
  - E. Impact of "Rule 101"
  
- Items Removed from the Workplan
  - A. Recipient and Provider Satisfaction
  - B. Health Outcomes Assessment
  - C. Recipient Access to Health Services
  - D. Describe Delivery System Impact on Capacity to Use Different Payment Models

We hope the revisions accurately address the comments and suggestions made by the DHS team and will help deliver a better result to the state. PCG commits to providing this modified service scope for the same price as originally bid. While "more items" have been added, those items that were removed were more resource-intensive, allowing us to maintain our original quote.

PCG looks forward to the opportunity to work with the Department of Human Services on this important initiative. We look forward to your review of our response. If you have any questions about this amendment you can reach me at [REDACTED]

Sincerely,

Richard S. Albertoni  
Associate Manager

148 State Street, 10th Floor, Boston, Massachusetts 02109 | Telephone: (617) 426-2026