



**MYERS AND STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2013

Ms. Valerie Bombach, Principal Program Evaluator  
Minnesota Office of the Legislative Auditor  
658 Cedar Street, Room 140  
St. Paul, Minnesota 55155

Dear Ms. Bombach:

Myers and Stauffer LC is very pleased to present this proposal, in response to the Work Order Engagement Request received via email from the Minnesota Office of the Legislative Auditor (OLA) on November 22, 2013 for a Financial Audit of the Administrative Expenses and Investment Income of Itasca Medical Care dba IMCare (IMCare). We are confident that Myers and Stauffer possesses the full spectrum of qualities needed to best help OLA meet its goals. We have addressed below each element of the response requirement outlined in the Work Order Engagement Request.

1. **Project manager name** – Frank Vito, CPA, CICA will be the Project Manager for the Financial Audit of the Administrative Expenses and Investment Income of IMCare. Mr. Vito is based out of our Austin, Texas office and is a partner with over 35 years of audit and financial management experience specializing in health care compliance and consulting.

In addition, to ensure that another person you know will be familiar with your operations, Beverly Kelly, CPA, CFF, CFE will also be assigned to assist Mr. Vito. Ms. Kelly is based out of our Indianapolis, Indiana office and is a partner with over 14 years of experience managing similar engagements. We hope you will contact either of these persons when you believe the firm can be of assistance.

2. **Estimated number of staff and their names** – In addition to Mr. Vito and Ms. Kelly, we are assigning three (3) additional staff to the audit of IMCare. Details for each individual are as follows:

Jan Smith, CPA, CFE - Ms. Smith is a senior manager working out of our Austin, Texas office with over 20 years of experience in public accounting with a specialization in health care regulatory auditing with extensive experience auditing within the managed care environment.

Tamara Hunter, CGAP – Ms. Hunter is a manager in our Austin, Texas office with 8 years of public accounting and internal audit experience. Her internal audit experience includes work for the Texas State Auditor’s Office and several Texas state agencies, while her public accounting experience has focused on health care regulatory auditing and auditing health plan contract compliance.

RECEIVED 12/3/13

Lee Chu – Mr. Chu is a senior accountant in our Austin, Texas office and has over 2 years of experience working in internal audit for a Texas state agency. Mr. Chu will support the activities of the Project Manager and Ms. Smith.

Additional staff may be utilized in order to meet the requirements of this engagement.

3. **Estimated number of hours necessary to complete the tasks and deliverables outlined in this request** – We anticipate this project to take approximately 650 hours. The 650 hour estimate is broken down by each phase of the audit as follows:

Planning	75 hours
Fieldwork	420 hours
Reporting	120 hours
Project Management	<u>35 hours</u>
Total	<u>650 hours</u>

5. **Needed operational or IT support structures to carry out the work assignment** – We do not anticipate needing any IT support to complete this project. We have noted above under item #4 our current IT structure to complete this project.

Operationally, we will need access to a small conference room or two desks should we have to work on-site at either IMCare or OLA. We do not anticipate any other operational needs at this time.

6. **Anticipated training needs for Contractor staff** – The only training need we anticipate is some assistance understanding the Work Paper Practices utilized by OLA. We are in receipt of the OLA Work Paper Practices notice, however, we need further details on the specifics of the indexing and annotating utilized by OLA.
7. **Proposed Cost Detail** – Based on the Major Tasks and Deliverables outlined in the Work Order Request, we are proposing the following cost to perform the financial audit of the administrative expenses and investment income of IMCare.

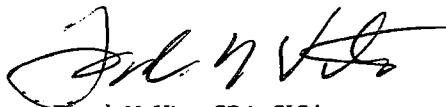
Staff Position	Hourly Rate	Estimated Hours	Proposed Cost
Members/Partners	\$250	85	\$21,250
Senior Manager	\$210	240	\$50,400
Manager	\$180	90	\$16,200
Senior Auditor	\$150	235	\$35,250
TOTALS		650	\$123,100

Based on the details provided above, our proposed total cost is \$123,100.

We truly appreciate the opportunity to present this proposal, and look forward to working with OLA on the Financial Audit of the Administrative Expenses and Investment Income of IMCare. Please contact me at [REDACTED] or via email at FVito [REDACTED] if you have any questions or require additional information.

