

TOWN OF VERNON, CONNECTICUT

WORKERS' COMPENSATION REQUEST FOR PROPOSALS

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Section I**GENERAL INFORMATION****Introduction**

These specifications are provided for the purpose of soliciting alternative proposals from qualified firms to administer workers' compensation claims for the Town of Vernon General Government and Board of Education, herein referred to as the Town, effective July 1, 2013. It is intended that the term of the contract will be thirty-six months, subject to a satisfactory annual review; with an option to renew for three (3) additional years.

General Description

The Town has been self-insured since 1982 for workers' compensation benefits and purchases specific excess insurance for its workers' compensation program. The combined workforce consists of approximately 932 employees. There are 15 different bargaining units representing 96% of the employees and the total payroll is \$45,000,000. The fiscal year begins on July 1st and ends on June 30th with the average number of claims during the past five fiscal years being 166 as indicated in the chart enclosed as "Appendix A".

A further summary of loss data is enclosed as "Appendix B and C". This information will be updated and available on the Town's website March 7, 2013.

The current TPA is CIRMA. Loss control services are currently provided by USI Insurance. The Town utilizes a Risk Management Committee composed of residents of the community and a safety committee composed of various departmental employees. Risk management activities are not central to one department and are administered through the Town Administrator's office and the Finance Department. The Town currently uses CorpCare as an initial care medical provider and has not instituted a managed care network.

Plan Goals

The Town is seeking proposals to provide a comprehensive and fully coordinated workers' compensation service, including police and fire heart and hypertension, to include claim administration, medical management (managed care) and, in a separate proposal, loss control services. Proposals must include all of these services. (Note: While preferring that loss control services be provided within the contract, the Town reserves the option to contract directly with a separate firm specializing in loss control services). We strongly desire a totally cooperative and highly effective working partnership among Town and vendor representatives to pro-actively manage our working environment as well as medical and claim administration. The plan must be approved by the Workers' Compensation Commission Chairman as required by 31-279(c)(d)(e) and 31-279(10) of the Connecticut General Statutes. The successful proposer shall comply with all regulations and statutory requirements regarding managed medical care plans. Proposals, including fees, are requested on the basis of a three-year contract with progressive rates for each year thereafter.

The primary goals of our plan are:

- Process all claims in accordance with the State of Connecticut Workers' Compensation Act.
- To ensure that every Town employee is fully aware of the Town's commitment to safe working conditions and the importance of safe consistently utilizing safe work practices.
- To ensure that every Town employee sustaining a work related injury or illness is provided with quality medical care and treatment on a timely basis.
- To ensure that claimants receive appropriate medical and rehabilitative services enabling maximum medical recovery and a safe and expedient return to work as early as possible.
- To effectively reduce Town workers' compensation costs while providing quality medical treatment to Town employees sustaining work related injuries or illness.
- To ensure prompt, pro-active and professional claim administration and supervision for all new and existing claims. Providing regular on-going communication with the claimant from inception to disposition of the claim.
- To develop and recommend case settlement strategies on long term open claims.
- To develop and implement effective safety and loss control programs designed to instill a safety conscious management/employee culture and significantly reduce claim frequency.
- To provide priority support in assisting the Town in enhancing its transitional work program. Note: A formal program had not been established.
- To evaluate and monitor progress of our program through effective and timely management information reports.
- To implement a single "gatekeeper" medical provider plan for new claims intended to maintain our commitment to quality medical treatment, control medical expense, improve return to work initiatives, and enhance our access to timely claimant information.
- To minimize the impact on our claimants of a possible transition of claim administrators.

- To identify and aggressively defend fraudulent or accelerated claims.
- To actively pursue all possibilities of subrogation.
- To periodically review excess workers' compensation limits and liability to correspond with claim experience.
- To develop a high performing and totally coordinated team concept among Town and vendor representatives dedicated to a quality and efficient workers' compensation program.

SCOPE OF SERVICES

The scope of services shall include but not be limited to:

Claims Administration

1. Examine all claims reported by the Town concerning personal injury, sickness or disease incurred by an employee in the course of employment, during the term of this agreement, and determine if the claim is compensable under the State of Connecticut Workers' Compensation laws. Perform all of the administrative services required and control the disposition of all claims in accordance with applicable statutory and administrative notification requirements.
2. Establish contact with the employee's supervisor and the employee within twenty-four (24) hours of receipt of the alleged claim and conduct an investigation to the extent deemed necessary or at the request of the Town.
3. Arrange for independent investigators, experts, or other professionals when such action is necessary to properly process cases or at the request of the Town.
4. Obtain and review all medical reports and medical bills related to the claim. Establish if the fees charged for medical services are reasonable and customary and in accordance with the Workers' Compensation Practitioner Fee Schedule.
5. Verify that the medical treatment provided is consistent with those required or billed.
6. Calculate the temporary disability compensation rate and the permanent-partial disability rates.
7. Establish and maintain accurate case reserves for lost time, medical only, and expense. Data process all information within forty-eight (48) hours of notice.
8. Timely payments on behalf of the Town of all benefits as provided by the Connecticut Workers' Compensation Act. All cash flow provisions will be mutually agreed to between the Town and the Proposer. The Town requests the ability for wage reimbursement to be made directly to the injured employee.

