

ALLEGANY COUNTY SELF-INSURANCE PLAN

R F P
(REQUEST FOR PROPOSALS)

FOR

**WORKERS' COMPENSATION
CLAIMS ADMINISTRATION**

August 2010

REQUEST FOR PROPOSALS

CLAIMS ADMINISTRATION FOR WORKERS' COMPENSATION SELF-INSURED PLAN AND CMS REPORTING UNDER ALLEGANY COUNTY'S SELF-INSURED GENERAL LIABILITY COVERAGE.

The Allegany County Self-Insurance Plan is requesting proposals from New York State licensed Third Party Administrators to provide administration services on Workers' Compensation claims. The contract for these services will be awarded for a three-year period commencing November 1, 2010. The contract shall also contain an option for an extension or renewal for a second three-year period. The extension or renewal option may only be exercised on the same terms and conditions as set forth in the original agreement and only if both parties agree. If a mutual agreement is not reached, the business relationship between the parties shall terminate at the end of the first three-year term and the county may advertise for new proposals, perform functions in-house, or undertake to administer claims in any manner deemed appropriate or advisable by the County. An **Original and ten (10 copies)** shall be submitted to Douglas Dillon, Executive Secretary for Allegany County Self-Insurance Plan. **Proposals must be received at the Allegany County Self-Insurance Plan office by October 1, 2010.**

ADDITIONAL SERVICES BEYOND THE WORKERS' COMPENSATION SELF-INSURED PLAN:

Allegany County is partially self-insured (up to a minimum dollar amount) for purposes of general liability coverage. All claims management is handled in house with the assistance of outside legal counsel. Due to recent changes requiring electronic reporting to the Center for Medicare Services (CMS) from all insurers and self-insured entities, Allegany County is seeking assistance in complying with these requirements. As the expertise being sought under this RFP for Workers' Compensation Self-Insured Plan Claims Administration calls for reporting to (CMS), the proposal should also include handling all electronic reporting of data to CMS related to the County's self-insured general liability coverage. The scope of work for the County's self-insured general liability coverage is limited to converting data as provided by the county to the proper electronic format and making timely submissions of such reports as required by CMS. The number of active cases requiring such reports is very limited and it is anticipated would most likely remain in the single digits. For more information please contact the Allegany County Attorney, Thomas Miner at (585) 268-9410.

Any and all questions should be directed to Douglas Dillon, Executive Secretary for the Allegany County Self-Insurance Plan.

All proposers should submit the enclosed fill-in forms together with a sample of the contract to be executed, and samples of loss runs for the fees proposed. Additional data may be submitted at the discretion of the proposer.

I. PLAN ORGANIZATION AND PLAN PARTICIPANTS

A. Plan Organization

This is a County-Wide Self-Insurance Plan operating under the NYS Workers' Compensation Law

Plan Consultant – Brian Baty

Plan Manager – Douglas Dillon, Executive Secretary

Claims Administration – Self-Administered

Excess Insurer – Safety National Casualty Company

B. PLAN PARTICIPANTS

Towns (29)

Alfred
Allen
Alma
Almond
Amity
Andover
Angelica
Belfast
Birdsall
Bolivar
Burns
Caneadea
Centerville
Clarksville
Cuba
Friendship
Genesee
Granger
Grove
Hume
Independence
New Hudson
Rushford
Scio
Ward
Wellsville
West Almond
Willing
Wirt

Villages (10)

Alfred
Almond
Andover
Angelica
Belmont
Bolivar
Canaseraga
Cuba
Richburg
Wellsville

Other than Villages

Allegany County
Including:
Public Works Dept.
Health Dept.
Private Industry Council
Sheriff's Dept. w/Jail
Soil & Water District
+ All Other County
Departments

Volunteer FD (33)

Alfred
Alfred Station
Allentown
Alma
Almond
Almond
Andover
Angelica
Belfast
Belmont
Birdsall
Bolivar
Canaseraga
Centerville
Clarksville
Cuba
Fillmore
Friendship
Houghton
New Hudson
Oramel
Petrolia
Richburg
Rushford
Scio
Short Tract
Wellsville – Duke Hose
Wellsville – Dyke Street Engine
Wellsville – Emerald Hook & Ladder
Wellsville – McEwen Hose
Wellsville – Genesee Hose
Whitesville
Willing
Wiscoy-Rosburg

Volunteer Ambulance (4)

