

Mississippi State Agencies Self-Insured Workers' Compensation Trust

**Request for Proposal For
Third Party Claims Administration Services**

**Amendment Number One
Vendor Questions and Board Responses
September 15, 2017**

1. Can companies from outside USA apply for this? (like, from India or Canada)

*Yes. All qualified companies meeting the RFP's minimum vendor requirements are welcome to submit proposals to provide these services. However, there are specific requirements regarding where services are to be provided. Please refer to Section 2, Minimum Vendor Requirements, Item #6. "Vendor must currently have, or if selected, be willing to open within three (3) months of the award of this contract a claims office **within the State of Mississippi** (Emphasis added). (Miss. Code Ann. §71-3-125, 1972, as amended)" The requirements for services to be provided within the State of Mississippi is a statutory requirement and cannot be waived. Also, please refer to Item #7: "Vendor must agree that all services performed on behalf of the Trust will be provided **within the Continental United States** (Emphasis added)."*

2. Would a company located outside the US need to come over there for meetings?

*Yes. As stated in Section 3, Scope of Services, item #34, the selected vendor will be required to "meet with the Board and/or DFA staff on a regular basis to review claims, settlements, and program strategies". The selected vendor will also be expected to conduct periodic stewardship meetings (item #36). Additionally, in Section 4, Questionnaire, Item #52 addresses the fees related to travel. "The fees listed in **Section 5 – Fee Schedule**, shall constitute the entire compensation due to the TPA for services and all of the TPA's obligations hereunder regardless of the difficulty, materials, or equipment required. The fees include, but are not limited to, all applicable taxes, fees, general office expense, **travel** (Emphasis added), overhead, profit, and all other direct and indirect costs, incurred or to be incurred, by the TPA. Reasonable and necessary travel is allowable for Safety/Risk Control consultant and utilization/case management professionals at prevailing Mississippi State employee limits. Unit rates in **Section 5 – Fee Schedule** are to be charged for actual hours worked only and **shall not include travel time** (Emphasis added). No additional compensation will be provided by the Board for any expense, cost, or fee not specifically authorized by the contract, or by written authorization from the Board. Cost containment fees will be charged to the specific claim(s) receiving the services."*

3. Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)

No. Please see our response to question #1.

4. Can we submit the proposals via email?

No. Proposals must be submitted in writing. As stated in Section 1. Introduction, Item #1.3, Instructions to Proposers”, “Proposals submitted by fax or by electronic mail will not be accepted.

5. Will you be contacting vendors directly regarding any amendments or answers to questions?

No. As stated in Section 1. Introduction, Item #1.6, “Responses to questions will be posted on DFA’s website at www.dfa.ms.gov under “Bid and RFP Notices” no later than September 15, 2017”. Likewise, as stated in Item 1.10, “Should an amendment to the RFP be issued, it will be posted on DFA’s website at www.dfa.ms.gov under “Bid and RFP Notices”. It is the proposer’s sole responsibility to monitor the website for responses to questions and amendments, if any.

6. Page 10 of 32 Technical Capability references data interface the Board’s vendors.

- a. What data interfaces are currently in place with Board vendors, and specifically; what vendors currently have data interfaces with the Board or the Board’s current TPA?**

The TPA is required to provide the Trust with Internet-based read-only access to the TPA’s claims adjudication/reporting system. The TPA is also required to provide an interactive website for claim reporting by the member agencies of the Trust. The TPA is also required to provide electronic reporting (Internet-based, email, FTP, etc.) to the Trust and the member agencies (with limited access for member agencies, as defined by the Trust). The TPA is also required to provide electronic read-only Internet-based access on an as needed basis to the Trust’s claims and performance review auditor, and to the Trust’s actuary. Any other such access needs and/or data sharing projects subsequently identified will be discussed and mutually agreed to by the selected vendor and the Trust as needed.

7. Page 15 of 32 indicates the State reserves the right to unbundle specific elements of services associated with State workers’ compensation claims.

