

## ESRD NETWORK ORGANIZATIONS

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### ESRD Network Business Proposal Forms and Instructions

Business proposals, with the supporting documentation described in appendices A-G, must be completed for each year and submitted for the complete 3-year contract period. Simply completing appendices A-G does not satisfy CMS' requirement of submitting supporting documentation. Each offeror submitting a proposal for a Network contract shall submit supporting documentation in addition to the attached forms. Supporting documentation should clearly explain how each element of cost was calculated, including the rationale and assumptions underlying each calculation. The supporting documentation should be submitted as a separate section of the business proposal, which should include both narrative justifications/rationales and any exhibits that provide direct evidence for cost rates. (For example, a copy of the current lease or quote(s) from one or more viable location establishing market rate for appropriate office space in the Network's area.) The Network must submit its business proposal using the forms and instructions provided in Attachment J-7, pages 4 - 21. Page 13 of this document contains the instructions and forms for completing an Annual Management Plan. ESRD Networks must also use these forms. CMS is providing each ESRD Network with electronic versions of the Business Proposal Forms, and Management Plan Forms. These forms are provided by CMS in MS Excel. The forms should be completed and submitted back to CMS in MS Excel version 2003 or later.

NOTE: Business proposals will be rejected if all of the requested information is not submitted. Moreover, special studies figures should not be included in the Budget Proposal. A separate column has been created on the Cost Reports spreadsheets.

Attachment J-8 contains high-level information about Network program and organizations that offerors for Network contracts should find useful in completing business proposals. Page 14 of this business proposal instructions document contains additional, contract-specific calendar year 2004 year-end actual facility and patient counts and single-year actual grievance and sanction count information for Networks being competitively procured (Networks 2 and 17) and the Web address where this type of information is publicly available for all Networks.

Filling out the various Appendices described below will automatically transfer the total for each Appendix to the appropriate line item on the ESRD BUSINESS PROPOSAL FORM SUMMARY (p. 3), with the exception of fee, which should be entered on this form (p. 3). (DO NOT MANUALLY ENTER AMOUNTS ON THIS FORM, with the exception of the fee). P. 3 is out of numerical sequence and follows the Appendix forms in the EXCEL workbook.

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Appendix A

ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

LABOR

The forms in Appendix A should be used to list all proposed direct labor costs to be incurred by all ESRD Network employees in performing activities (Administrative, Quality Improvement, Information Management, and Community Information and Resource) delineated in the ESRD Network Organization Contract. See Position Title General Definitions in Notes, below.

a.1 - a.14 Enter the proposed direct labor costs to be incurred for all Medicare direct labor. Each individual position should be listed separately. For instance, if there are two persons employed as data entry clerks, use a separate line for each position. The Total Cost for each individual position per year is formula driven by multiplying the hourly rate times the number of hours. (DO NOT MANUALLY ENTER TOTAL COST AMOUNT.)

a. 15 Temporary Labor: If agency staff is proposed to be used, enter the billing rate to be paid to the agency on an hourly basis for that temporary staff time. If the NW directly hires a position on a temporary basis, enter the proposed actual wage rate and the proposed actual hours in the appropriate columns. The Total Cost per year for Temporary Labor line is formula driven by multiplying the proposed hourly rate times the proposed number of hours. (DO NOT MANUALLY ENTER TOTAL PROPOSED COST AMOUNT FOR THIS LINE.)

Subtotal The Total amount in the SUBTOTAL - DIRECT LABOR block is formula driven. (DO NOT MANUALLY ENTER TOTAL COST AMOUNT.)

NOTES: Submit supporting justification for each line item (including projected hours, hourly rate, etc.)

Use personnel categories listed for a.1-9. Where titles are different, asterisk and annotate title.

SUBMIT SEPARATE FORM FOR EACH YEAR.  
ANY BLANK CELL WILL COUNT AS IF OFFEROR HAD ENTERED A "0"  
IN THAT CELL.

The total amount for each position on Appendix A will automatically be transferred to the line for that position under Labor (line a) of the ESRD BUSINESS PROPOSAL FORM SUMMARY (p. 3). (DO NOT MANUALLY ENTER AMOUNT.)