9. Assure that medical bill payments comply with medical fee schedules and / or discounted fee arrangements negotiated from time to time by the Town.
10. Prepare and submit all required State forms and notices including but not limited to 36,42,43,44, voluntary agreements, WC-37, medical authorization; and pursue all Second Injury Fund, subrogation, and other recovery opportunities.
11. Assist the Town in arranging for rehabilitation or retraining of claimants in appropriate cases.
12. Arrange for qualified legal representation throughout all workers' compensation proceedings, including hearings, stipulations, structured settlements, or work in conjunction with the Town and Town Attorney for this representation. Under no condition will a claim be settled without the express approval of the Town.
13. Timely notify the Town's excess insurers and Town personnel of all claims or losses which may exceed the self-insured retention amount and periodically provide such insurers with all necessary information about the status of such claims or losses as determined or required by such insurers.
14. Meet with the appropriate Town personnel on a quarterly basis to discuss the status open claims and other related risk management issues.
15. Provide claim forms and other forms believed by the Proposer of the Town to be appropriate for the efficient operation of the self-insurance program.
16. Maintain a file for each claim or loss including but not limited to cost data and estimates of future liability on an individual claim basis, which shall be available for review by the Town or its designated representative. The Town or its designated representative shall be authorized to visit the Proposer's processing and/or storage premises and have access to all data in any form relating to payments or non-payments made by the Proposer and charged to the Town.
17. All claim files created shall be and remains the property of the Town and shall be made available for review or audit by the Town or its designated representative upon the Town's request. The Town or its designated representative shall be authorized to visit the Proposer's processing and/or storage premises and have access to all data in any form relating to payments or non-payments made by the Proposer and charged to the Town.

Loss Analysis and Claims Reporting

In the area of claim information, loss control information, and general financial information, the Proposer shall provide the capability to provide the following:

1. A summary of claims or losses for each fiscal year, July 1st to June 30th, disclosing total of payments made for indemnity, medical and expenses, as well as a grand total and outstanding reserves.
2. A monthly summary (as above) for each department.

3. A monthly Detailed Case Report for each claim or loss disclosing - the date of injury; a description of the incident; claim number; name; status; payments made during the month and paid to date for indemnity and medical; and outstanding reserves for each case.
4. An excess carrier case report by fiscal year.
5. Maintain a funded account on behalf of the Town in an amount sufficient to provide payment of benefits for claims. Provide the Town with timely information of transactions related to the account; and a Monthly Financial Report detailing a check register with payments issued, payee, type of payment, claim number and claimant name.
6. The monthly Financial Activity Report must reconcile with the Detailed Case Report. ***{Please provide samples or reports requested in this section with your proposal}***.
7. Provide customized loss and exposure reports and comparative analysis on current loss year as compared to the prior 12 months.

Loss Control Services

The Proposer shall have the capability to provide the following:

1. Survey designated facilities per current OSHA, NIOSH, and NFPA standards and make corrective recommendations.
2. Analyze claim reports and make recommendations as to needed safety specifics or general programs.
3. Conduct safety workshops, as needed.

Financial and Accounting Services

The Proposer must be able to provide the following:

1. File all required reports and statements with the State of Connecticut.
2. The ability to provide 1099 Forms for vendor services.
3. Comply with GASB Statements 10 and 30; and other applicable accounting regulations.

Additional Requirements

1. The Proposer shall be able to provide on-line access, inquiry, and print capability.
2. Provide advice and assistance to the Town in developing procedures for and working with an initial medical care provider, including long-term or specialty care for all claimants; an approved managed care network, and establishing an alternative program.