Amity
Friendship
Independence
Wellsville

II. SCOPE OF SERVICES

A. BASIC SERVICE REQUIRED

1. To establish a file with respect to each Claim.
2. To investigate all Claims and to recommend the amount of loss reserve to be established.
3. To provide each Claim file with written chronology of all action taken with respect to the underlying Claim.
4. To assist in preparation of all claim forms necessary for proper claims administration.
5. To adjust, settle or resist all claims within the discretionary settlement authority limit of the Plan as agreed upon by the Plan and the Proposer. (Authority to \$25,000, for example).
6. To adjust, settle or resist all claims in excess of the Authority Limit with the express prior approval of the Plan.
7. To retain and then destroy files for each Claim in accordance with legal requirements. It is understood all files are owned by the client.
8. To monitor all treatment programs recommended to a claimant by any care provider and Claims Management firm.
9. To provide loss reports on a monthly basis to the Client (up to 10 copies) in accordance with sample reports supplied with the proposal. (All available reports for basic administration fees to be provided). Reports must include summaries by year by Participant, Large Loss Reports for all claims greater than \$50,000, and summary for the plan in general by year. All must show incurred and paid data as well as breakdown by indemnity/medical/expense and totals for all years. Number of claims must also be clearly indicated.
10. To arrange for Subrogation and Recovery as necessary. This includes application to Special Funds where available.
11. Reporting to all regulatory authorities as necessary. This includes annual reporting to the Compensation Board for Paid Indemnity values. It also includes reporting to the Center for Medicare Services (CMS) and determining which claims are reportable.
12. Aggressively pursue fraudulent claims.
13. To supply the Plan all available data on claims via tape, disc, or other media as requested by client.
14. Assist the Plan Administrator in annual preparation of Plan budgets.

15. Assist the Plan participants in responding to inquiries arising during financial audits or inquiries from other government agencies.
16. Assist the Plan Administrator in determining the proper amount of participant liability to be paid upon withdrawal from the plan.
17. Inform the Plan Administrator of significant changes in statutes or case law for Workers' Compensation or 207-c.
18. Keep the Plan Administrator informed of pending legislation that if enacted might affect the Plan.
19. Review excess insurance policy and determine on-going necessity and recommended coverage.

B. OTHER SERVICES (Quoted separately if not included in basic services)

1. Hospital Bill Audits
 - a) Screen bills for audit consideration.
 - b) Conduct full and partial audits of bills.
 - c) Perform desk audits where appropriate.
 - d) Perform medical records analyses.
 - e) Negotiate discounts, when possible, in accordance with New York State Workers' Compensation reform.
2. Other Provider Bill Audits
 - a) Assist, when requested, for compliance with State Fee Schedules.
 - b) Arrange for peer review, where necessary.
 - c) Negotiate discounts where possible.
3. Pharmacy Benefits
 - a) PPO availability for drugs.
 - b) Explain system for controlling prescription costs in proposal.
 - c) Review pharmacy billings for State Fee billing accuracy.
4. Utilization Review
 - a) Pre-certification of hospital admissions.
 - b) Concurrent hospital reviews.
 - c) Review for emergency admissions.
5. Utilization of PPO for medical where applicable.
6. Reporting of Public Goods Pool medical payments surcharges.
7. Onsite visits at inception and as needed during term of contract.
8. Attendance at all meetings of the Personnel committee where Plan issues or business are conducted.

C. LOSS ADJUSTMENT EXPENSES (to be considered by claim)

1. Independent Medical examination of claimants, including the reasonable and necessary transportation expenses of claimants.
2. Reports from attending or examining physicians.
3. Attorney's fees and disbursements.
4. Court reporter services and transcripts.
5. Stenographic services and transcripts.
6. Witness attendance fees.
7. Court costs.
8. Appeal bonds.
9. Printing costs related to trials and appeals.
10. Testimony, opinions, appraisals, reports, surveys and analyses of professionals and experts.
11. Trial and hearing attendance fees.
12. Reports from government agencies or branches.
13. Credit Bureau reports.
14. Private Investigators.
15. Photographs.
16. Medical and Vocational Rehabilitation.
17. Medical cost containment services, i.e. utilization review, pre-admission authorization, hospital bill audit, provider bill audit, and medical case management or rehabilitation expenses incurred at the request of the client.
18. Extraordinary Claim investigation and/or travel expense incurred at the request of the client.
19. Any similar service related to the investigation and defense of a particular Claim, or the protection of and collection of the subrogation rights of Client, for which Client shall have given prior approval.

D. SAFETY AND LOSS CONTROL SERVICES

1. Define basic services available and provide a schedule if fees are added for these services.

E. PROGRAM TAKEOVER AND TRANSITION

1. Summarize the procedures to effect transition to your administration of the program.
2. Provide necessary minimum timelines.
3. Define all costs of takeover, e.g. per claim costs, data entry costs, medical bill review costs, orientation costs, etc.