Sincerely,

MYERS AND STAUFFER LC



Frank N. Vito, CPA, CICA  
Member



**MYERS AND  
STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

C-46.2

December 3, 2013

Ms. Valerie Bombach, Principal Program Evaluator  
Minnesota Office of the Legislative Auditor  
658 Cedar Street, Room 140  
St. Paul, Minnesota 55155

Dear Ms. Bombach:

Myers and Stauffer LC is very pleased to present this proposal, in response to the Work Order Engagement Request received via email from the Minnesota Office of the Legislative Auditor (OLA) on November 22, 2013 for a Financial Audit of the Administrative Expenses and Investment Income of Metropolitan Health Plan dba Hennepin Health (MHP). We are confident that Myers and Stauffer possesses the full spectrum of qualities needed to best help OLA meet its goals. We have addressed below each element of the response requirement outlined in the Work Order Engagement Request.

1. **Project manager name** – Frank Vito, CPA, CICA will be the Project Manager for the Financial Audit of the Administrative Expenses and Investment Income of MHP. Mr. Vito is based out of our Austin, Texas office and is a partner with over 35 years of audit and financial management experience specializing in health care compliance and consulting.

In addition, to ensure that another person you know will be familiar with your operations, Bob Bullen, CPA, CFE will also be assigned to assist Mr. Vito with this project. Mr. Bullen is a partner with over 30 years of experience managing similar engagements. We hope you will contact either of these persons when you believe the firm can be of assistance.

2. **Estimated number of staff and their names** – In addition to Mr. Vito and Mr. Bullen, we are assigning three (3) additional staff to the audit of MHP. Details for each individual are as follows:

Jan Smith, CPA, CFE - Ms. Smith is a senior manager working out of our Austin, Texas office with over 20 years of experience in public accounting with a specialization in health care regulatory auditing with extensive experience auditing within the managed care environment.

Syliva Dinata, CPA, CICA - Ms. Dinata is a manager in our Austin, Texas office with over 5 years of experience conducting financial and performance audits of health care entities on behalf of various state Medicaid programs and other governmental agencies. Ms. Dinata's experience includes assurance and compliance auditing within the managed care environment.

Donald Garrett, CPA – Mr. Garrett is a senior accountant in our Austin, Texas office and has over 2 years of experience working in health care regulatory auditing. Mr. Garrett will support the activities of the Project Manager and Ms. Smith.

Additional staff may be utilized in order to meet the requirements of this engagement.

REZUS 12/3/13

3. **Estimated number of hours necessary to complete the tasks and deliverables outlined in this request** – We anticipate this project to take approximately 650 hours. The 650 hour estimate is broken down by each phase of the audit as follows:

Planning	75 hours
Fieldwork	420 hours
Reporting	120 hours
Project Management	<u>35 hours</u>
Total	<u>650 hours</u>

5. **Needed operational or IT support structures to carry out the work assignment** – We do not anticipate needing any IT support to complete this project. We have noted above under item #4 our current IT structure to complete this project.

Operationally, we will need access to a small conference room or two desks should we have to work on-site at either MHP or OLA. We do not anticipate any other operational needs at this time.

6. **Anticipated training needs for Contractor staff** – The only training need we anticipate is some assistance understanding the Work Paper Practices utilized by OLA. We are in receipt of the OLA Work Paper Practices notice, however, we need further details on the specifics of the indexing and annotating utilized by OLA.

7. **Proposed Cost Detail** – Based on the Major Tasks and Deliverables outlined in the Work Order Request, we are proposing the following cost to perform the financial audit of the administrative expenses and investment income of MHP.

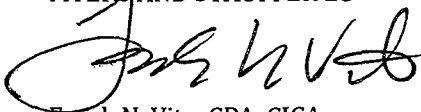
Staff Position	Hourly Rate	Estimated Hours	Proposed Cost
Members/Partners	\$250	85	\$21,250
Senior Manager	\$210	240	\$50,400
Manager	\$180	90	\$16,200
Senior Auditor	\$150	235	\$35,250
TOTALS		650	\$123,100

Based on the details provided above, our proposed total cost is \$123,100.

We truly appreciate the opportunity to present this proposal, and look forward to working with OLA on the Financial Audit of the Administrative Expenses and Investment Income of MHP. Please contact me at [REDACTED] or via email at FVito [REDACTED] if you have any questions or require additional information.