3. The Proposer will assist the Town in developing policies and procedures which will facilitate a claimant's return to work or reassignment of work in a manner consistent with the claimant's medical condition, the rules and procedures established by the State of Connecticut workers' compensation laws, and any other Federal laws, including without limitation the "Americans with Disabilities Act".
4. Monitor the treatment progress recommended by physicians or specialists by reviewing all reports prepared by treating or examining physicians and by maintaining such contact as may be appropriate or at the requests of the Town to monitor any change of a claimant's condition or circumstances which may affect their ability to work.
5. The Proposer will furnish or assist the Town in the completion, renewal, or filing of applications and periodic reports required by the State of Connecticut to maintain the Town's qualification as a self-insured employer pursuant to applicable laws and regulations, including meeting OSHA standards.
6. The proposer will assist the Town in developing a customized managed care plan, in accordance to the State of Connecticut Workers' Compensation Statute.
7. The proposer will be responsible for preparing and implementing an Open Claims Take Over with the existing vendor during the period between contract execution (anticipated for the end of May/June 2013) and the contract start date of July 1, 2013.

Section II**SUBMISSION OF PROPOSAL**

The Proposer shall be required to submit the information detailed below. The information shall be organized and assembled in the order presented to assist the Town in reviewing all proposals received.

1. Table of Contents to include clear identification of the material provided by section and number.
2. A letter of transmittal indicating the Proposer's interest in providing the service and any other information that would assist the Town in making a selection. This letter must be signed by a person legally authorized to bind the Proposer to a contract.
3. A statement demonstrating understanding and your capability of providing the services of each section of the Scope of Services.
4. A written description of the Proposer's qualifications and experience to provide the requested services, inclusive of assigned personnel.
5. Completion of the Questionnaire.
6. Completion of the Fee Proposal.
7. A current balance sheet, a certified financial statement, or equivalent information, which indicates the financial position of the Proposer, will be required from the successful bidder.
8. References - Supply a minimum of three (3) different references to support the proposal, with at least one being a municipal public entity. Please give the name of each organization, point of contact, location, telephone number, and a brief description of services provided. The Town shall have the right to contact any reference as part of the evaluation and selection process.

Proposal Timeline

Published Legal Notice:	February 27, 2013
Proposal Due Date:	March 20, 2013
Finalist's Interviews:	March & April 2013
Contract Awarded:	May 1, 2013
Contract Effective:	July 1, 2013

Questions Regarding the RFP

Questions related to the RFP must be received by 4:00 P.M. on March 14, 2013. Responses will be available by March 15, 2013, by end of business day through the Town of Vernon's website: www.vernon-ct.gov/legal-notices.

Questions regarding the RFP should be directed to:

John D. Ward, Town Administrator
e-mail: jward@vernon-ct.gov
and
Dawn R. Maselek, Assistant Town Administrator
e-mail: dmaselek@vernon-ct.gov

Executive and Administration Department
Town Hall, Third floor
14 Park Place
Vernon, Connecticut 06066
Facsimile: (860) 870-3580

Proposal Delivery

Proposals must be received in sealed envelopes or containers, **clearly marked "BID DOCUMENT – DO NOT OPEN – CONTRACT #1026 – 03/20/2013 "**, and include the proposer's return address. The deadline for receipt is 11:00 A.M. on March 20, 2013. Under no circumstances will exceptions be permitted.

Please submit **three (3) copies** to:

Town of Vernon
Attention: John D. Ward, Town Administrator
Town Hall, Third floor
14 Park Place
Vernon, Connecticut 06066

Proposals should fully respond to all requested information in the RFP and adhere to the requested format. **It is again emphasized that the proposals should be focused on achieving each of the primary goals and scope of services listed under "General Information".**

Any costs associated with the proposal must be assumed by the vendor and will not be the responsibility of the Town of Vernon.

The Town of Vernon reserves the option of withdrawing or modifying this request for proposal. We also reserve the right to waive any defect or any irregularity in any proposal and reserve the right to reject any or all proposals at any time. Proposals are subject to and must comply with the equal opportunity and non-discriminatory provisions set forth in the Affirmative Action Plan of the Town of Vernon.

By submitting a proposal, the potential vendor agrees to execute a contract with the Town of Vernon in form and substance satisfactory to the Town of Vernon and their Town Attorney in accordance with the RFP and the proposal submitted. Proposals may not be withdrawn or modified by the respondent once submitted and will remain firm until July 1, 2013. The proposer will be bound by the acceptance of the proposal if made by the Town of Vernon on or before March 20, 2013.

The Selection Process

The process begins with this Request for Proposal. A single company whose primary business is to perform workers' compensation third party administration services will be responsible for the submission of a complete proposal. The selected company will be the contractor with the Town. This may be a company providing all required services within its own organization, or a third party administrator with an agreement with a medical management firm contracted to provide medical management and/or loss control services as required by this proposal. A coalition of companies must have significant and successful prior experience working in partnership in administering a workers' compensation plan for a self-funded client of similar size.