- a. Are any elements of services currently outsourced? If yes, what services and what are the current rates?**

No. Currently, all such related services are provided directly by the TPA, or managed by the TPA through subcontracts between the TPA and third parties. The associated fees for these services are considered proprietary and not deemed pertinent for the submission of a response to this RFP.

8. Page 15 of 32 #1: What is the current staffing model per FTE and job position for claims administration, i.e.;

- a. Claims Manager (per FTE)**
- b. Claims Supervisors (per FTE)**
- c. Indemnity Adjuster(s) (per FTE)**
- d. Medical Only Adjuster(s) (per FTE)**
- e. Claims Assistant(s) (per FTE)**
- f. Nurse(s) (Per FTE)**
- g. Account Manager (per FTE)**
- h. Other Support Personnel (per FTE)**

N/A. Information regarding the current TPA's employee/resource deployment is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

9. Page 24 of 32# 24: Please provide a summary of average number of medical bills processed per year or summary of the last year of processed bills. It would be helpful to have it broken out to include:

a. # of medical bills (excluding pharmacy bills)

There are approximately 15,000 bills annually. However, this number does include pharmacy bills as we cannot extract them from the count.

i. Total Billed Charges

This information is not available.

ii. Fee Schedule reduction

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

iii. PPO reductions

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

iv. Other reductions (negotiations/specialty bill review) if any

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP

b. # of hospital bills (Inpatient and Outpatient, if available)

This data is not available.

i. Total Billed Charges

This information is not available.

ii. Fee Schedule / U&C reductions /Charge Master/Cost Allowance Reductions

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

iii. PPO Reductions

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

iv. Other reductions (negotiations/specialty bill review), if any

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

c. # of pharmacy bills including

There are approximately 5,000 bills annually.

- i. **Total Billed Charges**
This information is not available.
- ii. **Fee Schedule / U&C reductions /Charge Master/Cost Allowance Reductions**
This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.
- iii. **PPO Reductions**
This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.
- iv. **Other reductions (negotiations/specialty bill review), if any**
This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

d. Who currently provides the Medical Bill Review (MBR) fee schedule and PPO Network services for the TPA?

The Board currently contracts with Cannon Cochran Management Services, Inc., who is responsible for arranging for these services either directly or through subcontracts with third party vendors.

What is the current fee structure?

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

Please confirm the Board considers such fees allocated loss adjustment expense (ALAE)?

Confirmed.

e. Medical Case Management:

- i. **Who does the current TPA use for Medical Case Management services?**
The Board currently contracts with Cannon Cochran Management Services, Inc., who is responsible for arranging for these services either directly or through subcontracts with third party vendors.
- ii. **Please provide the approximate annual number of referrals for RN Telephonic Case management.**
This information is not available.
- iii. **Please provide the approximate annual number of referrals for RN On-site case Management.**
This information is not available.
- iv. **Please provide the approximate annual number of referrals for Usual, Customary and Reasonable Review.**
This information is not available.

- v. **Please provide the approximate annual number of referrals for Peer Review.**
This information is not available.
- vi. **Please provide the approximate annual number of referrals for Utilization Review.**
This information is not available.
- vii. **Please provide the approximate annual number of referrals for Physical Therapy Pre-certification.**
This information is not available.

f. Who does the current TPA use for a Pharmacy Benefit Management provider?

The Board currently contracts with Cannon Cochran Management Services, Inc., who is responsible for arranging for these services either directly or through subcontracts with third party vendors.

What are the current rates for PBM?

This information is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

10. Page 24 of 32 #26: How are claims currently submitted from member agencies?

Claims are currently submitted electronically by member agencies to the TPA via the TPA's proprietary online claims management portal.

How many total member agencies are members of the Board program?

As stated in Section 1 Introduction, Item 1.1, of the RFP, "The Trust currently provides workers' compensation coverage and risk control services to the approximately 100 state agencies, boards, and commissions participating in this program, representing nearly 25,000 State employees in various locations in all eighty-two (82) counties throughout Mississippi. With the exception of the Department of Transportation, Department of Corrections, and the Department of Public Safety who have chosen to individually self-insure, the Trust is the workers' compensation insurer for nearly every State agency in Mississippi."

