

**DEPARTMENTAL INPUT  
CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION**

Rev 1

**New contract**  
  **OTR**  
  **CO**  
  **SS**  
  **BW**  
  **Emergency**  
 Previous Contract/Project No.

**Re-Bid**  
  **Other**

LIVING WAGE APPLIES:  YES  NO

**Requisition/Project No:** RQID1400155 (RFP 00160)

**TERM OF CONTRACT:** 5 year with 2 (two) five-year options-to-renew

**Requisition/Project Title:** Comprehensive Workers Compensation Claims Management System (CMS) and Claims Services

**Description:** In order to fulfill the County's need to have a Comprehensive Claims Management System and Claims Services this solicitation will request that a third party administrator provide usage of its risk information management system under a leasing arrangement for County access. Additionally, associated claims services are requested such as medical billing and pharmacy billing services, accessing administrator's discount billing program and similar services.

**User Department(s):** Internal Services Department – Risk Management Division

**Issuing Department:** ITD – Procurement Management Services    **Contact Person:** Andrew Zawoyski    **Phone:** 305-375-5663

**Estimated Cost:** \$50,000,000

**Funding Source:** Insurance Fund

**REVENUE GENERATING:** No.

**ANALYSIS**

<b>Commodity/Service No:</b> 91-878; 948-07; 948-43; 948-48; 948-72		<b>SIC:</b>	
<b>Trade/Commodity/Service Opportunities</b>			
Contract/Project History of Previous Purchases For Previous Three (3) Years Check Here <input type="checkbox"/> if this is a New Contract/Purchase with no Previous History			
<b>EXISTING</b>		<b>2<sup>ND</sup> YEAR</b>	<b>3<sup>RD</sup> YEAR</b>
<b>Contractor:</b>			
<b>Small Business Enterprise:</b>			
<b>Contract Value:</b>			
<b>Comments:</b>			
Continued on another page (s): <input type="checkbox"/> Yes <input type="checkbox"/> No			

**RECOMMENDATIONS**

SBE	Set-Aside	Sub-Contractor Goal	Bid Preference	Selection Factor
		%		
		%		
		%		
		%		

**Basis of Recommendation:**


Signed: *Andrew Zawoyski, CPPO*

Date to SBD: October 20, 2014

Date Returned to DPM: \_\_\_\_\_

## 2.0 SCOPE OF WORK

### 2.1 Background

The County currently utilizes iVOS system to monitor a current workers' compensation and liability claims processing system. The system contains approximately thirty-six (36) years of data including data obtained from 34 years of CS Stars utilization. It is the County's intent, under a leasing agreement, to replace the current system with the Selected Proposer's existing Third Party Administrator (TPA) CMS system to provide and improve the County's risk management business processes. This system must include, but not be limited to, incident and claims-related processes, loss data analysis, report writing and fiduciary controls processes. The County currently receives Worker's Compensation (WC) bill review services, Preferred Provider Organization (PPO) and Medical bill review services from CorVel, using Corvel's CareMC software. A data bridge carries data between CareMC and iVOS. The County currently utilizes Healthsystems for its Provider Data Management (PDM) with an interface between its administrative software and iVOS.

Attachment "A" has been compiled to assist proposers in understanding the scope and volume of services requested under this solicitation. Attachment "B" is the Functional Table of Organization for the Risk Management Division of the Internal Services Department. Attachment "C" is a high level diagram of the iVOS claims management system current in use at MDC. In addition, valuable information about the County, including its budget and financial statements, can be found at the County's website [www.miamidade.gov](http://www.miamidade.gov).

The County is seeking proposals which include all three segments; CMS, Claims Services (base proposal) and on an optional basis, a separate 3rd Party Administrative proposal.

For the Base Proposal: It is intended that County will have the same seamless access to the Selected Proposer's CMS and claims service programs, including but not limited to the proposers, bill review, PPO, Medical EDI, PBM, check writing facility, CMS reporting and ISO indexing, as an employee (adjuster) of the TPA. County employees will be limited to County files, data, reports etc. with sole access to the system through the internet.

It is anticipated that any agreement issued as a result of this solicitation will include an option, for the duration of the contract term - including any option(s) to renew (OTR) periods - to have the Selected Proposer assume all TPA responsibilities for Workers' Compensation and liability claims. This option is not anticipated to be exercised until at least 365 days after "go live" implementation of the CMS.

### 2.2 Project Objective

The objective of this Request for Proposal (RFP) is to solicit proposals to lease access to a fully implemented and functional WC and liability CMS which includes Subrogation, and to obtain, access to the following TPA's software, programs and/or services:

1. Access to CMS
  - a. First/Subsequent Report of Injury reporting (FROI/SROI)
  - b. Center for Medicare/Medicaid Services reporting
  - c. Financial system reporting
  - d. Liability and Subrogation
  - e. Vehicle appraising program
2. WC prescription drug program
3. WC bill review
  - a. Medical Electronic Data Interchange (EDI) capabilities
  - b. Access to the vendor's PPO network

4. TPA check writing services
5. Indexing Service Organization (ISO) indexing

The proposed leased CMS will be hosted by the Selected Proposer. It is highly desirable that the proposed solution be designed for internet access. The CMS will be complete and include application software, implementation, configuration, maintenance and support services. The County expects to receive all needed assistance and training from the Selected Proposer's staff for the Selected Proposer's delivery of the CMS including planning, integration, configuration, data conversion, testing, training, "go-live" implementation, on-going maintenance and technical support services.

The core functionality the County requires in the CMS is detailed in this RFP. It is the County's desire that the proposed CMS achieve each of the following project goals:

1. Improve internal efficiency and effectiveness of the claim management processes;
2. Maintain and improve fiduciary controls and automation;
3. Improve access and tracking of incident and claim information;
4. Improve data integration with County Departments (hereinafter "Department" is referred to as one of the County's entities);
5. Provide effective risk and claims management services;
6. Maintain a high level of Medical EDI reporting;
7. Improve FROI & SROI reporting capabilities;
8. Improve functionality of data mining and report writing capabilities.

Specific business and technical improvements to be achieved include:

1. Greater real-time access to data across RMD units and County departments;
2. Improved data quality standards and best practice processes;
3. Improve incident and claim information captured and maintained;
4. Expanded functionality and usage of RMD Information System (RMIS);
5. Consolidation of historical and ongoing claim information from multiple sources into one platform;
6. Improved reporting capability for claims and financial transactions.