All proposals will be reviewed and evaluated by a committee of representatives of the Town / School Administration, inclusive of review by the Risk Management Committee. The committee will make a recommendation for the award by the Town Administrator.

The following will be the primary factors considered in evaluating proposals, but not necessarily in the order listed:

- General and specific experience in successfully administering workers' compensation claim and medical management programs.
- Experience and demonstrated success in administering large municipal workers' compensation programs.
- Specific claim administration, case law knowledge and specialized medical management experience in administering Police employee heart and hypertension claims.
- Demonstrated ability to perform all required functions in a pro-active and highly coordinated manner.
- Demonstrated ability to maintain an effective partnership with Town representatives in effectively managing and bringing continuous improvement to our workers' compensation program.
- Qualifications and experience of key personnel responsible for our account.
- Commitment to, and possible past experience with, establishing a productive and efficient working relationship with a single "gatekeeper" medical provider to be selected by the Town. The selected TPA will be expected to provide guidance and assistance in evaluating "gatekeeper" candidates, and implementing the "gatekeeper" plan.
- Reputation based on references, with emphasis on municipal clients.

- Town access to an effective information technology system providing claim status information and capable of providing all relevant management reports required to evaluate our plan.
- Proposed fees for services.

The new plan will become effective no later than July 1, 2013. It is anticipated that the agreement will be scheduled to lapse on June 30, 2016 with an option for the Town to extend the agreement for an additional thirty-six (36) months. Prior to the end of thirty-six (36) months, the Town will consider options to extend the agreement for an additional one; or two years. Approval of the medical plan by the Chairman of the Workers' Compensation Commission, as submitted by the selected vendor, must be received prior to the implementation date.

Section III

VENDOR INFORMATION

Please provide the following information for the primary contractor. If sub-contractors are to be utilized for our account, please complete a separate sheet for each firm.

Organization Name:	
Nature of your organization, e.g., claims service of an insurance company; independent claims, adjusting services, etc.:	
Contact Person's Name and Title:	
Servicing Office Address:	
City / State:	
Telephone Number:	
Toll-free Number:	
Fax Number:	
Email Address:	
Regular Business Hours:	
Managing Office Address:	
City / State:	
Telephone Number:	
Date Founded:	
Years administering workers' compensation plans in Connecticut:	
Years administering police/fire heart and hypertension claims in Connecticut:	

- Affiliations with other organizations (i.e. HMO):
- Describe (attach) the proposed account management and staff organization including the name, title, experience and length of time with your firm, of each individual (resumes

desirable), who would be assigned to administer the Town's program. Please provide position descriptions and your organization chart.

- Would the personnel assigned to the Town also be assigned to other accounts? If so, how many?
- What is the anticipated work load of open files that would be managed by the adjusters assigned to the Town?
- Describe the staffs' knowledge of the Vernon area and experience in the Commission's District Office.

Current References (Three Connecticut Self-Funded Commercial Clients)				
Company Name	Contact Name	Phone No. & Town Location	No. of Employees	Contract Start Date

Current References (Three Connecticut Municipal Clients - Self-Funded Preferred)				
Company Name	Contact Name	Phone No. & Town Location	No. of Employees	Contract Start Date

3 Connecticut References from Former Clients (Past three years)				
Company Name	Contact Name	Phone No.	Termination Reason	Termination Date

- Please provide a current Connecticut client list for workers' compensation services.
- Please provide a current Connecticut municipal client list for workers' compensation services. Indicate whether Police and Fire heart and hypertension claims are included.

- Please provide a sample memo to Town employees which introduces and describes your proposed claim and medical management program.
- Describe the workers' compensation claim reporting and training program you recommend for supervisors.
- What interaction between your representatives and the Town Administration Department do you recommend? How often? What would a typical agenda include?
- Describe any performance management programs you use in evaluating providers with particular emphasis on initial care providers.

Joint Venture Statement by Proposer (if applicable)

Describe in detail your past or present working relationship with each of the companies included in this proposal. Include names of clients, contacts, dates and duration of relationship. Describe examples of success. Why did you select each company chosen, and why do you believe the affiliation is best suited to meet or exceed the Town's plan requirements. Fully describe your role and responsibility in managing the joint relationship. Will you honor the Town's request to replace one or more of the sub-contractors? Who will select replacement firms and by what method will they be selected?

SECTION IV

QUESTIONNAIRE

Note: Please take whatever space is necessary to fully respond to each question. Where "yes" or "no" questions appear, please feel free to expand on your response.

The questionnaire is designed for a single company providing all required services. Vendors submitting proposals in partnership with other independent sub-contractors must clearly indicate such relationships and specifically address the issue of coordinating such services.