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POSITION TITLE GENERAL DEFINITIONS are as follows:

- 1: PROJECT DIRECTOR/EXECUTIVE DIRECTOR: This is the position most Networks prefer to describe as the “Executive Director” or “ED”. In many Network Administrative Organizations, it is the position analogous to “Chief Executive Officer (CEO)” in larger organizations or to the “full-charge manager” in some smaller organizations. This position has line authority and typically reports directly to a COO, CEO, or directly the Board of Directors, depending on the overall size and structure of the organization holding a Network administrative organization contract.
- 2: QUALITY IMPROVEMENT MANAGER (QIM): Most Networks use the term “Quality Improvement Manager”. This is the person who leads and oversees all quality improvement efforts. This person reports directly to the Network’s Executive Director.
- 3: RN (NEPHROLOGY): This is an RN with nephrology experience, who usually works on quality-improvement and also on other activities required under the Network contract.
- 4: OFFC MGR./BOOKKEEPER: This position keeps the office running and/or maintains the general ledger on a daily basis (to the extent the Executive Director delegates such activities as the general ledger and purchasing/logistics management). An offer proposing to employ an “administrative assistant” who does not conduct office-management or bookkeeping activities should list that employee under # 9, “EXECUTIVE/ADMINISTRATIVE ASSISTANT”
- 5: DATA/INFO. SYSTEMS MANAGER: This position will be responsible for day-to-day management of the Network’s Data responsibilities. The Data Manager’s responsibilities may include those of a Local-Area Network (LAN) administrator. If offeror proposes to employ a separate LAN administrator or other Information Technology/Systems analyst position, that position should be proposed separately (as another employee, or as a consultant, as appropriate to reflect offeror’s anticipated actual operations).
- 6: DATA ENTRY & TRACKING CLERICAL SUPPORT: If Network proposes to maintain more than one data entry clerk position; the position listed on this line should be the senior or highest-skill-level data clerk. If

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there are multiple part-time data entry clerks proposed, each should be accounted for individually (use additional lines on report).

- 7: **COMMUNITY OUTREACH COORDINATOR:** This position serves as a specialist in partnership, collaboration, and education that will be responsible for enhancing community outreach and collaboration activities of the Network. This position will plan and facilitate education, information dissemination and training to ESRD professionals, patients, and their family members and other members of the renal community, and will be the staff liaison lead to the Patient Advisory Committee. He/she may work with consultants (e.g. website, statistical) and provide support across Network program lines to improve quality of care for patients through education, web site outreach, coalition and partnership building. To adequately perform these responsibilities, the individual must have related experience (e.g., communications, material development, organizing volunteers, etc.) and where possible be a patient with CKD/ESRD, or have personal, first hand experience with a family member, spouse, or other significant individual with CKD/ESRD. Because this position provides support across Network program lines, each offeror should propose whether the responsibilities will be fulfilled through one dedicated (part or full time position) or shared among other positions.
- 8: **EXECUTIVE/ADMINISTRATIVE ASSISTANT/SECRETARY:** If offeror proposes to employ an administrative assistant or executive assistant (not a bookkeeper or office manager), this position should be proposed on this line.
- 9: **CLERICAL SUPPORT:** This position would be a general file clerk or clerk-typist. If offeror proposes to use more than one of these positions (more than one FTE or an FTE split among part-time persons), list highest-paid here and list others in additional lines. If this position is not proposed to also serve as the Network's Receptionist, the Receptionist position should be reported on one of the additional lines on the form. (Receptionist duties are defined as answering the telephone, greeting visitors at the front desk, monitoring entry and exit of visitors, perhaps signing for and logging in packages and correspondence.)
- 10: **PATIENT SERVICES COORDINATOR:** This position is responsible for resolving patient and/or facility complaints and grievances, conducting educational training on managing difficult situations, and conflict resolution.

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Appendix B

ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

PROGRAM CONSULTANTS

The forms in Appendix B should be used to list the proposed direct costs to be incurred by all Program Consultants (Computer, Nurses, Social Worker, Statistical, etc.). Administrative consultants including legal and accounting consultants should be included in Appendix E under sections E-14 and E-15.

1 - 15            Enter each proposed cost to be incurred for all Consultants (by line item).

Use the attached form to indicate each Consultant cost.

The Total amount in the attached CONSULTANTS Appendix B block is formula driven. (DO NOT MANUALLY ENTER AMOUNT.)

Use the attached form to indicate each Consultant cost.

The total amount will automatically be transferred to the line for Consultant (line b) of the ESRD BUSINESS PROPOSAL FORM SUMMARY (p. 3). (DO NOT MANUALLY ENTER AMOUNT.)

NOTE: SUBMIT SEPARATE FORM FOR EACH YEAR.  
ANY BLANK CELL WILL COUNT AS IF OFFEROR HAD ENTERED A "0"  
IN THAT CELL.

