



ADDENDUM #1

To: All Companies Interested in Submitting a Proposal
From: Rebecca Johnson, CPPB, Purchasing Agent
RFP: Third Party Administrator for Workers' Compensation Program (RFP #PUR1216-146);
Dated: February 17, 2017
Subject: Addendum #1 (4 pages)
Date: February 24, 2017

The following questions and/or clarifications were asked relative to the above-listed Request for Proposal. This memo is sent for clarification to all companies to whom the RFP was sent.

- 1) **Please provide loss reports or data that shows Total Lost Time claim counts and Total Medical Only claim counts for the past 4 years.**

Answer: Claims counts (Chapter 85 & Chapter 411):

	CY2013	CY2014	CY2015	CY2016
Incident	268	247	193	179
Medical	49	52	64	49
Lost Time	19	39	35	17
Total Reported	336	338	292	245

- 2) **Please provide loss reports that show Record Only claim counts for the past 4 years.**

Answer: See "Incident" in table above.

- 3) **Do you expect the TPA to "takeover" existing open claims? If so, please provide the Lost Time and Medical Only claims that are open.**

Answer: Proposals should include a recommendation on open claims including:

- Cost to "take over" open claim(s)
- Cost to evaluate claims back to 2010 to determine appropriate CMS reporting
- Claims would be imaged files
- Consider only claims involving medical/lost time (indemnity)

4) Please provide Medical Only and Total Paid dollars for the last 4 years.

Answer: Total Chapter 85 paid benefits:

	FY13	FY14	FY15	FY16
Medical	\$758,576	\$789,200	\$752,993	\$1,058,232
Temporary	\$43,866	\$64,435	\$103,452	\$107,565
Permanency	\$871,483	\$1,089,996	\$856,590	\$627,867
Total Paid	\$1,673,925	\$1,943,630	\$1,713,035	\$1,793,665

Total Chapter 411 paid benefits:

<u>Retired</u>	FY13	FY14	FY15	FY16
Medical	\$91,459	\$130,986	\$62,758	\$368,063
<u>Active</u>	FY13	FY14	FY15	FY16
Medical	\$247,246	\$300,046	\$390,803	\$737,437
Lost Time	\$35,119	\$72,423	\$270,210	\$119,562
Total Paid	\$373,824	\$503,455	\$723,771	\$1,225,062

5) Who is your excess carrier?

Answer: There is no excess carrier. The City is currently wholly self-insured for both Chapter 85 and Chapter 411 benefits.

6) Who is your current TPA and what claim system do they use?

Answer: The City does not currently have a TPA handling the adjusting function.

7) Please provide an anticipated yearly claim count of medical only and indemnity files for us to estimate staffing and provide pricing. In the absence of an estimate, please provide a multi-year loss run, preferably 3 to 5 years.

Answer: See table in response to question 1

8) How many years of claim history will be transferred to the new TPA? Are these paper files or imaged?

Answer: Claims back to 2010 to determine appropriate CMS reporting. Files are imaged.

9) How many individuals at the City will need system access and at what level (view only or view plus report creation capabilities)?

Answer: 2 to 3 City employees will need access. It is anticipated that 2 will need full view plus report creation with a possible 3rd with view only.

10) How often are data feeds required to be sent to Origami? Is there a standard file layout for these feeds?

Answer: Origami includes a file layout for feeds.

11) What access carriers will be utilized by the City for the upcoming policy term as well as the expiring terms for which the new TPA may be required to handle takeover claims?

Answer: See response to question 5 regarding "excess" carriers.

12) Please advise us of the current medical bill review fee structure (% of savings, per bill or per line) and if you would like to see alternatives to the current structure.

Answer: Current medical bill review fee structure:

Description	Pricing
PPO Network	23% of total savings
Enhanced Bill Review	23% of total savings
Professional Review	23% of total savings
Duplicate Bill Processing	No additional cost
State EDI	No additional cost
Scanning/OCR	No additional cost

13) Can companies from outside the USA apply for this?

Answer: Yes. However, the City is seeking a consultant with expertise in Iowa code and the legal environment in Iowa.

14) Do we need to come to Cedar Rapids for Meetings?

Answer: Yes. The Consultant will be expected to attend meetings in Cedar Rapids at least annually, possibly quarterly.

15) Can we perform the tasks related to the RFP outside the USA?

Answer: Possibly, as long as the individuals doing the work have the required expertise in Iowa code and the legal environment in Iowa. Attendance of some meetings in Cedar Rapids will be required.

16) Can we submit the proposals via email?

Answer: No. As stated in the RFP, electronic submittals will not be accepted. Only sealed proposals date and time stamped in the Office of the City Clerk before the submittal deadline will be accepted.

17) On page 9, section 4.1 it states:

“Further, all electronic First Report of Injuries (FROI) and supporting claims documentation will be received by the TPA and converted into a paperless environment. The TPA will meet all reporting standards of the City of Cedar Rapids for management reports and for the provision of EDI as specified and required by the IWCC.”

Please explain what your reporting standards are or provide additional detail.

Answer: This section pertains to the Iowa Workers Compensation Commission EDI requirements as well as CMS reporting requirements.

18) In regards to Insurance, we can only provide Additional Insured status to our Auto and General Liability policies. Will this satisfy the City?

Answer: Yes. It is expected that the City will not be added as an additional insured to policies such as the Workers Compensation or Professional Liability Policy.

19) How many administrative hearings does the City attend per year on average?

Answer: The City attends approximately 0 to 3 workers compensation administrative hearings per year.

The Purchasing Services Division will accept written questions regarding the Request for Proposal until 3:00 p.m. CST on Thursday, March 2, 2017. Fax (888) 815-3659 or e-mail (r.johnson2@cedar-rapids.org) all questions to Rebecca Johnson. Any and all questions will be responded to in the form of written addenda to all Proposers. All addenda that you receive shall become a part of the contract documents and shall be acknowledged and dated on the bottom of the Signature Page (Attachment C). The deadline for proposal submittal is Thursday, March 16, 2017 before 3:00 p.m. CDT.