(Please answer in the order requested and number your responses. For responses covered in another section or question please reference accordingly)

1. Provide procedures and timetable for initial set-up and the implementation of the Town's account into your system.

2. Complete the following table regarding your firm's capabilities (detailed responses are expected, so information should not be limited to the space given):

Type of Service	Available?		Outline How Service is Accomplished
	Yes	No	
a) 24 Hour availability for claim reporting			
b) Safety program consulting			
c) Evaluation of a case as compensable or not			
d) Identification and management of high exposure cases			
e) Documentation in the file regarding all case activity			
f) Monitor claim files and report to excess carrier, as appropriate			
g) Recovery of excess carrier reimbursement			
h) Identification and case investigation for possible fraud			
i) Re-price claims to the Practioner fee schedule			
j) Re-price claims to a PPO discount level			
k) Audit a hospital bill for accuracy in charges			
l) Identify, investigate and pursue subrogation			

3. Which of the following does your claim system use to identify and track claims (check all that apply):

a)	Name:	
b)	Social Security Number:	
c)	Workers' Compensation claim number:	
d)	Special coding (define):	

4. Are you able to produce claim reports by:

		Yes	No
a)	Name of claimant:		
b)	Job classification codes:		
c)	Departments:		
d)	Open and closed claims:		

5. Outline, in specific detail, the services available from your claims organization from first report of injury to ultimate claim closure:

6. Describe your procedures for making initial and follow-up contact with injured employees and supervisors. Will you be able to perform this within 24 hours of receiving the claim?

7. Describe your investigative and reporting procedures. What criteria will be used to determine the extent of an investigation? Will the Town have access to these reports on a blanket or per request basis?
 - a. Be sure to include the frequency of follow up and / or visits in your response.
 - b. Discuss procedures that can be implemented and used to induce attorney involvement in workers' compensation claims.

8. Describe your firm's philosophy and procedures for the establishment of case reserves? How often are they reviewed for adequacy and / or changes?

9. Describe what your firm is doing to establish a preferred provider network as outlined in the new Workers' Compensation Statutes.

10. Describe cost containment procedures established by your firm.

11. How will you maintain closed files?

12. Provide the Town with various options regarding the handling of open claims at the termination or expiration of the contract.

13. Provide a description of the quality controls currently in place. The description should include the approach to and frequency of internal claims audits.

14. Can your firm provide on-line access and is there a charge for this? Please expand on any automation capabilities you may have. What are the backup security parameters?

15. Can you customize reports for our needs?

16. Indicate the frequency of all standard reports.

Name of Report	Frequency

17. Please submit samples of each standard report generated.

18. What is the time required to prepare and forward claims reports and financial activity reports to the Town?

19. Identify any outside firms used by your firm for investigations, rehabilitation, independent medical exams, etc. and the fee charged by these agencies.

20. Do you retain in-house legal counselor contract for legal services? **Yes No**
(The Town will have sole responsibility in selecting legal counsel).

21. Explain any Imprest Fund which you may require (in addition to claims handling fee).

- a. Monthly contribution after initial establishment of fund.
- b. Frequency of adjustment to determine accuracy of funding level.

22. Explain any service outlined in the "Scope of Services" that cannot be met by your firm; and how you would supplement your services to meet the Town's needs.

23. Does your firm agree to the following:

- Yes No Comply with regulations and procedures established by the State regulatory authority and the client.
- Yes No Assist in preparing any claims, reports and documentation required by state regulators which are normally performed by an insurance carrier.
- Yes No Assure that medical bills comply with state medical fee schedules and/or discounted fee arrangements negotiated by the client.

- Yes No Promptly and accurately investigate reserve and adjust claims.

- Yes No Advise the client of any material changes in the reserves of individual claims and of any settlement offers received from the claimant or attorney.

- Yes No Prepare and maintain files in an organized, neat and accurate fashion.

- Yes No Verify the employee's average weekly wage with the employer's payroll department.

- Yes No Promptly notify and seek approval from the employer on claims which may benefit from claimant activity checks.

- Yes No Communicate with the employer, claimant, doctors, medical personnel and attorneys, as appropriate.

- Yes No Insist on frequent medical status reports from treating physicians.

- Yes No Assist in obtaining an estimated return to work date and expeditiously return injured employees to transitional or full duty work status.

- Yes No Identify, investigate and pursue prior claims and medical history for possible special disability fund claims.

- Yes No Identify, investigate and pursue subrogation on claims which may allow recovery from a third party.

- Yes No Control work performed by outside legal firms, including monitoring of legal expenses for accuracy.

- Yes No Provide meaningful monthly management reports, with year-to-date totals, for use in auditing reserves, establishing annual actuarial projections of workers' compensation and heart and hypertension liability, payments, lost time analysis and for safety and loss control programs.