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Appendix C-1

ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

C-1 OUT OF AREA TRAVEL

(FOR NON-NETWORK SPECIFIC NATIONAL AND/OR REGIONAL MEETINGS)

The forms in Appendix C-1 should be used to list all proposed travel expenses (airfares, lodging, per diem, local transportation costs) to be incurred for and identifiable with all non-network specific national and/or regional meetings.

These costs should include transportation, lodging, subsistence, and related items incurred by employees who travel for purposes of this contract. Travel costs must be charged for actual per diem and/or mileage basis, and must be in compliance with the Federal Travel Regulations (FTR) guidelines. To calculate the total proposed costs, use the formula/assumptions listed below.

FORMULA - AIRFARE/TRAIN FARE/MILEAGE + LODGING + MEALS AND INCIDENTAL (M&IE) + OTHER = TOTAL PROPOSED COST.

All supporting documentation should indicate --

(a) Mode of transportation - Airfare/Train fare/Mileage

(b) Lodging - the maximum that will be reimbursed for lodging expenses including applicable taxes; and,

(c) M&IE - the fixed amount allowed for M&IE covered by per diem.

(d) Other - incidental costs, but only those allowed in the FTR. Include car rental(s) in this column.

NOTE: COMPLETE EACH COLUMN WITH THE APPROPRIATE INFORMATION. SUBMIT A SEPARATE FORM FOR EACH YEAR. ANY BLANK CELL WILL COUNT AS IF OFFEROR HAD ENTERED A "0" IN THAT CELL.

The total amount will automatically be transferred to TRAVEL (line c) of the ESRD BUSINESS PROPOSAL FORM SUMMARY (p. 3). (DO NOT MANUALLY ENTER AMOUNT.)

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C-2 AREA TRAVEL

(FOR NETWORK SPECIFIC CONTRACT ACTIVITIES)

The forms in Appendix C-2 should be used to list all proposed travel expenses (airfares, lodging, per diem, local transportation costs) to be incurred for and identifiable with network specific contract activities -- Administration, Information Management, Quality Improvement, Community Information and Resource, and Onsite Review. With justification, Networks may have area meetings outside of their designated areas.

These costs should include transportation, lodging, subsistence, and related items incurred by employees who travel for purposes of this contract. Travel costs must be charged for actual per diem and/or mileage basis, and must be in compliance with the Federal Travel Regulations (FTR) guidelines.

To calculate the total proposed costs, use the formula/ assumptions as listed below.

FORMULA: AIRFARE/TRAIN FARE/MILEAGE + LODGING + MEALS AND INCIDENTALS (M&IE) + OTHER = TOTAL PROPOSED COST.

All supporting documentation should indicate --

- (a) Mode of transportation - Airfare/ Train Fare/Mileage (\$ .445 per mile)
- (b) Lodging - the maximum that will be reimbursed for lodging expenses including applicable taxes; and,
- (c) M&IE - the fixed amount allowed for M&IE covered by per diem.
- (d) Other – incidental costs, but only those allowed in the FTR. Include car rental(s) in this column.

NOTE: COMPLETE EACH COLUMN WITH THE APPROPRIATE INFORMATION. SUBMIT A SEPARATE FORM FOR EACH YEAR. ANY BLANK CELL WILL COUNT AS IF OFFEROR HAD ENTERED A "0" IN THAT CELL.

This amount will automatically be transferred to TRAVEL (line c) of the ESRD BUSINESS PROPOSAL FORM SUMMARY (p. 3). (DO NOT MANUALLY ENTER AMOUNT.)

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Appendix D

ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

SUBCONTRACTOR(S)

The forms in Appendix D should be used to list subcontractor information if applicable. Enter all of the requested information in the appropriate column(s). Enter the Total proposed costs to be incurred for all Subcontractor(s) expenses in the "Total Costs" column.

This amount will automatically be transferred to SUBCONTRACTORS (line d) of the ESRD BUSINESS PROPOSAL FORM SUMMARY (p. 3). (DO NOT MANUALLY ENTER AMOUNT.)

NOTE: SUBMIT SUPPORTING JUSTIFICATION.

SUBMIT A SEPARATE FORM FOR EACH YEAR'S PROPOSED  
SUBCONTRACTOR COSTS.

ANY BLANK CELL WILL COUNT AS IF OFFEROR HAD ENTERED A "0"  
IN THAT CELL.



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Appendix E

### ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

#### OTHER DIRECT COSTS

The form on page 19 should be completed to indicate other direct costs. This form includes all costs delineated and specified in the ESRD contract as other direct costs. Supporting documentation for the rationale/underlying assumptions for calculating the proposed cost values should be submitted in the supporting documentation/narrative justification and rationale section of the business proposal.