11. Page 24 of 32 #20 (sic) #38, #39: Will a new TPA be required to store any closed physical files? If yes, please describe number of boxes to be stored and where are they currently housed?

Most files should be in electronic format, thus eliminating the need for significant physical storage capacity. An estimate of the physical files (not backed up electronically) will be determined and provided at the appropriate time in the event continued storage is required.

12. On-line Access: Please indicate approximately how many users will require on-line access to the claim system.

The number of users with expanded access from among the Trust staff is estimated to be less than six (6). However, the number of users from among the members with limited access (who will be submitting/updating first reports of injury) may range from 100 to 150. If the proposing vendor has limitations and/or restrictions on such access, he should include a listing and description of same within his proposal.

13. Page 24 of 42, Section 4.4 Safety/Risk Control Services

a. Please indicate if the Board desires claims management risk consultant or safety/loss prevention risk consultant(s)?

Yes.

b. Is the Board looking for alternative solutions to safety programs?

Possibly. Responding vendors are requested to submit proposals offering solutions that they believe will best meet the requirements of the Trust. However, evaluations will be based on the specific requirements set out in the RFP.

c. Please indicate the number of hours spent on different types of safety/loss control activities on an annual basis?

The number of safety/loss control activity hours varies based on cyclical planned events, as well as unscheduled/emergent issues. Currently, the annual averages range from 400 to 600 hours.

d. Please indicate the current number of FTE's providing Safety/Risk Control services?

Information regarding the current TPA's employee/resource deployment is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

e. Please provide the current hourly or flat annual rates for Safety/Risk Control Services?

Information regarding the current fees for safety/risk control services is considered proprietary and not deemed pertinent for the submission of a response to this RFP. Proposers should submit their most competitive proposal for consideration.

f. Please provide the number of hours provided to the Board for Safety/Risk control services for each year the last three years.

Please see response to c. above.

g. Who is the current TPA utilizing for Safety/Risk Control Services?

The Board currently contracts with Cannon Cochran Management Services, Inc., who is responsible for arranging for these services either directly or through subcontracts with third party vendors.

h. Page 16 of 32: The RFP seems to indicate that the Board would like Safety/Loss personnel to make on-site contact within one business day of notice to the TPA of the incident, claim

or loss that may have reserves over \$50,000. It may not be known at time of reporting that a loss could be \$50,000, i.e., unknown or unforeseen surgical needs, etc. Does the Board mean this service in consideration for a catastrophic type of occurrence?

Yes. This expectation relates to catastrophic and/or death claims.

- i. **How many times annually over the past 3 years has a safety/risk consultant been required to be on-site for such an occurrence?**

An actual count is not available. Such events are not expected to occur more often than a few times per year.

- j. **Would the Board please provide loss runs in excel for occurrences for the past 10 years to better ascertain the types of safety/risk control programs that the proposer should consider in its offering for this particular pool of agencies.**

This level of detail will be provided as needed to the selected vendor, but is not deemed pertinent for the submission of a response to this RFP.

14. Electronic Data Exchanges: Please describe any singular or bi-directional electronic data interfaces required currently or anticipated in the future.

Please see response to Question 6 and Question 12. There are no current plans for changes to this structure or volume.

15. Banking: Does the Board prefer a trust account established by the TPA and funded by the Board or will the TPA issue checks from a bank account established by the Board?

The Board is amenable to either structure, depending on the relative cost, security, effort and control features.

16. Page 27 of 32 Financial

- a. **Please confirm the TPA will be able to bill monthly in arrears for claims administration services.**

Confirmed.

17. Fee Schedule:

- a. **Will the Board please provide loss runs in Excel for the last ten (10) years, and loss runs in Excel for all open claims regardless of the date of injury to allow proposers to better analyze and evaluate losses and shelf-life of claims to help determine appropriate and best pricing for the State?**

Please refer to Exhibit B Loss - Summary by Coverage and Payment Class provided in the RFP.

- b. **How does the current TPA or the Board define indemnity claims?**

The Board utilizes the standard industry definition for indemnity claims, also known as “lost time” claims. If the proposing vendor’s definition is non-standard, he should explain.

c. Does the current TPA charge separately for subrogation services?