- Yes No Adhere to standards in administration of claims to include a 99 percent financial accuracy, 97 percent processing accuracy and an average 14-day turnaround in claim payment.

- Yes No Allow the employer complete access to claim files.

- Yes No Re-assign personnel, if requested by the employer.

- Yes No Maintain license in good standing with the State.

- Yes No In the event of termination, provide to the employer or claims administrator timely, thorough and accurate transfer of electronic data and paper records as specified by the client.

- Yes No Seek permission from the employer before destroying or relocating any claim files or historical data from the servicing office.

- Yes No Understand that the employer reserves the right to monitor, audit, copy or take custody of any claim file and associated claimant data.

- Yes No Agree to a contract clause regarding a 60-day notice of termination, without cause.

- Yes No Agree to a contract which contains a defense, hold-harmless, and indemnity clause for this client for acts, errors or omissions arising from your firm, employees, associates or subcontractors.
- Yes No Maintain an online computer system in the client's office which is connected to your claims files, to allow the client to access financial information and adjuster information notes (view function only).
- Yes No Abide by all current and future legislation regarding the confidentiality of claimant medical information.
- Yes No To endeavor to aggressively support new medical providers model alternatives, including a single gatekeeper as selected by the Town for initial and possible subsequent care of all claimants?

Heart and Hypertension Claims

1. Describe your experience, with specific reference to staff members assigned to the Town account, in administering heart and hypertension claims under Section 7 -433c. Include experience in representing clients at informal hearings and interacting with outside legal counsel.
2. How does your H & H program differ from regular workers' compensation?
3. Would you recommend the same outside law firm(s) for H & H cases as regular workers' compensation cases?
4. Describe your experience in reserving H & H claims.
5. Will you issue WP-2s and 1099s?

Loss Control

1. Describe how you would go about evaluating safety conditions in Town work locations. Do

you assist in implementing your recommendations?

2. Have you provided loss control services to other municipalities? Specify departments, the projects completed and the success achieved.
3. Please describe how you would develop departmental standards and goals for claim frequency. Explain any successful incentive programs you have utilized to promote safety and reduce claim frequency.
4. Please describe your program to enhance the safety skills and abilities of the Town/School work supervisors.
5. Describe safety training programs you would recommend for Town departments. How would you cooperate with the Administration department in presenting these programs?
6. Please describe your relationship and role in working with the Town Safety Committee.
7. What special expertise would your loss control representative have to effectively contribute to formalize Town safety and workers' compensation programs?
8. Are services available on an hourly, halfway, full day and project basis? Explain your fee program.

Operation's Effectiveness

1. Indicate how your firm accomplishes the following:

	Automated in our Claims System	We Subcontract for this Service	Our Staff Manually Reviews	Not Performed
a) Identify: -unbundling -miscoding -upcoding				
b) Check for duplicate charges				

c) Compare number of inpatient hospital days on each claim against admission and discharge dates approved by Utilization Review.				
d) Identify appropriate fees for the services billed				
e) Identify "usual, customary and reasonable" charges (UCR) for non fee schedule services				
f) Identify that the provider is a participant in a PPO (especially one who has multiple locations or tax ID numbers) and reprice claim appropriately				
g) Reconcile the diagnosis code to the procedure and gender code, for consistency				
h) Create a diary to remind examiner of important issues to check / research				
i) Paid Claims				

2. The Connecticut Practitioner Fee Schedule does not contain all of the possible CPT-4 codes that could be billed, so how does your firm determine UCR for non-ICA guided procedures (e.g., prescriptions, medical equipment, etc.)?

3. How frequently do you request medical status reports from treating physicians?

4. Do you require that:

	Yes	No
a) Physician progress notes be submitted with each bill before payment is issued?		
b) The medication name and quantity accompany any prescription billing?		
c) All mail is date stamped?		

d) Progress notes accompany all physical therapy billings?		
e) Results accompany all lab or x-ray billing?		

5. Indicate your average turnaround time for processing workers' compensation claims from receipt of bill to the date the check is mailed.

6.
 - a. Indicate the date of your most recent claims audit performed by an external third party.

 - b. Indicate your payment accuracy percent (percent of claims without dollar error) according to your most recent audit results.

7. Assuring that cases receive prompt, thorough and consistent medical case management is crucial to claim cost-control and return-to-work efforts. List your staff with responsibilities for our account that have medical licenses and will be accountable for assuring proper medical case management:

Name of Staff	Medical License (e.g. RN, LPN, MD)	Area of Expertise (e.g. surgery, home health, etc.)

