

CITY OF BERWYN

**REQUEST FOR PROPOSAL
AND QUALIFICATIONS**

**THIRD PARTY
ADMINISTRATIVE &
ACTUARIAL SERVICES**

**City of Berwyn
6700 West 26th
Street
Berwyn, IL 60402**

**PROPOSAL DUE BY
NOVEMBER 6, 2015 @ 4:00p.m.**

REQUEST FOR PROPOSAL

Third Party Administrative Agreement for Workers' Compensation and Liability Claims Management Services

The City of Berwyn is soliciting Request for Proposals from vendors that have a proven track record of experience in large volume workers' compensation claims management. Experience with large public sector employers is required. Staff experience in comp representing large employers as a third party administrator is also required.

The winning bidder will provide professional services necessary for implementing a comprehensive Workers' Compensation program. In general, this will include exemplary and consistent claims management with an emphasis on return-to-work and claims mitigation activities. Precise actuarial reporting and forecasting will be expected as well as statistical reporting as required by the City. The selected bidder must be able to work within the time constraints and reporting requirements mandated by the City. The contract period will cover the period of January 1, 2016 through December 31, 2016, with the City's option to renew for additional years.

Should the City be approved and elect to move forward with this option, we reserve the right to give 60 day notice of the cancellation of our TPA contract. Cancellation will be at the sole discretion of the City of Berwyn, with any refunded premium, or premium due calculated on a pro rata basis.

I. Scope of Services

Claims Management

All respondents shall provide the number, titles and relevant experience of the staff that will be dedicated to managing the City of Berwyn's account. This will be an important component in the selection process. Please delineate staff experience with large private or public employers. Indicate the percentage of their time that will be dedicated to this specific account.

- A. Prepare files as requested for Industrial Commission hearings.
- B. May be asked to file motions on behalf of the employer and where applicable as requested by City on a timely basis as required by statute.
- C. Obtain relevant medical documentation. Medical Releases- TPA is to send out at the time of filing as a proactive strategy.

- D. TPA Evaluation & Tracking:
 Check on other claims they may have for overlapping body parts. Track status for:
- Extent of Disability/TTD Hearings;
 - Motions for MMI determination.
 - Monitor for same or similar treatment being requested, i.e., rate/frequency of treatment; Voc Rehab- review for MMI status.
- E. Schedule and administer payment for independent medical examinations (extent of disability, psychological examinations, permanent partial disability, functional capacity examinations, etc.) as necessary for all claims; the City reserves the right to select the provider(s) used to perform examinations. The City also reserves the right as to who will be examined. A process should be developed and shared with the City for determination when an IME vs. Medical Review is utilized. Also, the TPA will prepare a requisite letter that is specific to each claim/claimant. The purpose is to avoid general formatting or questions to IM examiner. If a medical review is deemed necessary, prepare correspondence to physicians for medical reviews specific to each claim file. Again, the intent is to avoid general formatting or questions. A detailed monthly report of all scheduled IME's and their results shall be provided by the 10th of every month to the City. Cost of IME and aggregate amounts shall also be tracked and included in the aforementioned report, with a monthly reconciliation report of encumbered and paid monies delineated on a this report. Payments should be made within two weeks of the scheduled examination, or upon receipt of invoice from provider.
- F. You will assist the City in referring claims for investigation with the private investigator.
- G. Review all requests for treatment that have been approved by the City.
- H. TD Claims
1. Obtain job description;
 2. Obtain employment application;
 3. Obtain disability retirement papers (if applicable)
 4. Obtain Vocational Exams (get actual exams and prepare correspondence regarding same).
- I. Review files and records pertaining to overpayments and/or adjustments and take actions necessary to obtain refunds and rate reductions including filing protests.
- J. All preparation of files for hearings is the responsibility of the TPA. They will forward the pertinent info (and not data dumps) to the City's legal representatives via an electronic and hard copy format.