### **2.3 Scope of Project**

It is the goal of this solicitation to obtain all of the following:

1. To replace the County's current workers' compensation and liability claims processing systems. County desires the CMS to serve as a tool to support the claims services identified in this RFP and the file activities of County adjusters. County adjusters will have same level of access to the proposers CMS and contracted services as adjusters from the proposers firm.
2. To secure the Selected Proposer's seamless claims services, including but not limited to, WC bill review, PPO network access, Medical EDI submissions, FROI & SROI interfaces, check writing services, prescription drug discount program, CMS reporting capabilities and ISO indexing capabilities.
3. To obtain an option to execute TPA services (including price) for full WC and Liability TPA services should the County decide at its sole discretion to request such option.
4. To obtain a proposal, incorporating the CMS and Claims Services identified herein, in a comprehensive coordinated proposal.

### **Section I Claims Management System:**

#### **2.3.1 Proposed Claims Management functionality:**

The County desires that the proposed CMS include the following modules:

1. Liability Management
2. Workers' Compensation Management
3. WC Medical Bill Review and Fee Schedule
4. Florida WC Electronic Data Interchange (EDI) (FROI & SROI)
5. RMD Portal - Standard reporting
6. Report Management with ad-hoc reporting tools
7. Check-Writing
8. Rules-based security and functionality
9. Tickler system
10. Subrogation Management
11. File Management Claim Documenting
12. Multiple claim search criteria
13. Vehicle appraising program

The County desires that the Selected Proposer provide all system implementation services, which include but are not limited to:

1. Access Procedures
2. Configuration
3. Customization (as needed for functionality)
4. Testing
5. Data cleansing, migration (conversion) and validation
6. Reporting samples and cross-walks
7. Verification reporting
8. User Acceptance Testing
9. Turn-over

Training should occur on-site at the County's offices in downtown Miami, and include a combination of "train-the-trainer" and direct training of users (approximately 100 users) to the attainment of full user competency at the sole discretion of the County.

The Selected Proposer will provide online and hardcopy user manuals, Service Organization Controls (SOC 1-type 2/SSAE-16 /ISAE 3402), online help, and training manuals, as well as electronic CBT automated training for users whenever there is a version upgrade or other change(s). Please note the County requires advance written notice of any system upgrades or corrections.

The Selected Proposer will provide a designated project manager throughout the life-cycle of the project to offer a consistency of service during the main project deliverables. The designated project manager is expected to continue through the length of the implementation process and will facilitate activities such as the items listed below:

1. Software configuration
2. Application customization
3. Testing and data validation
4. Training
5. Change management
6. Data conversion and data security
7. Change control processing
8. Status reporting

9. Stakeholder meetings
10. Technical Support Services

The County has approximately 36 years of electronic claim history and other data in the iVOS RMD System that must be converted and made accessible by the new solution. The current claim history information is as follows (values are approximate):

1. 350,000 total claims
2. 6,615 total open claims
3. 24,000 vendor records
4. 2,900,000 payment records
5. 19.5 gigabytes of physical database space

The Selected Proposer, working with the County's current incumbent contractors will perform data conversion of the files as stated above. Tasks and deliverables include but are not limited to the following:

1. Cross-walk with iVOS
2. Data review and cleansing
3. Conversion of historical data
4. Archive old data
5. Data exception review
6. Actual conversion
7. Data validation and testing
8. EDI/FROI SROI connectivity and acceptance by State
9. Finance/ Bank Positive Pay Reconciliation
10. Re-clean-up of exception data.
11. Data validation and retesting
12. Cutover to production.

The Selected Proposer will provide long-term support and maintenance services. This includes warranties for "glitches," functional deficiencies, performance issues, and user and technical support. The Selected Proposer will also provide to the County version upgrades as follows:

1. Release notes, updated documentation, updated online and live telephone help.
2. Information concerning legislative requirements.
3. Customer (User Groups) driven changes either reflecting functional deficiencies identified by customers or new business requirements, or reporting requirements identified by customers.

### 2.3.2 Functional System Requirements

This section defines the CMS functional and system requirements within the context of the County's RMD operational and workflow procedures, requirements of the State of Florida Statutes 440.00 and promulgated rules, Ordinances of County and the County's Information Technology standards.

#### 2.3.2.1 System Administration

The County desires a CMS that contains rules-based security and enables the system administrator(s) to define user groups and individual privileges. The proposed system administration functions should enable the administrator to customize functionality, code tables, end user access, through a series of screens containing administrative controls. If the administrator(s) add user-defined tables to the CMS, the software should provide access rights to add, edit, and delete data from those tables accordingly.

#### 2.3.2.2 System Security

The County desires system security that has the capability to assign, through the administrator(s), users and user groups as needed. Functions should include, but not be limited to:

1. Record a user's profile (name, location, contact information)
2. Assign a group or role(s) to the user, including read-only
3. Restrict entire groups and users from identified sections of the system
4. Assign a department/location to a user profile
5. Assign a user's reserve authority
6. Assign a user's payment authority
7. Restrict users to a specific coverage(s)
8. Restrict users to a specific department(s) or location(s)

The County desires a solution that provides for strong passwords, unique user name/password identification, lock-out access after a certain number of attempts (with reset capability for the system administrator), and have https/128-bit encryption.

#### 2.3.2.3 Audit/History

The County desires software that has the capability to provide history on any data element identified by the County as requiring history. An audit trail must include, at minimum, the user, date, time, and actual data that is changed (from and to). Version control and user identification procedures must be maintained for data security.

#### 2.3.2.4 Claim Information Access

The County desires a solution that has the capability to transfer claim information from one claim or adjuster to another. An audit trail for all of the following information transfer functions is needed:

1. Transfer a claim or group of claims to another user.
2. Transfer a payment from one claim to another.
3. Transfer adjuster diaries (all diaries) from one user to another.
4. Transfer specific all notes/comments specific to claim.

#### 2.3.2.5 Online Help

The Selected Proposer will provide an Internet-based support system ("Support Help Desk") available seven (7) days a week, twenty-four (24) hours a day on the Service Provider's Website. The online help information must be updated as new functions are added or existing functions are remedied. All resolutions should allow system administrator the ability to edit and maintain program integrity. On-Line help module is not to take the place of Technical Systems Support as outlined in the section below.