8. Indicate the consultants you use to assist you in review of claims or questions related to the following types of issues:

Service Type	Consultants
Medical / Surgical	
Psychiatric	
Pharmacy	
Dental	
Hospital Bills	

9. (a) With respect to surgery, do you ever not reimburse assistant surgeons?

- (b) What is the basis for such a determination?
- (c) When appropriate, what is your allowance for an assistant surgeon?
- (d) Do you allow RN's to be reimbursed as assistant surgeons?
- (e) If so, what rate?

10. Indicate the firms you use for:

Service	Firms Used	Usual Fee
Claim repricing		
Hospital bill audit		
Work hardening		
Vocational retraining		
Long-term inpatient rehabilitation		

11. Describe the guidelines regarding the frequency and duration of physical therapy that can be approved by your staff?

12. Thoroughly describe your process for:

- (a) Setting initial reserve levels (medical only and indemnity)
- (b) Who sets the initial reserve
- (c) Frequency of evaluation of reserve levels
- (d) Changing reserve levels

13. Complete the table.

	Average Number of Open Cases Per Adjuster	Maximum Number of Open Cases Per Adjuster
Medical Only		
Indemnity		

14. By what methods do you determine:

- (a) Reasonable duration for disability
- (b) Final disability ratings

15. Indicate any discount arrangements you have negotiated for medical services which this client could take advantage of:

Type of Service (e.g., Hospital PPO)	Discount Amount (Averages 20%)	Access Fee (5% of savings)

16. What items/claim procedures require a supervisor's approval?

17. How do you ensure that for each case, the proper forms are filed with the appropriate State Workers' Compensation Commission in a timely fashion?

18. Indicate the common types of claims that your firm finds are highly questionable in terms of compensability under Workers' Compensation.

19. Describe your involvement in the control of legal costs with litigated claimant cases?

20. What percent of your Workers' Compensation claims are litigated?

21. Cite two recent examples where your firm has uncovered fraudulent practices in Workers'

Compensation.

22. Identify two recent innovative measures you have taken to control Workers' Compensation claim costs.

Quality Controls

1. Do you have a formal staff training program? (If yes, briefly outline the key components involved.)
2.
 - (a) Do you perform regular internal audits to assess your operations?
 - (b) Who performs the audit?
 - (c) With what frequency?
 - (d) If yes, describe a quality problem encountered and how your firm resolved it.
3. Indicate the frequency for a supervisor review of:
 - (a) Medical only case files
 - (b) Indemnity case files
 - (c) Reserve levels
4. Indicate the turnover rate for the past year for:
 - (a) Medical only and indemnity claim staff
 - (b) All other personnel
5. Is there any incentive for staff to:
 - (a) Find a case is not compensable
 - (b) Prevent a medical only case from becoming an indemnity case
 - (c) Close a medical only claim

- (d) Close an indemnity claim

- 6. Describe procedures for persons who call your claim office to discuss and/or appeal processed claims.

- 7. If a provider presses to collect from a claimant what you determined to be an unreasonable or unnecessary fee, how and to what extent would you assist the claimant?

- 8. How do you identify providers who consistently overcharge or perform unnecessary procedures?

- 9. Describe your security procedures for:
 - (a) Computer entry
 - (b) Manual claim files
 - (c) Reserve adjusting

Other Information

- 1. Regarding performance based contracts:
 - (a) Are you presently working under any performance based contracts? Please describe each agreement.

 - (b) If not, are you willing to consider? Please provide a brief outline of such an agreement.

- 2. State your firm's definition of:

- (a) A medical only claim.
 - (b) An indemnity claim.
 - (c) Any other category of claiming requiring separate pricing
3. Indicate the name of the computer software that you use to:
- (a) Pay claims
 - (b) Compute indemnity payments
 - (c) Set and adjust reserves
4. Attach the following:
- (a) 1st Report of Injury
 - (b) Standard Workers' Compensation claim reports
 - (c) Sample "special" reports
 - (d) Resume of all staff to be involved with this client
 - (e) Your firm's list of provider list, including urgent care centers, in Tolland County.
 - (f) Your firm's list of preferred defense law firms.
5. Will the Town or its representative have the right to audit all aspects of your performance by reviewing pertinent records or documentation?
6. Are you willing to indemnify and hold the Town of Vernon harmless for a failure by you and your subcontractors to provide network and utilization workers' compensation services to injured workers, or the negligent provision of such services?
7. Describe your experience in providing accurate and timely data to the Town administration and/or actuaries retained by self-funded clients to determine workers' compensation liability. Indicate same experience for Police and Fire heart and hypertension liability.