- K. TPA will process all subrogation referrals and provide a tracking report.
 - a. TPA will provide on-going claims (active claims in retro period) activity report on a monthly basis.
 - b. TPA will provide reports as needed and requested.
- L. Develop new and direct cost containment strategies and recommend to the City for implementation to minimize and mitigate claim costs. These should be provided at least annually.
- M. TPA Personnel:
Claim Managers/Representatives:
 1. City reserves the right to meet/interview prospective claim managers/representatives.
 2. The City reserves the right to view the TPA's tracking/software mechanisms.

Actuarial Functions

- A. Review all claims individually to verify authenticity and accuracy of claims costs and reserves; interested parties should detail their methodology used to ensure that reserves are set correctly as well as procedures that will be utilized to take corrective measures where necessary;
- B. Provide projections for the City's retrospective rating costs on a quarterly basis based upon the actual incurred loss costs; interested parties should detail their methodology for obtaining this information and indicate the time frames in which the City can expect to have this information available;
- C. Provide projections for future costs should the City opt to continue the retrospective rating program;
- D. On a monthly basis to provide an actuarial report to include but not limited to names of injured city worker's; claim numbers, cost of medical treatment; lost time and reserves. This should be broken down to a general ledger string of accounting principles.

Reports

- A. Actuarial Systems should ideally be compatible with the City's payroll in order to produce reports merging claim data such as costs (medical, indemnity, and total costs), return to work dates, days lost from work, etc. with existing payroll information in the system. These reports should be produced on a quarterly basis and presented in a Microsoft Excel spreadsheet.
- B. Provide a detailed report outlining claim costs and allocating those costs to the specific City Departments and Divisions on a monthly/quarterly basis;

- C. On a quarterly basis, the TPA will submit to the City a comprehensive description of the work performed by the TPA during the quarter detailing the following:
1. The number of claims processed;
 2. An analysis and projection of the expected savings to occur from any protests listed;
 3. A complete list of all the reimbursement applications filed as well as the status of each application; in addition, the percentage of premium offset for each application should be included as well;
 - i. An analysis of the City's Workers' Compensation program, including recommendations to further reduce costs and improve internal procedures of the City in handling of claims;
 4. Provide a monthly claims trending report for all divisions or departments that have a completed and implemented safety and accountability policy.
 5. Provide statistical recommendations on workers' comp premium rating options, i.e., state-funded; retro, both individual and group; and self- insurance.
 6. Any ad hoc reports deemed appropriate by the City, i.e., estimates for subsequent year updated at least quarterly, possibly monthly as needed at the end of the calendar year by the City.

Bid Requirements

a. Timetable

The contract covers the period of January 1, 2016 through December 31, 2016, with the City's option to renew for additional years.

b. City Assistance

The City Administrator will be available to answer questions of the vendor via phone at 708-749-6432, Monday through Friday 9 am to 5 pm. You must also initially submit your questions via e-mail to: bpabst@ci.berwyn.il.us

Proposal Submission Requirements

i. Technical Approach

The consultant should explain in detail its philosophy, processes,

and key elements for accomplishing the task proposed;

ii. Firm's Experience

A detailed description of the proposing firm should be presented. This should include its history, other services provided, and experience in the area of Workers' Compensation (**A minimum of 5 years of TPA experience with municipalities required**). A list of pertinent clients and references, particularly those in the public sector, should also be provided;

iii. Key Personnel

The firm's management should be identified, as well as the key personnel assigned to this project. This information should include resumes of pertinent individuals; and their pertinent experience in workers' compensation and Illinois public entities.

iv. Vendor should be certified as a Third Party Administrator.

v. Proposal

The Contractor's proposal and fee schedule (attached spreadsheet must be completed in detail) should be submitted in a sealed envelope addressed to:

**City Clerk
City of Berwyn
6700 West 26th Street
Berwyn, IL 60402**

Other Information

General Terms and Conditions

Any proposal, which is incomplete, conditional, obscure, or which contains additions or deletions not called for or irregularities of any kind may be rejected. Please send one original and two copies of your proposal.