#### 2.3.2.6 Technical Systems Support

The Selected Proposer is to provide 24 hour/7days a week system support for all level-users, from front-end support of basic system usage problems, to more in-depth technical support for more experienced and knowledgeable users on particular product and technical troubleshooting issues.

Selected Proposer will provide appropriate Technical and Maintenance Support for the leased Software. Assistance shall include (i) diagnosis of the deficiencies of the leased Software and (ii) a resolution of the deficiencies of the leased Software.

Selected Proposer will address issues based on a priority level as described below, reported and reproducible errors in the leased Software. It is anticipated that the Selected Proposer will utilize the following two (2) priority levels for County to categorize reported leased Software problems:

##### PRIORITY 1 - NORMAL REQUEST

Selected Proposer will commence work on resolving the deficiency within twenty four (24) hours of notification and will keep County staff briefed until an acceptable resolution is achieved.

## PRIORITY 2 - PRIORITY REQUEST

Selected Proposer will commence work on resolving the deficiency within twelve (12) hours (Monday-Friday) or within twenty four (24) hours (Saturday and Sunday) of notification and will keep County staff briefed until an acceptable resolution is achieved.

### 2.3.2.7 Selected Proposer Data

The Selected Proposer must maintain a substantial database related to the vendors and contractors who provide services related to the risk management claim processes. The County desires a CMS that has the capability for administrator to add, edit and inactivate Selected Proposer data. The Selected Proposer will be responsible for submittal of all financial accounting reports to the Internal Revenue Services (to include Notice of Levy, and 1099's).

### 2.3.2.8 Form and Letter Templates

The County desires a solution that allows a system administrator to create and edit standard forms and letter templates. The solution should have the ability to broadcast alerts and automated e-mails when specified forms and letters are used.

### 2.3.2.9 Archive and Archive Retrieval

The County desires a solution that has the capability to archive data based on rules defined by the County. The archived data should be flagged so that it will be excluded from reports unless a report specifically allows archived data to be included. A County user should be notified during a search or index function that a claim is archived and given the option to include or exclude. A County user should have the capability to transfer an archived to the live-production.

### 2.3.2.10 Code Tables

The County desires a solution that has the ability to allow a system administrator to add and update codes and descriptions.

### 2.3.2.11 Department and Location

The County desires a solution that has the capability to enter an unlimited number of departments, locations, and funding structure levels.

### 2.3.2.12 General Solution Requirements

This section refers to commonly used functions that should be accessible throughout the proposed CMS. The County desires a CMS that includes (and allows County staff to use/access) the following at a minimum:

1. The ability to export/import data in multiple formats, including comma delimited format and Microsoft Excel formats.
2. The ability to use Microsoft Outlook functionality in relation to a claim or incident.
3. The functionality to allow an administrator to create and maintain triggers that automate functions as initiated by system dates and claim management activities.
4. A worksheet specifically designed to provide the ability to calculate and populate Florida Workers' Compensation statutory forms.
5. A "Dash-Board" (view) feature that can be formatted for specific roles, containing pre-defined information related to the users individual tasks or management needs.
6. User-specific notes/comments not captured or attached to a claim file or accessible by any other user; this should operate as posting an electronic "sticky" note on your computer.
7. Payment screens.
8. Tickler system for EDI, Diary and certain payments.
9. Ability to view "Face-sheet" with pertinent information (AWW and Comp Rate).

### 2.3.2.13 Reporting

The County desires that the CMS include "standard reports" as well as ad-hoc reporting capabilities using Microsoft reporting capabilities. The following is a partial list of the County's "standard reports":

1. Claim and incident management reports
2. Financial Reports
3. Cost allocation reports
4. Data exception reports
5. As-of reporting
6. Litigation reports
7. Department specific reports
8. Policy/Coverage specific reports:

*Miami Dade County Aviation Department (Aviation) liability claim paid reports that are used to track the \$50,000 self-insured retention and first layer of insurance with: (1) A monthly report for the property and casualty team and the brokers; (2) A weekly report for the liability adjusters who handle Aviation claims.*

9. Abstract reports
10. Workers compensation and liability specific reports
11. 1099 extract report that provides a formatted file to the County's Finance Unit.
12. Vendor management reports
13. Florida's WC Unit Statistical Report (SI 17)
14. Administrative reports
15. Fiscal year-end data extract for Actuarial Financial reporting
16. Fiscal reporting on claims assessments

In addition the County desires to have the ability to create ad-hoc and additional reports based on any data field in the system, and the ability to schedule reports to process at various times.

Access to reports and report creation should be assigned to user roles, and exportable in a variety of electronic formats. Reports should also be distributed by system e-mail and user work queues.

#### 2.3.2.14 Interfaces

County desires that the CMS interface with County applications, as detailed below, and import data from other County systems. The interfaces are needed to ensure a seamless flow of information related to the claim management process. The following is a list of interfaces required by the County:

1. Contracted Banking System: The County requires the ability to transmit data files related to "Positive Pay". The County also desires to receive cleared check files and apply the transaction to the payment history of the individual claim.
2. Human Resources Department: The County requires the capability to transmit employee demographic file, WC claim intake, WC eligibility file, and wage statements.

## Section II

**Contractual Claims Services:** Pharmacy Benefit Management Network with Access to the Selected Proposer's Pharmacy

### PHARMACY

Miami Dade County Risk Management Division is self-insured and self-administers their Florida Workers Compensation Program to benefit approximately 29,000 employees in accordance to the State of Florida Workers



Compensation Statute. As part of this RFP, RMD intends to secure a contract for workers' compensation pharmacy benefits management (PBM) services, including online point-of-sale pharmacy claims processing, cost containment and other utilization reviews as well as a mail order and first fill program. Provide 24 hour a day telephone support via a toll-free number to assist Participating Pharmacies with Member eligibility verification and questions regarding reimbursement, Covered Drug benefits under County's Plan, or other related concerns. Selected Proposer shall provide County with general support and consultative services regarding pharmacy benefit design, general drug use and cost data, pharmacy network design, Member communications, formulary design and implementation.