- 8. Describe any other services, activities, practices or philosophies not previously discussed in this proposal which would improve the Town of Vernon's Workers' Compensation program.

- 9. Why will the Town of Vernon's workers' compensation costs be less if your firm is selected as administrator rather than a competitor?

Components of the Pricing

- 1. Indicate the services provided under your basic (per case) fee.

Services	Yes	No
Assess claims as compensable		
File appropriate ICA forms		
Set reserve amount		
Compute and initiate disability payment		
Reprice claim to ICA fee schedule		
Reprice claim to UCR value		
Pay medical bills		
Screen for subrogation		
Investigate subrogation		
Standard monthly reports		
Other:		

- 2. Indicate the services that you will bill:
 - (a) To this employer on a time and expense basis
 - (b) To a specific claimant case (allocated)

- 3. In the event of termination of the contract, note the procedures and costs, if any, for:
 - (a) Run-off claims adjusting
 - (b) Historical loss summaries

- (c) Transfer of electronic and paper data

4. Please indicate if the following expenses are included in your quote:

		Yes	No
a)	All Workers' Compensation Appeals Board or court costs, fees and expenses		
b)	Fees for service of process		
c)	Fees to attorneys		
d)	Fees to independent adjusters or attorneys for investigation or adjustment of claims not performed by claims administration Workers' Compensation claims technicians		
e)	The cost of employing experts for the purpose of preparing maps, photographs, diagrams, chemical or physical questions		
f)	The cost of copies, transcripts of testimony at coroner's inquests or private records.		
g)	The cost of depositions and court reporter or record statements, and any similar costs or expenses properly chargeable to the defense of a particular claim or the protection of the subrogation rights of the Town.		

SECTION V

FINANCIAL / FEES

Financial

1. Describe your proposed banking arrangements and escrow funding requirements. Include timing and methods of transfer.
2. Describe any regular charges, or potential charges, related to banking services.
3. Describe the insurance coverage(s) you maintain in regard to the services you propose to provide.

Fees

Fees should be quoted on a progressive basis for the maximum length of the proposed contract (36 months), plus separate fees for the optional fourth and fifth years. Utilizing the claims history report as attached, please indicate the number of claims covered by the proposed fee.

Please note that in the Fee Proposal, if the items listed below are not addressed, please do so separately, if not conveyed in a prior response:

1. Identify the fee per claim for medical-only incidents, and indemnity/lost time. Does a minimum fee apply?
2. Please indicate for what period of time the above fees cover handling and services and what additional fees may be required.
3. Please indicate if there are additional fees for annual management service, monthly loss information, on-line access/hook-up, or computer usage.
4. Please indicate those service expenses, other than claim service fees, for which the Town will be responsible.
5. Are there any other fees for services to be provided as outlined in the "Scope of Services", e.g., bill review, utilization review, telephone reporting, access to PPO network PPO network filing fee, etc?
6. Will the claims service fee for a work-associated injury follow to the final settlement of the claim regardless of time involved? If not, explain.
6. Explain claims handling fee and method of billing (annual; quarterly, monthly).

FEE PROPOSAL

		FY 2013	FY 2014	FY 2015
1.	Start-up Fees			
2.	Workers' Compensation – Indemnity Claims			
3.	Workers' Compensation – Medical			

	Only Claims			
4.	Workers' Compensation – Medical Only resulting in Indemnity Claims			
5.	Workers' Compensation – Incident Claims			
6.	Workers' Compensation – Re-Open of a Claim			
7.	Heart and Hypertension – Indemnity Claim			
8.	Heart and Hypertension – Medical Only Claim			
9.	Heart and Hypertension – Medical only Resulting in Indemnity Claims			
10.	Heart and Hypertension – Incident Claims			
11.	Additional Managed Care Fee			
12.	Annual Maintenance Fee			
13.	Any other Claim Administration Fee			
14.	Network Fees			
15.	Early Intervention Fees			
16.	Case Management Fees			
17.	Utilization Review Fees			
18.	Hospital / Medical Bill Review Fees			
19.	Computer Access Fee			
20.	Other			
	Total			
	Loss Control Services (if additional cost)			
	Company:			
	Authorized Representative Signature:			
	Date:			

Alternative Fee Arrangements

The following is a critical question:

1. The Town requests that you provide at least one (1) alternate method of pricing your services. This should be expressed as flat fee charge(s) or capitation proposal(s) or such other method you choose which will base fees upon control and/or reduction of the Town's overall workers' compensation costs in relationship to current Town costs. We would welcome the opportunity to consider flat fee charges or capitation proposals. Please fully describe the terms and limitations of your proposed plan(s).

SECTION VI

EXHIBITS PROVIDED BY BIDDER