N/A. Information regarding the current fees for subrogation services is considered proprietary and not deemed pertinent for the submission of a response to this RFP. The Board prefers guaranteed flat bundled fees for claims administration services and will not accept a fee based on a percentage of payroll, number of claims, or any other variable statistic. Proposers should submit their most competitive proposal for consideration.

18. Will the Proposers have the opportunity to ask for clarification for answers provided?

No. The information provided within the RFP and this Amendment 1 is considered sufficient for vendors to understand the Board's request and to respond accordingly. Unless the Board determines the need for further clarification, there will be no additional opportunity for vendor questions until finalists' presentations, if deemed necessary by the Board.

19. Please provide a detailed loss run for the past three years in Excel format to include the following information:

- a. Claims by accident year and by claim type (Medical-Only/Indemnity, and Report-Only)**
- b. Related financial information (paid/reserves/incurred) and by reserve category (medical, indemnity, expense, other)**

Please see response to Question 17.a. above.

20. What is the current open claim count by claim type (Medical Only vs. Indemnity)?

Please see response to Question 17.a. above.

21. Does the State unbundle any of the following services from its current TPA (CCMSD): medical case management, bill review, utilization review, and pharmacy services? If so, please state which service is unbundled and the vendor utilized.

Please see response to Question 7 above.

22. How many dedicated adjusters do you currently have for Medical Only claims?

Information regarding the current TPA's employee/resource deployment is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

23. How many dedicated adjusters do you currently have for Indemnity claims?

Information regarding the current TPA's employee/resource deployment is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

24. Please provide your annual bill review volume and any annual savings details.

Please see response to Question 9 above.

25. Please provide the most recent stewardship report.

Information regarding the current TPA's stewardship report is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

26. How many hours of loss prevention/safety are utilized on an annual basis?

Please see response to Question 13 above.

27. What are the rates currently being charged by the current third-party administrator for the services included in Section 5: Fee Schedule?

Information regarding the fees charged by the current TPA is considered proprietary and not deemed pertinent for the submission of a response to this RFP. Proposers should submit their most competitive proposal for consideration.

28. Can you provide medical cost containment utilization as a percent of medical and indemnity costs for the last four (4) complete fund years? This would include case management, bill review fees, and pre-certification fees.

This information is not available.

What is the percentage of pharmaceutical savings below fee schedule for the last year?

Information regarding the pharmaceutical savings achieved by the current TPA is considered proprietary and not deemed pertinent for the submission of a response to this RFP. Proposers should submit their most competitive proposal for consideration.

29. What is the percentage of medical savings below fee schedule for the last year?

Information regarding the medical savings achieved by the current TPA is considered proprietary and not deemed pertinent for the submission of a response to this RFP. Proposers should submit their most competitive proposal for consideration.

30. What is the current lost-time/adjuster ratio for the current third-party administrator as it relates to the Trust's claims?

Information regarding the current TPA's employee/resource deployment is considered proprietary and not deemed pertinent for the submission of a response to this RFP.

31. If awarded the contract, we anticipate hiring some experienced claims adjusters therefore resumes may not be available. In those cases, are job descriptions showing minimum experience requirements acceptable?

Yes. If the staff members have not been currently identified, then please submit job descriptions including the minimum education/experience requirements. Please provide resumes for any claims adjusters who are currently employed by you and who will be assigned to work with the Trust.

32. Please provide us with the most recent third-party administrator performance audit report prepared for the Trust that covers the services subject to this RFP.

N/A. That information is not deemed pertinent for the submission of a response to this RFP.

33. Please provide detailed information regarding the number of safety and risk control visits that were provided during the last year.

Please see the response to Question 13 above.

NOTE: This amendment number one is hereby made a part of the Mississippi State Agencies Self-Insured Workers' Compensation Trust's Request for Proposal for Third Party Claims Administration Services (RFP). This document must be signed and returned with your response to the RFP to acknowledge that you received the amendment and that you have accounted for it in your response to the Request for Proposal.

Authorized Signature of Proposer

Date

Printed Name of Proposer