#### Pharmacy Claims Services

##### Selected Proposer:

1. To provide County WC Self Insurance Plan participants access to an established national pharmacy network. The network shall be currently filed and approved for use by the State of Florida Division of Workers' Compensation ("DWC").
2. To provide WC carrier notices necessary for carrier filing with the DWC.
3. To provide all notices necessary for the carrier to distribute to participant employees.
4. To provide all notices necessary for posting at employer locations.
5. To provide all Services in accordance with current State of Florida Workers' Compensation Statute.
6. Is responsible for issuing timely reports, both written and oral, on the status of pending and proposed activities as may reasonably be requested by the County. All written reports will also be made available to the County in electronic format.
7. To meet with the County, more frequently during implementation, but at least quarterly for the duration of the term of any agreement issued as a result of this solicitation. The meeting time, place and attendees shall be mutually agreed upon by the parties.
8. Is to notify third-party billers and network pharmacies that all future prescriptions should be processed through the Selected Proposer.
9. To contact and work with participating pharmacies upon receipt of a paper bill to request online billing for future submissions.
10. To contact and work with injured employee upon receipt of a paper bill to enhance online billing for future submissions.
11. To prepare and present a claim form and seek approval for payment by the County. Payment will be made within thirty days (30) days after such approval by Miami-Dade County.
12. To be the submitter on behalf of Miami-Dade County for EDI reporting.
13. To provide updates on news regarding medication recalls, counter indications, etc.
14. To provide reports of the medications mostly prescribed/paid and any other reports that could aid County in trying to reduce pharmaceutical costs (i.e. physician dispensing a medication that is brand name but a new generic came out in the market – pharmacy Proposer will notify County and provide letter to provider to inform and request a change).
15. To provide the County reports on credits identified/reported by third party vendors on claimed prescription orders not utilized by claimants.
16. To send County a refund check and detailed credit transactions for prescriptions orders not utilized by claimants or for medications paid in error.
17. To provide a customized DUR plan for Miami Dade County which will be as follows (or be broader in scope):
  - a. Formulary: Customized Drug Plan based on Acute: date of injury days 1-45 and Chronic: date of injury <46.
  - b. Day's Supply: Retain =34, Mail = 90, Paper = 90.
  - c. Max Units Dispense: 480
  - d. Drug Cost Limit: \$1,000
  - e. Samaritan Dose: Yes- If carrier is closed, claimant may receive up to 3 day supply of previously approved medication, until carrier reopens.

- f. First-Fill: Yes- File may be set up by pharmacy if eligibility has not yet been received by County via provider claim load.
  - g. Prior Authorization (POS and Retrospective Transactions (i.e., Paper):
    - i. Eligible person waiting – call adjuster
    - ii. EPAQ – Notification will be provided to the adjuster through the providers web based tool.
18. To provide the following Drug Utilization Review (DUR) Edits:
- a. County must have a drug plan that is customized for County WC claimants.
  - b. County claimants are restricted to the prescribers approved by County adjusters.
  - c. The Proposer will assign a claimant's record with active, inactive or terminated status. These classifications are used to determine claimant's eligibility, benefits, claims history, messaging and clinical information.
  - d. The early refill logic is set up to allow a claimant the opportunity to get their prescriptions filled when at least 70% of the medication has been used.
  - e. The Proposer will develop edits to guard against duplicate payments.
  - f. The Proposer's adjudication system must checks for duplicative medication therapy by drug and drug category, against a patient's current medication regimen and other medications being processed.
  - g. Clinical data is must be used to evaluate if a physician has written "no substitution allowed" prescription for a brand drug which has a generic equivalent available.
  - h. The Proposer must restrict the days' supply allowed as up to 34 days at a retail provider and up to 90 days at Mail Order.
  - i. The cost of a medication cannot be over \$1,000 at retail pharmacies. Authorization from the adjuster is required for a medication in excess of \$1,000.
  - j. The Proposer will restrict the quantity of a medication to no more than 480.
  - k. The Proposer will provide pat-specific dosing recommendations to the pharmacy, including both loading and maintenance doses when appropriate.

### **Section III Contractual Claims Services: WC Bill Review, PPO, Medical EDI**

Miami Dade County Risk Management Division is seeking the services of a qualified provider to provide medical bill review along with professional medical cost containment, serve as the Medical Bill EDI Submitter, on behalf of County, for all paid medical bills to the state of Florida in accordance with current and future requirements of Rule 69L-7.602; preferred provider networks (PPO) for medical services (maintenance of a preferred provider list of physicians/doctors that are trained and certified in Florida Workers' Compensation to include cardiologists with experience treating claimants/injured workers that fall under the Heart and Lung Presumption); durable medical supplies, diagnostic testing; pre-certification, in-patient/out-patient hospital services; provide access to the PDF copies of the bills, notes/reports, and Explanation of Benefits (EOB). Selected Proposer is responsible for the responses to Petition for Reimbursement Disputes and copies are to be provided to RMD. Selected Proposer must provide quarterly and annual reports showing measures such as: number of bills reviewed by type/provider, charges vs. allowed amounts. Selected Proposer must be a Florida EDI Submitter in accordance with current and future requirements of rule 69L-7.602 Florida Workers' Compensation Medical Services, Billing, Filing, and Report Rules and the State's Medical EDI Implementation Guide (MEIG).

#### **Medical EDI Submissions**

Selected Proposer:

1. Must have a current Medical EDI interface with the State of Florida.
2. Will be registered as the submitter on all Medical EDI submissions to the State of Florida.
3. Has a Medical EDI submission scorecard of 95% or better for the past 2 years.
4. Will be responsible for any and all penalties and interest for Medical EDI related reporting not directly attributable to County late reporting.
5. Must have written policies and procedures for monitoring and adjudicating rejected EDI reports to the State of Florida.

**Section IV Contractual Claims Services: Check Printing**

County currently produces both liability and WC checks through the iVOS system. The Selected Proposer will process, print and distributes checks or ACH payments as initiated and/or approved by authorized County personnel. The Selected Proposer will provide accurate supporting documentation including EOBRs, 1099s, positive pay reports etc. which are critical to secure and ensure a fiscally sound payment system. It is anticipated that the Selected Proposer's payment system:

1. Can make payments from a bank of County choosing (currently Wells Fargo).
2. Shall have the capability to make payment via ACH.
3. Can send WC medical payment with the approved EOBR.
4. Can produce emergency checks within a 24 hour period.
5. Can make WC payments on the same day as the payment is ordered.
6. Can produce accurate audit and positive pay reports as required.
7. Can meet with and provide all applicable documentation, related to the proposer's payment system to County internal and external auditors as requested.
8. Can establish an interface with County's payroll system (Peoplesoft).
9. Has established policies, acceptable to the County, to handle over payments, rush payments, stops, voids, and other problematic payments, in compliance with Governmental Accounting Standards Board (GASB).