F. LEGAL SERVICES

1. The County has previously established Legal Services that will be maintained and not incorporated into this request.

G. CLAIMS MANAGEMENT

1. The County has previously established Claims Management Services and it is not incorporated into this request.

III. RESPONSES TO THIS REQUEST FOR PROPOSALS - Submission Instructions

- A. All parties responding to this RFP must complete and submit the attached forms Exhibit A and Exhibit B (Quotation Sheet and Administrative Checklist) together with a Sample of the contract to be executed. Also please provide a sample of loss runs provided for the fees proposed. Additional data may be submitted at the discretion of the proposers.
- B. The Allegany County Self-Insurance Plan Administrator may reject proposals which are materially incomplete and/or which do not conform to the proposal content or the submission requirements. The Allegany County Self-Insurance Plan Administrator reserves the right, to the extent permitted by law, to waive any irregularity, variance or informality in a proposal in keeping with the best interest of Allegany County.
- C. Finalists may be required to make a formal presentation to the Personnel Committee and/or County Administrator of the County of Allegany.

IV. RFP GENERAL TERMS AND CONDITIONS

- A. Selection of a Claims Administrator to provide the services required shall be made using a variety of criteria including experience, fees, ability to provide the services, and as a result of the consideration of such other matters set forth herein or determined by the Allegany County Self-Insurance Plan Administrator and/or Personnel Committee. Awarding of the contract to the successful Claims Administrator will be made at the earliest possible time, and upon acceptance of proposal, shall bind itself or themselves to enter into the written contract with Allegany County.
- B. The Claims Administrator selected shall be required to furnish an engagement letter and/or execute an agreement. The terms of such engagement letter or agreement are subject to discussion and agreement but are anticipated to include the following:
1. Inclusion of a scope of services similar to that set forth in this Request for Proposals unless modified upon agreement by the County.
 2. A provision shall be included which allows Allegany County to terminate services at any time upon ninety (90) days notice.
 3. Insurance coverage satisfactory to the Personnel Committee of Allegany County.
 4. A provision that requires all services performed under a contract awarded to the successful Claims Administrator shall conform to prevailing professional or provider standards and to the requirements of the contract. Upon written notice of any defect from the County, the Claims Administrator will be expected to correct or re-perform any defective or nonconforming services at no cost to Allegany County. If the Claims Administrator fails or refuses to correct or re-perform, the County shall be entitled to any remedy that may be provided for under the contract, and in any event, that may be authorized by law.
 5. A provision requiring the Claims Administrator to defend, indemnify and hold harmless the County with regard to any negligent acts or omissions or malfeasance with regard to the services performed or to be performed.
 6. A provision requiring the Claims Administrator to assume responsibility for completing services as requested and the broker may not assign the work to be performed without the consent of the County, which consent shall rest in the sole discretion of the County.
 7. A provision providing that the Claims Administrator shall not be deemed an agent of the County for any purpose whatsoever.
 8. Inclusion of such other terms and conditions that may be required pursuant to Federal or State Law, Regulation and/or by the County Attorney.

- C. Please note that retention of services by reason of this RFP is not certain. The right to reject any and all proposals, solicit new or additional proposals or perform some or all of the services in-house or by using services available from professionals currently under contract are retained at all times, even after proposals have been reviewed and considered.
- D. Additional information, interviews and/or presentations may be required at the option of the County. In no event shall the County or its Board, Officers and employees be liable for any costs incurred for the preparation of and participation in the submission of responses to this request or subsequent interviews of persons or companies.
- E. It is the Claims Administrators sole responsibility to be familiar with and understand all terms and conditions regarding the RFP before the opening. Any questions should be submitted in writing to the Allegany County Self-insurance Plan Administrator and, if relevant, should cite the Section and page number of the RFP document relating to the question raised by the provider. Answers to all questions of a substantive nature will be given to all Claims Administrators as a formal addendum, which will be annexed to and become part of the RFP. Please be advised that Allegany County shall not be bound by any verbal response by any County Official or employee which is not confirmed in writing or which does not result in an addendum issued by the County Self-Insurance Plan Administrator.
- F. Allegany County reserves the right to waive or modify minor irregularities in proposals received, utilize any and all ideas submitted in the proposals unless those ideas are covered by legal patent or proprietary rights and generally adapt any or all of the company's proposal in developing contract language. With regard to legal patent or proprietary rights, it shall be incumbent upon the party furnishing the proposal to notify the County of such.
- G. Nothing contained herein shall be deemed an offer by the County or be interpreted as making a representation or giving any assurances that a contract will be entered into or that Allegany County is in some fashion obligated. Should Allegany county be unsuccessful in negotiating a contract with the Claims Administrator within the time frame acceptable to Allegany County, Allegany county may begin contract negotiations with another Claims Administrator responding to the RFP, reject all RFP's, re-advertise, or take such other action as may be deemed appropriate.
- H. Proposals will not be returned once submitted, and the county may dispose of the same in any manner allowed under the law.