Sincerely,

MYERS AND STAUFFER LC



Frank N. Vito, CPA, CICA  
Member



**MYERS AND STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2013

Ms. Valerie Bombach, Principal Program Evaluator  
Minnesota Office of the Legislative Auditor  
658 Cedar Street, Room 140  
St. Paul, Minnesota 55155

Dear Ms. Bombach:

Myers and Stauffer LC is very pleased to present this proposal, in response to the Work Order Engagement Request received via email from the Minnesota Office of the Legislative Auditor (OLA) on November 22, 2013 for a Financial Audit of the Administrative Expenses and Investment Income of PrimeWest Health (PrimeWest). We are confident that Myers and Stauffer possesses the full spectrum of qualities needed to best help OLA meet its goals. We have addressed below each element of the response requirement outlined in the Work Order Engagement Request.

1. **Project manager name** – Frank Vito, CPA, CICA will be the Project Manager for the Financial Audit of the Administrative Expenses and Investment Income of PrimeWest. Mr. Vito is based out of our Austin, Texas office and is a partner with over 35 years of audit and financial management experience specializing in health care compliance and consulting.

In addition, to ensure that another person you know will be familiar with your operations, Bob Bullen, CPA, CFE will also be assigned to assist Mr. Vito with this project. Mr. Bullen is a partner with over 30 years of experience managing similar engagements. We hope you will contact either of these persons when you believe the firm can be of assistance.

2. **Estimated number of staff and their names** – In addition to Mr. Vito and Mr. Bullen, we are assigning three (3) additional staff to the audit of PrimeWest. Details for each individual are as follows:

Jan Smith, CPA, CFE - Ms. Smith is a senior manager working out of our Austin, Texas office with over 20 years of experience in public accounting with a specialization in health care regulatory auditing with extensive experience auditing within the managed care environment.

Ginna Gillen, CFE - Ms. Gillen is a manager in our Austin, Texas office with approximately 8 years of audit experience including over 4 years conducting audits of health care entities on behalf of various state Medicaid programs and the Texas Office of the Inspector General.

David Campos, CIA, CICA – Mr. Campos is a senior accountant in our Austin, Texas office and has over 3 years of experience working in health care regulatory auditing including auditing health plan contract compliance. Mr. Campos will support the activities of the Project Manager and Ms. Smith.

Additional staff may be utilized in order to meet the requirements of this engagement.

RECEIVED 12/13/13

3. **Estimated number of hours necessary to complete the tasks and deliverables outlined in this request** – We anticipate this project to take approximately 650 hours. The 650 hour estimate is broken down by each phase of the audit as follows:

Planning	75 hours
Fieldwork	420 hours
Reporting	120 hours
Project Management	<u>35 hours</u>
Total	<u>650 hours</u>



5. **Needed operational or IT support structures to carry out the work assignment** – We do not anticipate needing any IT support to complete this project. We have noted above under item #4 our current IT structure to complete this project.

Operationally, we will need access to a small conference room or two desks should we have to work on-site at either PrimeWest or OLA. We do not anticipate any other operational needs at this time.

6. **Anticipated training needs for Contractor staff** – The only training need we anticipate is some assistance understanding the Work Paper Practices utilized by OLA. We are in receipt of the OLA Work Paper Practices notice, however, we need further details on the specifics of the indexing and annotating utilized by OLA.
7. **Proposed Cost Detail** – Based on the Major Tasks and Deliverables outlined in the Work Order Request, we are proposing the following cost to perform the financial audit of the administrative expenses and investment income of PrimeWest.


Staff Position	Hourly Rate	Estimated Hours	Proposed Cost
Members/Partners	\$250	85	\$21,250
Senior Manager	\$210	240	\$50,400
Manager	\$180	90	\$16,200
Senior Auditor	\$150	235	\$35,250
TOTALS		650	\$123,100

Based on the details provided above, our proposed total cost is \$123,100.

We truly appreciate the opportunity to present this proposal, and look forward to working with OLA on the Financial Audit of the Administrative Expenses and Investment Income of PrimeWest. Please contact me at [REDACTED] or via email at FVito [REDACTED] if you have any questions or require additional information.