**Section V Contractual Claims Services: ISO Indexing**

The County uses ISO indexing as one of many tools to ascertain the claims history of both liability and WC claimants. Currently, County staff has direct access to the ISO portal and runs its own report. It is desirable, for our adjusters to have access through the Selected Proposer to ISO, and that the ISO reports are automatically incorporated into the file. The County is seeking that the Selected Proposer:

1. Have an account with ISO or similar firm.
2. Allow inquiries to be run through the Selected Proposer's system
3. Allow the ISO reports to upload directly into the file or if necessary via a note to the file.
4. System can, and will allow County authorized staff to pull reports from ISO or similar firm for auditing of invoices.
5. Will allow County authorized staff to have direct access to ISO (or similar firm).

The Selected Proposer shall establish an account ("Account") with a Qualified Public Depository bank agreed upon between County and Selected Proposer. The account shall be in the name of the County for the exclusive use of the County's WC and Liability programs. The County will provide an initial impress balance in the amount of five million dollars (\$5,000,000). Should it become necessary to increase the impress amount, the County will agree to do so based on satisfactory evidence provided by the Selected Proposer. The Account shall be replenished weekly by the County based on electronic reports provided by the Selected Proposer of cleared checks. The County will replenish the account funds via wire transfer. The Selected Proposer shall provide a monthly reconciliation of the Account. Any interest earned in the Account shall be accrued to the County and any banking fees will be charged to the Account. In the event that sufficient funds are not available in the Account, then Contractor shall notify the County.

In the event Selected Proposer pays any payee less than the amount to which the payee is entitled under the Medical Program, Selected Proposer will promptly adjust the underpayment by drawing the additional funds from the County's Account. In the event Selected Proposer overpays any payee the Selected Proposer shall take all reasonable steps to recover the overpayment and credit the Account accordingly; however, Selected Proposer shall not be required to initiate court proceedings to recover an overpayment. Selected Proposer shall be liable for overpayments except to the extent that said overpayment resulted from acts or omissions of the County.

Selected Proposer shall indemnify and save the County harmless from any loss proximately caused by criminal or intentionally wrongful acts by any employee of Proposer arising out of its use of the Account. This indemnity shall

survive the termination of this Agreement. The County shall give Proposer prompt and timely notice of any fact or condition which comes to its attention which may give rise to a claim of indemnity under this paragraph.

At termination of any agreement issued as a result of this solicitation, the Contractor will provide a standard conversion of all data from the Contractor's format to the format of the County's choosing. Additionally, the Contractor will assist with the transition to a new system/contractor as is necessary. There shall be no additional charge for these services to the County.

The County will continue to be obligated for applicable payments/fees due any payee for services rendered prior to termination based upon contractual obligations.

## Option to Execute TPA Services

### SCOPE OF WORK

#### Option to Execute 3rd Party Administrator contract

As part of the response to this RFP, the County is requesting separate proposals to obtain full WC and liability TPA services, which if the County so desires at its sole discretion, could take effect no sooner than 365 days after the "go live" date of Section 1 of Scope of Work services. County is requesting the option to convert from a lease self-insured agreement to a full TPA service agreement, with proper notice, as stated above, during the term of the contract or any option to renew (OTR).

#### PART I SERVICES

##### CLAIMS ADMINISTRATION SERVICES

This section applies only in the event the County elects this option. The Selected Proposer as a third party administration (hereinafter "Claims Administrator") will provide all specified adjusting services for all claims made against the County for Workers' Compensation, as well as all other required services, such as administration, computerized claim/loss statistical information and loss fund reconciliation. Specific services to be provided are outlined in this RFP. However, the County reserves the right to add additional services as may be deemed necessary.

The Claims Administrator must be prepared to assume the daily activities in the processing and handling of Workers' Compensation claims. The Claims Administrator shall recommend risk control measures and safety programs to protect the County's interest. The staff of the Claims Administrator will be required to work closely with RMD, the County Attorney's Office, the Finance Department and other major departments in the County.

The Claims Administrator must be familiar with and have working knowledge of the Florida Rules of Workers' Compensation, F.S. 440; Rules for Self-Insurers under the Workers' Compensation Act, Title 4 of the Department of Insurance; and the Rules of the Division of Workers' Compensation, Title 38, Department of Labor and Employment Security, and Statue 768.28 of the Florida Code.

The Claims Administrator shall provide Claims personnel that shall be available on a 7 day, 24 hour basis for investigating claims, and must have and maintain a toll free 24 hour telephone service for any emergency(ies). The Claims Administrator must provide its own office space or facility(s) for its staff of adjusters. Its claims adjusters will have limited settlement authority, established by the County, must be approved by the County.

The Claims Administrator shall manage workers compensation and liability claims, including all current list of open files. The Claims Administrator will provide claims administration on an all life of relationship basis. Currently, the County utilizes two (2) full time employees to oversee Workers' Compensation, 28 adjusters, and 4 claims representatives (full time) to manage current claims vs. future claims. The County must have access to Claims Administrator system.

The Claims Administrator shall be responsible for performing, as a minimum, the following services:

1. Establish reporting procedures which are compatible with the needs and organizational structure of the County as determined by RMD. Notice of injury reports will be submitted to the Claims Administrator via FAX, mail, Internet or E-mail. Establish claims acknowledgment procedures to the County's satisfaction.
2. Provide necessary forms and instructions for use. Such forms are to include appropriate first reports of injury with mailing address of claim administrator pre-printed thereon.
3. The Selected Proposer shall provide a sufficient number of designated adjusters necessary to appropriately handle the County's claims.