- I. Submission of the proposal to Allegany County shall be deemed consent for the proposals to be publicly identified, and information contained therein shall be deemed a matter of public record unless such information is designated by the party submitting the proposal as trade secrets or other information allowed to be kept confidential pursuant to the Public Officer's Law of the State of New York. In order to designate information as confidential, the Claims Administrator submitting the proposal must highlight the information and inform the county of its desire to keep that information confidential in a letter transmitting the proposal. Whether the information designated by the service provider is allowed to be kept confidential pursuant to New York State Laws shall be determined by the Allegany County Self-Insurance Plan Administrator upon consultation with the County Attorney and notice of such determination shall be made to the Claims Administrator prior to the release of the information to afford the service provider an opportunity to appeal the decision.
- J. Allegany County reserves the right to make any investigation deemed necessary to determine Claims Administrator qualifications and responsibility. Claims Administrator shall furnish to the County, upon request, all data pertinent thereto.
- K. Submission of a proposal constitutes agreement to all terms and conditions set forth herein. By submitting a signed proposal, the Claims Administrator a) warrants that the contents of its proposal are accurate and binding upon the Claims Administrator; b) represents that its staff is knowledgeable about the services to be provided as identified in this RFP; and c) warrants that it will use reasonable and appropriate efforts to provide such services in a professional and timely manner. In addition, the Claims Administrator further warrants that it has become sufficiently acquainted with the conditions, facts, and circumstances relating to providing the requested services. Failure or omission of the Claims Administrator to adequately acquaint itself with existing conditions, facts and circumstances shall not in any way relieve it of any obligations with respect to this RFP.

EXHIBIT A

QUOTATION SHEETS

ADMINISTRATIVE FEES (Admin, only)

- a) Flat Fee
Year 1 _____
Year 2 _____
Year 3 _____
Optional renewal for an additional 3 years:
Year 4 _____
Year 5 _____
Year 6 _____

-Or-

- b) Rates
_____ Per Lost Time, Initial Claim _____ add'l every _____ years
_____ Per Medical, only, Initial Claim _____ add'l every _____ years
_____ Per Incident Report

- c) % Increase for Years 2 through 6 _____

-And

- d) Time and expense rates (if any, for example charges for special claims)

- f) Rates (Take Over of Outstanding Claims) _____ Per Claim
NOTE: This will include take over of all Claims, including any that reopen

-Or-

Other basis (define) _____

OTHER SERVICE FEES

- a) Medical Fee Verification (define by rate and basis)
(If medical expenses are verified in basic admin quoted, indicate by stating “Included in Admin” here). {Also, estimate normal annual cost for service}

- b) Rehabilitation (define by Rates and Basis) (Explain any relationship between TPA and Rehab Company).

- c) Reporting forms for State Board Assessments. Define by services provided and fees, if any: _____

- d) Loss Reporting, describe all reports available for fees quoted, and quote additional fees for other reports available.

- e) Loss control Services (Define): _____

- f) Other services and fees not hereinabove described: _____

- g) Briefly describe all Administrative services provided for fees quoted: _____

- h) Provide a brief history of the company. **Please include a listing of self-insured municipal clients, including contact names, and length of service.**

PERSONNEL

List by name; experience (Workers' Comp. Work history) and professional designations or licensing of all parties that will supply service. Specific comments required on turnover rates (stability of personnel).

TREASURER

Define your systems available for issuing checks.

EXHIBIT B

ADMINISTRATIVE CHECK LIST

(Please complete the following)

Instructions: Check all items that apply and include all answers to requests for each category in your proposal.

Loss Control

_____ Loss control services are provided and included in base costs.

_____ Loss control services are available for additional costs.

_____ Loss control is not a service we provide.

Fully describe the nature of the loss control services that are offered and the costs associated with them in your proposal. Also indicate your definition of loss Control.

Case Management/Case Review

_____ TPA uses a three point contact methodology.

_____ Supervisory staff meets with claims adjusters on all open files and direct the professional services that are to be provided.

_____ This process is monitored throughout the year and updated when necessary.

_____ Client Administrators and TPA Claim Representatives meet on a quarterly basis to review claims.

In your submission, discuss how this process is accomplished, how often cases are reviewed and with whom, and any other data you wish to submit to reflect this process.