Sincerely,

MYERS AND STAUFFER LC



Frank N. Vito, CPA, CICA  
Member



**MYERS AND STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2013

Ms. Valerie Bombach, Principal Program Evaluator  
Minnesota Office of the Legislative Auditor  
658 Cedar Street, Room 140  
St. Paul, Minnesota 55155

Dear Ms. Bombach:

Myers and Stauffer LC is very pleased to present this proposal, in response to the Work Order Engagement Request received via email from the Minnesota Office of the Legislative Auditor (OLA) on November 22, 2013 for a Financial Audit of the Administrative Expenses and Investment Income of South Country Health Alliance (SCHA). We are confident that Myers and Stauffer possesses the full spectrum of qualities needed to best help OLA meets its goals. We have addressed below each element of the response requirement outlined in the Work Order Engagement Request.

1. **Project manager name** – Frank Vito, CPA, CICA will be the Project Manager for the Financial Audit of the Administrative Expenses and Investment Income of SCHA. Mr. Vito is based out of our Austin, Texas office and is a partner with over 35 years of audit and financial management experience specializing in health care compliance and consulting.

In addition, to ensure that another person you know will be familiar with your operations, Beverly Kelly, CPA, CFF, CFE will also be assigned to assist Mr. Vito. Ms. Kelly is based out of our Indianapolis, Indiana office and is a partner with over 14 years of experience managing similar engagements. We hope you will contact either of these persons when you believe the firm can be of assistance.

2. **Estimated number of staff and their names** – In addition to Mr. Vito and Ms. Kelly, we are assigning three (3) additional staff to the audit of SCHA. Details for each individual are as follows:

Jan Smith, CPA, CFE - Ms. Smith is a senior manager working out of our Austin, Texas office with over 20 years of experience in public accounting with a specialization in health care regulatory auditing with extensive experience auditing within the managed care environment.

Tamara Hunter, CGAP – Ms. Hunter is a manager in our Austin, Texas office with 8 years of public accounting and internal audit experience. Her internal audit experience includes work for the Texas State Auditor’s Office, and several Texas state agencies, while her public accounting experience has focused on health care regulatory auditing and auditing health plan contract compliance.

RECU D 12/3/13

Lee Chu – Mr. Chu is a senior accountant in our Austin, Texas office and has over 2 years of experience working in internal audit for a Texas state agency. Mr. Chu will support the activities of the Project Manager and Ms. Smith.

Additional staff may be utilized in order to meet the requirements of this engagement.

3. **Estimated number of hours necessary to complete the tasks and deliverables outlined in this request** – We anticipate this project to take approximately 650 hours. The 650 hour estimate is broken down by each phase of the audit as follows:

Planning	75 hours
Fieldwork	420 hours
Reporting	120 hours
Project Management	<u>35 hours</u>
Total	<u>650 hours</u>

5. **Needed operational or IT support structures to carry out the work assignment** – We do not anticipate needing any IT support to complete this project. We have noted above under item #4 our current IT structure to complete this project.

Operationally, we will need access to a small conference room or two desks should we have to work on-site at either SCHA or OLA. We do not anticipate any other operational needs at this time.

6. **Anticipated training needs for Contractor staff** – The only training need we anticipate is some assistance understanding the Work Paper Practices utilized by OLA. We are in receipt of the OLA Work Paper Practices notice, however, we need further details on the specifics of the indexing and annotating utilized by OLA.
7. **Proposed Cost Detail** – Based on the Major Tasks and Deliverables outlined in the Work Order Request, we are proposing the following cost to perform the financial audit of the administrative expenses and investment income of SCHA.

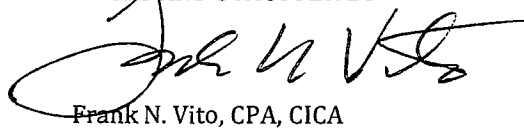
Staff Position	Hourly Rate	Estimated Hours	Proposed Cost
Members/Partners	\$250	85	\$21,250
Senior Manager	\$210	240	\$50,400
Manager	\$180	90	\$16,200
Senior Auditor	\$150	235	\$35,250
TOTALS		650	\$123,100

Based on the details provided above, our proposed total cost is \$123,100.

We truly appreciate the opportunity to present this proposal, and look forward to working with OLA on the Financial Audit of the Administrative Expenses and Investment Income of SCHA. Please contact me at [REDACTED] or via email at [REDACTED]@mslc.com if you have any questions or require additional information.

Sincerely,

MYERS AND STAUFFER LC



Frank N. Vito, CPA, CICA  
Member