4. Receive and examine on behalf of the County all reports of employee injury claims.
5. Establish and maintain complete files on each claim.
6. Accept or deny all reported claims for employee's injuries on behalf of the County in accordance with the applicable Workers' Compensation Law. The decision to controvert a claim must first be discussed with and approved by RMD.
7. Conduct the required investigations deemed necessary as it relates to Workers' Compensation, including scene investigations and personal claimant contact on all lost time or light duty cases. Contact with claimants must be attempted within 24 hours of the Administrator's receipt of the claim. Field investigations and claimant contact must be performed by employees of the Claims Administrator. The Claims Administrator shall not utilize independent adjusters in providing Claims administration services hereunder.
8. Subject to the prior approval of, and at the expense of the County, employ outside professionals such as surveillance, rehabilitation, experts and attorneys to assist in the investigation and adjustment of claims.
9. Perform job site visits to become familiar with exposures unique to the County.
10. Provide a Report every 30 days listing all employees that are losing time or working in a light-duty or restricted capacity.
11. Submit a full summary report to RMD every 90 days on all claims of the following types:
  - a. any claim in which an employee is not working full-duty
  - b. total incurred value exceeding \$25,000
  - c. potentially controverted cases
  - d. cardio-vascular claims
  - e. claims in which settlement (washout) is recommended
12. Prepare and maintain files necessary for legal defense of claims and/or other litigation (such as actions for subrogation) or other proceedings.
13. Pay in a timely fashion all claims and expenses from the loss fund account established by the County, which will be maintained by the Claims Administrator. Any fees and penalties for late payments are the Claims Administrator's responsibility, unless such fees/penalties are directly caused by the County's negligence.
14. Pursue all possibilities of subrogation and recovery from the Special Disability Fund.
15. While the County will designate the attorney(s) that provide the defense of claims the Claims Administrator shall provide the defense attorney(s) a complete copy of the file in question and monitor and actively participate in the activities of the defense attorney(s).
16. Attend Workers' compensation hearings, mediations and Pension Board hearings involving work-related injuries as requested by the County.
17. Make written recommendations to RMD regarding any procedure or condition that should be examined to prevent future claims, which are revealed during the Administrator's investigation of a claim.
18. Contact RMD by telephone on all claims where the compensability or the relatedness of the medical expenses on the claim is in question.

19. Contact employees who experience loss time at least every two weeks, for the duration of temporary total disability payments. When an employee is represented, the attorney shall be contacted when appropriate. If attorney contact is appropriate, that contact should be on a 60-day basis.
20. Report all lost time and/or questionable' cases to the Index Bureau. All lost time shall be re-indexed every six (6) months.
21. Establish initial reserves within ten (10) days of receipt of the First Report. All files must be reserved adequately to extend through the expected life of the claim. Although all the necessary facts may not be available at the onset of a claim, reserves should be adjusted when medical information or investigation indicates the existing reserve is inadequate or overstated.

The following factors shall be considered when establishing a reserve:

- a. the injury;
- b. the investigation;
- c. medical treatment and costs;
- d. projected temporary total disability benefits to be paid;
- e. projected permanent partial disability/wage loss,
- f. and potential use of outside experts (i.e. rehabilitation service providers, attorneys, etc.)

The Claims Administrator shall review the adequacy of reserves at least every three months, and documentation in the file shall reflect this review.

22. Present in writing all settlements to the Self-Insurance Trust Committee or its designee for approval, regardless of the amount. The injured employee will not be contacted regarding settlement until after the Committee or its designee has approved the proposed settlement.
23. Follow all DWC rules when compensation, medical or other benefits are being controverted. The case must be discussed with RMD before the claim is denied.
24. Obtain medical reports as necessary to determine the status of the employee's injury and to verify disability; coordinate with service provider.
25. Report all claims involving a fatality to RMD immediately by telephone. Payments on such files shall be made in accordance with the Florida Workers' Compensation Law and/or governing contractual agreements. The Claims Administrator shall perform periodic activity checks to ensure that dependents who receive survivor's benefits are still eligible to receive them, and notify RMD regarding those activity checks.
26. Prepare and file with the appropriate State agency all applications required for the County's qualification as a self-insurer.
27. Prepare, maintain and file all records and reports as may be required by legal authorities (State, local and Federal). Attach copies of reports.
28. Prepare, maintain and file statistical or other records and reports as required by the DWC.
29. Prepare, maintain and file statistical information required by Workers' Compensation Rating Bureaus including all required data necessary for the promulgation experience modifications.

30. Review for accuracy and approve the appropriateness of State assessments, prior to the due date of the assessment.
31. Establish a zero balance bank account to make claim, indemnity, expense and legal payments on checks drawn from this account. It is understood that all funds in this account are County funds and shall be returned upon the County's request or the termination of the Contract.

Regarding this account, the Claims Administrator shall:

- a. Reconcile the account on a monthly basis and provide all bank statements to the County monthly, along with a request for a deposit from the County to maintain the balance needed in the account, as determined by the County.
  - b. Ensure that any interest earned on the account is applied as a reduction to the subsequent monthly deposit by the County. The costs of checks shall not be paid by the County.
  - c. Submit a monthly statement including the following:
    - i. balance at inception;
    - ii. total disbursements by date and claimant;
    - iii. balance at closing;
    - iv. amount of deposit required;
    - v. list of all checks along with all statements supplied to the County.
  - d. Provide on-line "real-time" access to all bank account transactions and other banking related information.
32. Ensure that all adjusters handling County cases are knowledgeable of the current Workers' Compensation Statutes, DWC rules, and applicable laws.
  33. Ensure that the minimum standards of performance of its personnel conform to the Florida statutes and administrative rules or future changes therein, if any.
  34. Ensure all DWC filings, including compromise settlement agreement payments, are made in a correct and timely manner.
  35. Provide notification of suit being filed against the County for any reason, to the County Attorney's Office and to RMD within twenty-four (24) hours.
  36. Aggressively pursue recoveries to the satisfaction of the County, including recoveries based on subrogation and special disability trust fund. The Claims Administrator will pursue, track and provide quarterly reports on all second injury funds.
  37. Shall be responsible for data integrity. This includes properly inputting all cause codes, location codes, loss descriptions, and other Claims information. If a data conversion is involved, the Claims Administrator must attest to the integrity of the combined data.
  38. Obtain the approval of the Self-Insurance Trust Committee to hire experts in connection with claims against the County and obtain the approval of RMD. Experts include, but are not limited to, rehabilitation vendors and private investigators.
  39. Provide the means for the County to perform claims status inquiries.
  40. Provide training for supervisory personnel of the County for those individuals responsible for Workers' Compensation activities.



41. Comply with all applicable laws and regulations regarding the administration of Worker's Compensation benefits.
42. Provide and integrate successfully an on-line CMS that interfaces with all other existing systems to be utilized in the performance of the scope reflected within this RFP.