1 - 17 Enter the proposed cost for each line item specified in the attached form.

Use the attached form to indicate all proposed Other Direct Costs.

The Total amount in the attached OTHER DIRECT COSTS Appendix E block is formula driven. (DO NOT MANUALLY ENTER AMOUNT.)

1. Storage - Used to record the cost of warehouse space used to store records and documents in privately or publicly owned building used by the organization for the benefit of the contracts. State if included in rent.
2. Utilities - Used to record costs of utility charges (i.e., electric, gas, water, etc.) billed to the organization. State if included in rent.
3. Maintenance & Repairs - Used to record maintenance and repair costs incurred that are necessary to keep buildings, capitalized and non-capitalized equipment in an efficient operating condition. State if maintenance costs are included in rent.
4. Depreciation - Used to record portions of a systematic and rational allocation of the cost of capitalized assets over their estimated useful life. (Include only assets not purchased with government funds.)
5. Data Processing - (Computer Hardware/Software) Used to record computer operating costs, other than personnel costs, equipment rental or leasing, and maintenance and repairs.
6. Office Supplies - Used to record costs paid or accrued for all purchases of office supplies.
7. Postage & Express Mail - Used to record costs incurred or accrued for external mailing and delivery. This includes the cost associated with postage and express mail fees.
8. Meetings & Conferences - Used to record costs incurred for meetings and conferences and costs associated with the conduct of meetings and conferences for company's professional staff. For example, the cost of renting facilities, speakers' fees.

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### OTHER DIRECT COSTS (continued)

9. Garage & Parking Spaces - Used to record costs incurred in garage and parking facilities for professional staff whose time is directly allocable to revenue sources. It includes gross rental expense from all garage and parking spaces accrued.
10. Dues & Subscriptions - Used to record costs of the organization's membership in civic, business, technical and professional organizations. The costs include the cost of the organization's subscriptions to civic, business, professional, and technical periodicals.
11. Recruiting - Used to record recruiting costs and costs associated with recruiting personnel who will be directly billable to the contract (i.e., "help wanted" advertising, operating cost of an employment office, cost of operating an educational testing program, travel expenses in accordance with Federal Travel Regulations guidelines including food and lodging of employee while engaged in recruiting personnel, travel cost of an applicant for interviews and prospective employment, and other related expenses). These costs include fees paid to agencies and costs of recruiting employees.
12. Temporary Help - Used to record costs incurred in securing part-time or temporary services for a particular short period. The work performed must relate to the current contract. These costs include fees paid to agencies and costs of securing the temporary help.
13. Continuing Education - Used to record costs incurred or accrued for preparation and maintenance of a program of instruction including, but not limited to on-the-job, classroom, and apprenticeship training, designed to increase vocational effectiveness of employees. These costs will include training materials, textbooks, tuition, and fees when training is in an institution not operated by the organization. The costs must be related to the training of professional staff hired for this contract.
14. Legal Fees - Used to record costs paid or accrued for legal fees identifiable with any contract activity in the statement of work of the CMS Medicare contract.
15. Accounting/Auditing Fees - Used to record all fees paid or accrued for preparing corporate financial statements, tax returns, and coordinating internal audit work, and audits by independent accountants.

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OTHER DIRECT COSTS (continued)

16. Printing and Reproduction - Used to record costs incurred or accrued for copying, reproduction, and printing of material, documents and records, which are directly associated with this contract .
17. Other - (Attach Schedule and Supporting Justification(s))

NOTE: SUBMIT FORM AND SUPPORTING /JUSTIFICATIONS FOR EACH YEAR.  
ANY BLANK CELL WILL COUNT AS IF THE OFFEROR HAD ENTERED "0".

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Appendix F

### ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

#### FRINGE BENEFITS

The form on page 20 should be completed to indicate fringe benefits. This form includes the allocated fringe benefit expenses for each direct contract activity type.

Use the attached form to indicate all proposed Fringe Benefits (by line item).

The Total amount in the attached FRINGE BENEFITS Appendix F block is formula driven. (DO NOT MANUALLY ENTER AMOUNT.)

