

Centurion Price Revision

Centurion is pleased to be in discussions to provide comprehensive health care services within the KDOC facilities. As shown in the summary below, our adjusted Year-One price is \$86,542,124, at an average daily population (ADP) of 10,550. We have also provided Table II, which was included in the RFP required price sheets.

Table I – Summary by Year

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Base Compensation at 10,550	\$86,542,124	\$88,742,756	\$91,049,005	\$93,470,060	\$96,016,238	\$98,694,178
Per Capita Adjustment	\$2.66	\$2.77	\$2.89	\$3.03	\$3.17	\$3.32

Table II – Detailed RFP Breakout

Service	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Offsite Hospital Care	\$3,451,569	\$3,555,116	\$3,661,769	\$3,771,622	\$3,884,771	\$4,001,314
Outpatient Surgery/Site						
Ambulance Services	\$6,558,255	\$6,757,013	\$6,961,771	\$7,172,709	\$7,390,012	\$7,613,899
Pharmacy (excluding Hep-C DAA)	\$7,312,980	\$7,837,971	\$8,416,695	\$9,055,914	\$9,763,336	\$10,547,210
Medical Personnel Costs	\$30,269,342	\$31,103,463	\$31,832,101	\$32,583,036	\$33,357,274	\$34,155,629
RDU	\$1,897,547	\$1,939,677	\$1,982,955	\$2,027,427	\$2,073,141	\$2,121,507
Behavioral Health & Forensic Services	\$12,354,553	\$12,506,491	\$12,793,492	\$13,089,084	\$13,393,649	\$13,706,122
Hepatitis C DAA Treatment	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Electronic Health Record System	\$540,000	\$550,800	\$561,816	\$573,052	\$584,513	\$596,204
Overhead	\$10,552,884	\$10,718,503	\$10,887,835	\$11,060,970	\$11,238,000	\$11,415,300
Profit	\$6,104,994	\$6,273,722	\$6,450,570	\$6,636,245	\$6,831,543	\$7,036,994

Our adjusted price is based upon the following assumptions:

1. An ADP of 10,550.
2. Physicians, mid-level practitioners, and psychiatrist being moved to non-essential positions. All other positions remain as classified in the RFP.
3. A **\$7.5 million** annual cap on Hepatitis-C medications. Any amounts in excess of this cap are the financial responsibility of the KDOC.



We were able to reduce our price to \$85.5 million assuming a \$6.5 million limit on medications relating to Hepatitis C. With a \$7.5 million limit, our price changed to \$86.5 million.

Separately, we are concerned with being overly aggressive in our price given the long-term uncertainty of the impact of Covid-19 on healthcare needs. While the price is intended to address the financial expectations of the KDOC, we would like to continue our discussion of the appropriate change in scope and termination provisions of the contract.

Thank you for the opportunity to provide a revised price following our discussions. We are available at your convenience to continue our discussions.