#### HEARINGS/TRIALS

The Claims Administrator shall ensure that the following requirements for hearing conferences/trials are followed:

1. Pre-hearing or pre-trial reports shall be submitted by the Claims Administrator to the County Attorney at least two weeks prior to the hearing conference/trial or whenever requested by the County Attorney. Periodic updates on ongoing litigation will be scheduled by the County Attorney as needed.
2. The reports must contain all information pertinent to the file including transcribed statements and depositions.
3. The Claims Administrator shall obtain settlement authority from the County prior to any hearing conference/trial.
4. Statement of Position by the Claims Administrator and Notices of Appeal by the County Attorney will be timely filed by Claims Administrator's legal counsel.
5. Any recommendations made by the Claims Administrator pertaining to the file should be carried out or referred to the Self-Insurance Trust committee for resolution.
6. Claims Administrator/counsel file Notices of Intention to Appeal.

#### REPORTING REQUIREMENTS

1. Claims Administrator shall make an immediate telephone report to the Self Insurance Trust Committee or its designee on:
  - a. fatalities; and
  - b. catastrophic occurrences with potential exposure of \$50,000 or more
2. Submit "full captioned reports" within 30 days of setting reserve at or above \$25,000. The content of the "full captioned reports" shall include, but not be limited to, the following: coverage items, the employee's background, (e.g., age, resident), dependents, employee's job description, occurrence, injury, medical management, wage and compensation rates, dates and periods of disability, rehabilitation, other employee benefits, litigation, index/state filings, subrogation, remarks and/or recommended actions, and future strategy.
3. Submit "full-captioned report" on all files in litigation. Provide copies of all pleadings along with the report.
4. Ensure that follow-up reports are received within 90 days of the "full-captioned report."
5. Submit monthly experience/statistical reports which shall include, but not be limited to, a summary of the experience by Department stating cause of accident, frequency and cost. Open and closed claims shall include specific information on the accident date, claimant's name, cause of accident, injury type, amount paid and reserved, and state if the claim is open or has been finalized. These reports must be delivered by the 10th of each month and must provide summary information by Department, by participant, and by total program.
6. Shall become familiar with existing labor contracts and report all activities pursuant to those contracts to the Self-Insurance Trust Committee or its designee as requested, but at least on a monthly basis.
7. Shall provide the necessary reports and/or data to satisfy Florida's self-insurance requirements. Required forms shall be completed by the Claims Administrator and sent to the County for review and appropriate signatures. Required self-insurance reports shall be provided on a timely basis so that the County will have sufficient time to review and execute the documents before the due date.

#### "BAD FAITH" PROCEDURES

The following procedures shall be followed to avoid potential actions for breach of good faith and fair dealings:

1. Termination of Weekly Benefits: weekly benefits may be terminated only upon written or verbal notification by the treating physician or the County when employee returns to work. If return to work information is obtained verbally, the examiner must follow up in writing with a request for written verification. If an Independent Medical Examination physician releases the employee to modified work, the Claims Administrator must promptly determine if modified work is available and offered to the employee before benefits are terminated.
2. Controverting Claims: the supervisors or examiner shall contact the County prior to formally denying a claim. This will not be necessary when controverting the reasonableness and necessity of medical bills.
3. Judgments/Settlements: judgments/settlements should release potential future "bad faith" actions.
4. Penalties and Fines: penalties and fines assessed by the DWC shall be paid by the Claims Administrator if such fines and penalties result from negligent performances of its duties.

## PART II SERVICES

### GENERAL, AUTOMOBILE, & PROFESSIONAL LIABILITY HANDLING & CLAIMS

#### ADMINISTRATION

Upon receipt of all liability claims, the Selected Proposer ("Claims Administrator"), on behalf of the County, shall perform, at a minimum, the following services:

1. Review all first notices of claim reports received from the County (which will consist of loss reports, claim letters, attorney notice of representation letters, claims that are phoned, mailed, or faxed in by the County), prior to an assignment to an adjuster approved by the County.
2. The Claims Administrator will designate the necessary number of outside field adjusters to handle all County claims and also designate an alternate in their absence. The designation of these persons is subject to the approval of the County.
3. Conduct a thorough and complete investigation of the accident, according to the requirements of the County.
4. Investigations are to include, but not be limited to, the following:
  - a. Contact the claimant or the claimant's attorney within 24 hours of the time the accident report is received by the Claims Administrator. (In the case of underrepresented claimants, personal contact is required the same day the claim is received). All claim files must contain adjuster's logs documenting all contact and activity.
  - b. Obtain recorded statements from the claimant, witnesses, and the County personnel. Personal contact of all underrepresented claimants by outside adjusters is required.
  - c. Complete a timely scene investigation consisting of photos and diagrams. This is required within 2 days of receipt of any serious Auto Liability or General Liability claim assignment.
  - d. Obtain the police and/or fire rescue report.
  - e. Obtain and review all medical reports and bills submitted by claimants or their attorney.
  - f. Obtain and review all estimates and appraisals for property damage claims.
  - g. Establish appropriate reserves on all claims, and revise the reserves as needed.
  - h. Submit a report to the County within 30 days of receipt of the claim, summarizing:
    - i. Date/time/location of loss;
    - ii. Claimant information;
    - iii. Description of accident;
    - iv. Injuries or damages;
    - v. Witnesses' version;
    - vi. Liability analysis;
    - vii. Evaluation of claim (i.e. amount of recommended settlement, denial, reserves, attorney demand).

5. If a settlement recommendation cannot be made at this initial report (due to lack of information), indicate same and reason. However, remainder of investigation should be completed.
  - i. Submit a status report every 90 days thereafter to the County until the claim is resolved.

The County prefers the above reporting requirement to be accomplished via the on-line CMS for "real-time" viewing.