Proposals may not be considered valid unless signed and dated by an officer of the quoting company.

The completed RFQ / proposal may become the basis for negotiation. The City reserves the right to conduct negotiations on any provisions and/or fees quoted in the proposal. **The lowest best bidder may be awarded a contract.**

Forms (cost spreadsheet) required to be completed and submitted with all proposals are enclosed. Each packet should include the following:

1. Detailed cost spreadsheet

Failure to include signed and completed forms with a proposal may result in the disqualification of the proposal.

Timetable

1. Release of Request for Proposal & Qualifications: **October 28, 2015**
2. Deadline for receipt of your proposal: **November 6, 2015 at 4:00 p.m.**

Sealed proposals must be submitted to:

City Clerk
City of Berwyn
6700 West 26th Street
Berwyn, IL 60402

Inquires regarding proposals should be directed to:

Brian Pabst bpabst@ci.berwyn.il.us (708-749-6432)
City Administrator
6700 West 26th Street
Berwyn, IL 60402

LATE PROPOSALS MAY BE DISQUALIFIED FROM BIDDING

Third Party Administrator Comparison for Jan 1, 2016 to Dec 31, 2016

Company Name	Response	Notes/Additional Information
Service Fee (new claims) If the workers compensation claim costs do not reach the deposit service fee, is the City reimbursed the difference?		
Is Fee Adjustable or Flat?		
Annual Minimum Deposit		
Line of Coverage (per claim fee)		
WC Medical Only Claims		
WC Indemnity Claims		
WC Report Only Claims		
Liability Bodily Injury		
Liability Property Damage		
Professional Liability		
Employment Practice Liability		
Law Enforcement Liability		
E&O Liability		
Annual Admin Fee		
Annual Agent Fee		
Service fee per open wc indemnity claim per month for any claim incurred during the annual term & open 3 years after the inception date of the annual term		

Medical Bill Review Fee		
% of the Additional Savings Below the Fee Schedule		
Is Medical Bill Review done inhouse or outsourced?		
MMSEA Queries Fee		
Fee for file reporting of Medicare Eligible Claimants		
Managed Care Service Fee		
Investigation Fee		
Surveillance Fee		
IME Service Fee		
Insurance Agent Consulting Fee		

Optional Utilization Review Fees:		
Precertification/ Concurrent Review		
Nurse Review Fee		
Physician Review fee/hour		
Reconsideration/Addendum Fee Per File		
Appeal of UR Denial		
Appeal Administration Fee		
Physician Review fee/hour		
Physician Peer Review/Retrospective Review, Peer/Precert, Relatedness Review		
File Administration Fee		
Physician Review fee/hour		
Peer to Peer Physician fee/hour		
Hospital Bill Audit fee per hour (1st minimum hours billed)		
Medical Bill Audit Fee		
Nurse Claim Review Fee		
OD Review Fee		
OD Review + Denial Letter Fee		
OD Appeal Physician Review Fee/Hour		
Telephonic Case Management		

Medical Review Service Fees:		
WCMISA Allocation Report Fee		
WCMISA CMS Submission Fee		
1 Week Rush Service Fee		
2 Week Rush Service Fee		
MSA Revision Fee		
Medicare Conditional Payment Lien Search Fee		
Medicare Conditional Payment Audit Fee		
Conditional Payment Lien Negotiation and Follow-Up Fee		
Social Security/Medicare Status Verification Fee		
Medical Needs Assessment w/ Cost Projections Fee		
Life Care Plan Fee		
Liability Claim Allocation Fee		
Rated Age Acquisition Fee		
Physician Peer Review Fee		
Post Award Case Review Fee		

Prescription card program?		
Subrogation fees		
Do you handle old claims?		
If yes, cost?		
Transition fee for data conversion?		

Please list any additional services, costs, and/or comments on a separate sheet of paper.

SEE OUR FULL RFP