Educational Background of Staff

_____ Internal training programs are utilized to develop your staff.

_____ Outside training programs and sources are utilized to develop your staff.

We are requesting the credentials of all staff that will be adjudicating claims. You may submit staff biography and job descriptions with your proposal.

Managed Care

_____ Your TPA has a Managed Care Organization (MCO) to assist with the services provided to claimants.

_____ Your TPA has Preferred Physician Organizations (PPO) Network that is utilized.

_____ Your organization has credentialed personnel on staff to perform managed care.

_____ Your TPA has agreements with outside professional services that perform managed care.

Submit in your proposal what your organization presently is doing with managed care. Note the plan does not currently use Managed Care.

Independent Medical Examinations

_____ IME's are performed in house.

_____ IME's are performed by outside organizations.

_____ Average \$ expense per IME.

Describe who provides these services and what different organizations are utilized and why.

On-site Client Visits

_____ On site training for client's claims administration personnel is provided.

_____ If so, the cost for these provided services is included in the base pricing of the claims operation including travel cost. Currently, workshops are generally scheduled annually for this purpose.

_____ If so, the costs for these services are additional.

Indicate in your proposal how you would perform this task and what services would be rendered on site. Include whether the number of trips would be limited.

Fine and Penalty Costs

_____ If a fine or penalty assessment is incurred from the Workers' Compensation Board, due to the TPA's fault, the TPA would be responsible for payment.

Required Forms

_____ Your TPA would provide the required Workers' Compensation forms.

Ownership of Files

The proposal should address transfer of file ownership of the files if, after a period of time, the County decided to change TPA's or return to self administration. Will TPA provide the necessary data to transfer computer files to new TPA or County? (16)

Computer System

_____ A representative of the Plan Participants or our plan manager may perform annual audits.

_____ The Auditor would have access to the usage of the equipment to review these claims and adequate working conditions would be provided to assist in the conduct of the audit at TPA site.

_____ Computer generated reports are flexible to meet the needs of the specification of the Client.

_____ If a special report needs to be established is there an extra cost associated with this report?

_____ Your system provides down loading capability for internal use. Is it user friendly and can be Downloaded into a mainframe program? (e.g. Excel)

_____ Specify any additional costs for these services _____.

Provide a sample of your system's reports and address the following questions in your proposal:

How extensive is your report writer?

How often would reports be generated and distributed to participating members?

What type of software do you presently use to administer, manage and adjudicate your claims?

Diary System Automated or Manual

_____ The diary system utilized by your organization is automated.

_____ The client may have access to the diary.

_____ The diary system has downloading capability and the client may discuss case files with the claims adjuster within the diary system.

Submit a sample from your diary system and include any detail of features.

Number of Files and Dollar limit Per Adjuster:

_____ Supervisory remarks are continually recognized within each file.

Indicate the number of medical and indemnity files each adjuster maintains on a current basis and how many adjusters work under one supervisor.

Indicate the maximum dollar amount that adjudicators are allowed to handle per claim before referring to a higher level of management.

Reserving Practices

_____ Step reserves.

_____ Fully reserve for the potential of a claim at the time of incident.

Please explain your practice and how you presently reserve claims on a continuous basis after initial reserving.

Panel of Professionals

_____ Your TPA utilizes a Panel of Physicians within your organization.

_____ Your TPA utilizes a Panel of Attorneys within your organization.

Please discuss this practice and how you determine what type of professionals should be maintained within your operation.

Signature of Representative: _____

Date: _____

CERTIFICATION

Non-Collusive Certification required of all bidders under Section 103-d of the General Municipal Law as amended by Chapter 751 of the Laws of 1965, effective September 1, 1965.

By submission of this bid or proposal, the bidder certifies that:

- (a) This bid, or proposal, has been independently arrived at without collusion with any other bidder or with any competitor or potential competitor;
- (b) This bid, or proposal, has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of bids or proposals for this project, to any other bidder, competitor, or potential competitor;
- (c) No attempt has been or will be made, to induce any person, partnership, or corporation to submit or not to submit a bid or proposal;
- (d) The person signing this bid or proposal certifies that he has fully informed himself regarding the accuracy of the statements contained in this certification, and under the penalties of perjury, affirms the truth thereof, such penalties being applicable to the bidder as well as to the person signing on its behalf;
- (e) That attached hereto (if a corporate bidder) is a certified copy of resolution authorizing the execution of this certificate by the signatory of this bid, or proposal, on behalf of the corporate bidder.

Individual Bidder

Co-Partnership

By _____
Partner

Corporation

By _____
President