1. Employer's FICA Expense - Used to record amounts paid or accrued for the employer's share of the Federal Insurance Contribution Act (FICA) tax liability.
2. Federal Unemployment Tax - Used to record amount of tax paid for employer's contribution to the Federal Unemployment Compensation Act tax.
3. State Unemployment Insurance - Used to record the amount of taxes paid for employer's contribution to the State Unemployment Insurance programs.
4. Disability Insurance - Used to record employer's contribution to the disability insurance of its employees.
5. Pension Expense - Used to record the cost incurred or amount paid and accrued for funding the company's pension plan for its employees.

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Appendix F

### ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

#### FRINGE BENEFITS (continued)

6. Worker's Compensation Insurance - Used to record the cost of Worker's Compensation Insurance for employees.
7. Group Health Insurance - Used to record the cost of group health insurance coverage provided to employees.
8. Group Life Insurance - Used to record the costs of group life insurance coverage provided to employees.
9. Employee Relations & Welfare - Used to record costs associated with or cost incurred in maintaining satisfactory relations between the organization and its employees. It includes cost of labor management committees, employee publications, and other related activities.
10. Leave - Used to record costs for the leave portion of employees' proposed total labor costs. Leave is defined to include all types of leave, namely, holiday, vacation, sick leave, and other authorized leave per the ESRD Network's organizational policy. If leave is included in the salary, enter "0" on line 10, and annotate in the supporting proposal/justification(s).
11. Other - Attach Schedule and Submit Supporting Justification(s)

NOTE: SUBMIT SUPPORTING FORM AND JUSTIFICATIONS FOR EACH YEAR.  
ANY CELL LEFT BLANK WILL COUNT AS IF THE OFFEROR HAD ENTERED "0".

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Appendix G

### ESRD NETWORK BUSINESS PROPOSAL FORMS AND INSTRUCTIONS

#### GENERAL AND ADMINISTRATIVE (G&A)

The form on page 21 should be completed to indicate G & A costs. This form includes all proposed G&A costs to be incurred by each ESRD Network.

1 - 4            Enter the proposed G&A cost to be incurred for this contract (by line item).

NOTE:            The Total amount in the Appendix G - GENERAL and ADMINISTRATIVE block is formula driven (DO NOT MANUALLY ENTER AMOUNT.)

1.    Rent - Used to record the cost of space in privately or publicly owned building used by the organization for the benefit of this contract.
2.    Leased Equipment - Used to record expense for leased furniture and equipment.
3.    Telephone Expense - Used to record cost incurred or accrued for telephone services, local and long distance calls, telegrams, radiograms, and other communication costs.
4.    Insurance - Used to record general liability and other non-health insurance costs which includes: Property, Staff Liability, Committee Member Liability, Network Liability, etc.
5.    Other - Use lines 5-15 to record other G&A costs.

NOTE: SUBMIT FORM AND SUPPORTING PROPOSAL/JUSTIFICATIONS FOR EACH YEAR. ANY CELL LEFT BLANK WILL COUNT AS IF THE OFFEROR HAD ENTERED "0".

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### ESRD Network Business Proposal Forms and Instructions

#### Annual Management Plan

The Annual Management Plan form is provided in Attachment J-7b and the completed forms will become pages 33 – 35 of the offeror's business proposal forms. The Annual Management Plan will contain information for direct labor and consultants costs.

List the total contract hours and fill in the correct percentage of the level of effort/time that will be spent in each labor category, (i.e., Administration, Quality Improvement, Information Management, and Community Information and Resource).

The total percentage of each staff member or consultant's level of effort/time should equal 100%, which is reflected in the last column.

NOTE: Less than full-time equivalent (FTE) positions will be noted in the FTE column. For the reporting of percentage of time in each category (i.e. Administration, Quality Improvement, Information Management, Community Information) for each position, the total hours for each position should be considered as 100%, even if it is less than 1 FTE. For the total of hours for all

Direct Labor positions combined and for Program Consultants combined, please indicate the percentage of total hours in each category.



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### **ADDITIONAL INFORMATION OF INTEREST TO BIDDERS FOR COMPETED NETWORKS**

The J 8: Summary of the ESRD Network Program is a published document on the ESRD program and should be used for general purposes. This document is provided as attachment J 8 because it may contain ideas that may assist offerors for Network contracts.

Furthermore, Networks may find the following information useful:

#### **Network 2:**

Number of Facilities: 222

Number of Patients: 22,372

Number of Cases with Grievances: 1

Number of Sanctions: 0

#### **Network 17:**

Number of Facilities: 161

Number of Patients: 16,618

Number of Cases with Grievances: 0

Number of Sanctions: 0

By using the following link, anyone interested can find this and other information, including the most recent annual report, for any Network in the country. <http://www.esrdnetworks.org/>

# **Attachment J-7**