6. The Claims Administrator has the authority to settle cases on behalf of the County up to \$5,000 per claim.
7. For any settlement in excess of \$5,000, the Claims Administrator must receive authorization from the County. The request for this authorization must be presented in writing, including the adjuster's evaluation and recommendation in a format required by the County. After authorization is granted, the Claims Administrator will settle the claim and obtain the appropriate release. The Claims Administrator will advertise settlements as required by Florida Statute, currently Chapter 69. Additionally, the Claims Administrator will provide a quarterly report to the County on all settlements above and below \$10,000.
8. The County will assign an attorney for the legal defense of any claim that goes into suit. The Claims Administrator will assist the County Attorney's Office, and/or the County's RMD with any additional investigations as deemed necessary by the County. The Claims Administrator will continue to monitor the file in litigation and inform the County Attorney's Office through the use of status reports every 90 days. The Claims Administrator will review all legal bills for appropriateness in consultation with the County Attorney's Office and confirm hourly rates are correct as specified in any agreement issued as a result of this solicitation. Documentation for all expenses must be submitted prior to the Claims Administrator's actual approval and payment from the County's loss fund. The Claims Administrator will provide a monthly list of new legal assignments to the County Attorney's Office. The Claims Administrator will provide a monthly report of all litigated claims in the format specified by the County.
9. Upon notification from the County, the Claims Administrator will forward a copy of the file in suit to the assigned County attorney with a transcription of all statements. Additionally, the Claims Administrator shall open an expense reserve account within its CMS.
10. The Claims Administrator will attend all mediations and trials as requested by the County. With respect to claims with impending trial dates, the Claims Administrator will take an active and aggressive role in settlement or preparation for trial.
11. The Claims Administrator, after approval from the County, can assign the necessary auto appraiser for property damage claims. These expenses will be paid as an allocated expense by the Claims Administrator from the County's loss fund.
12. Any other claim expense must be approved by the County prior to being incurred. However, expenses for normal claim activities, such as photographs, tapes, supplies, postage, etc. are the responsibility of the Claims Administrator.
13. The Claims Administrator will meet monthly (or more frequently if required by the County) with the County Mayor and/or authorized representative to review all large exposure (over \$25,000) incurred cases and report on their status.
14. All claim files are at all times the property of the County. The County has the right to inspect any and all files whenever it deems it necessary. Upon termination of any agreement issued as a result of this solicitation, the Claims Administrator shall deliver all original claim files to the County.
15. The Claims Administrator will make recommendations to the County as to actions that can be taken to prevent future claims. These loss prevention recommendations can be included in the status reports.
16. All Work provided by the Claims Administrator must be performed by the employees of the Claims Administrator. The use of any contracted or independent adjuster is prohibited, unless prior written approval is granted by the County.

17. The Claims Administrator will reimburse the County for payments made in error that are non-recoverable from third parties by the Claims Administrator.

The County desires prompt, personal contact of all claimants. Evaluations of each claim are to be made as soon as the necessary information is received. The investigation and evaluation of all claims should be completed prior to suit being filed, since F.S. 768.28 (sovereign immunity statute) requires the claimant provide six month notice of intention to file suit.

Imprest Account.

The Proposer shall establish a claims account ("Account") with a Qualified Public Depository bank agreed upon between County and Proposer. The account shall be in the name of the County for the exclusive use of the County's Workers' Compensation and Liability Self Insurance program. An initial imprest balance in the amount of seven million dollars (\$7,000,000) will be maintained in the account. Should it become necessary to increase the imprest amount, the County will agree to do so based on satisfactory evidence, at the County's sole discretion, from the proposer of insufficient funds. The Account shall be funded weekly by the County based on electronic reports provided by the proposer of issued checks. The County will issue payments via wire transfer. Any interest earned in the Account shall be accrued to the County and any banking fees will be charged to the Account.

The Proposer shall establish an account ("Disbursement Account" with a qualified Public Depository bank for the purpose of disbursements. The Disbursement Account shall be in the name of the Proposer. The proposer, on behalf of the County, shall issue payments from the Disbursement Account for workers' compensation and liability self-insured claims and expenses in the amount proposer is directed by the County to pay within the scope of this program. The proposer shall provide to the County a monthly reconciliation of the Disbursement Account.

The following represents the minimum required services to be provided to the County as required in this RFP. The Claims Administrator:

1. Shall provide 24 hour toll free telephone number service for reporting worker injuries.
2. Shall complete statutory first report of injury (DWC-1), injured worker information/grievances and medical provider services.
3. Shall channel injured workers to in-network and/or out-of-network providers approved by the County.
4. Shall manage the lost time element of claims.
5. Shall coordinate ancillary medical/disability management services.
6. Shall provide Preferred Provider Organization (PPO) networks access.
7. Shall conduct Medical Utilization Review, Professional Peer Review, and provider appeal process.
8. Shall conduct Medical provider bill review and provider compliance.
9. Shall manage Out-of-network providers.
10. Shall provide telephonic medical case management, vocational assessments, job site evaluations, and other vocational services.
11. Shall provide mandatory reports, all State mandated reports, required tax information for the Internal Revenue Service, including 1099 with magnetic tape of 1099 to the IRS, special administrative reports such as the OSHA 200 and others as determined by the County.
12. Shall effectively interface with the County's on-line CMS or the TPA as part of this RFP.
13. The County will entertain a methodology through which the Claims Administrator will pay the providers' medical bills and update the County's financial system, current and future system. Should the County's financial system be replaced during the term of the Contract, Claims Administrator shall be required to make any adjustments or investments to ensure County and the Claims Administrator's systems interface properly.

As previously stated, the County utilizes iVOS as the on-line claims processing system where all data is maintained, updated, and payments are issued. The adjudication of Worker's Compensation medical bills and payments to the County's providers are performed through this system. On a monthly basis, iVOS provides the County with a bank reconciliation report to interface with the County's financial system. The Claims Administrator shall be responsible for the provision of an on-line claim processing system and the conversion of any data necessary for successful integration with any and all other systems, to include following the termination of the Contract. Any procedures, equipment, and/or costs necessary to connect with the County's hardware and software shall be the sole responsibility of the Claims Administrator.

The Claims Administrator must have up-to-date policy and procedure manuals on hand in the work place. These manuals should describe and discuss the day to day procedures for adjusting files. The manuals should be kept in accordance with statutory requirements. The Claims Administrator shall provide adequate toll-free telephone access to the claims office.

The Claims Administrator shall provide Claims personnel that shall be available on a 7 day, 24 hour basis for investigating claims, and must have and maintain a local 24 hour telephone for emergency service. The Claims Administrator must provide its own office space or facility(s) for its adjuster or staff of adjusters. Its claims adjusters will not have settlement authority, as all proposed settlements must be approved by the County.

The Claims Administrator must agree to be responsible for claims opened within the year(s) following contract" execution, along with the current inventory of open files. The County is seeking a Claims Administrator that will provide claims administration on a "life of relationship basis".