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QUESTIONS AND RESPONSES # 1
PROJECT NO. UEFC962018001
WORKERS' COMPENSATION THIRD PARTY CLAIMS ADMINISTRATION
PROFESSIONAL SERVICES
November 8, 2018

Ladies/Gentlemen:

This List of Questions and Responses #1, questions #1 through #53, is being issued to clarify certain information contained in the above named RFP. The statements and interpretations of contract requirements, which are stated in the following questions of potential Offerors, are not binding on the State, unless the State expressly amends the RFP. Nothing in the State's responses to these questions is to be construed as agreement to or acceptance by the State of any statement or interpretation on the part of the vendor asking the question as to what the contract does or does not require. Any questions submitted in writing which are received after the issuance of this document, or which have already been submitted but do not appear on this list of questions and responses, will be answered in Questions and Responses #2.

1. Please provide a salary range for each position and the total amount of salary paid to all key personnel employees.

RESPONSE 1: Information about the salary or duties of Contractor personnel is considered a confidential part of a Contractor's technical proposal. As such, the State declines to provide this information.

2. In an effort to provide continuity, would the UEF consider releasing the name and contact information for each of the key personnel employees currently assigned to the account?

RESPONSE 2: The State declines to provide this information. Please see Response 1, above.

3. Please provide a job description for the "Full time Claims Investigator" position.

RESPONSE 3: The State cannot provide a position description as it will be up to the Contractor to determine what responsibilities and tasks its employees are required to perform. The State can provide a more detailed description of what investigation is required to be completed on each new and open case. The Investigation requires, but is not limited to, a full review of each file, including medical records and submitted questionnaires, searching for a valid workers compensation policy for each claim, communication and interviewing all parties or his/her/its legal counsel, seeking and finding documentation relevant to the defense of each claim, interviewing witnesses for each claim, compiling necessary public documents, internet research, insurance documents, and any other documents necessary for the defense of each claim, identifying other parties necessary to implead into claims if applicable, impleading parties into claims, and providing a report to Assistant Attorneys General (AAG) as to the findings of the investigation, and any other related investigative services required by the agency or its AAGs.

4. *The Financial Spreadsheet to be submitted with our pricing proposal does not take into consideration the fees for allocated claim costs. In what format and location in the RFP should the TPA provide pricing for allocated claim cost expenses and optional services including but not limited to bill review fees, PPO fees, enhanced bill review, nurse case management, transportation, translation, IME, surveillance and vocational rehabilitation.*

RESPONSE 4: The only proposed pricing that will be evaluated by the State are the line items appearing on Attachment B-1, Financial Proposal Form. Any pricing information appearing in any other place in an Offeror's proposal will not be evaluated. A Financial Proposal Form that is materially altered will be rejected.

5. *Regarding 5.2.5, Volume II, Letter A, please define "supporting material."*

RESPONSE 5: Attachment B-1 is the entirety of the Financial Proposal. Attachment B-1, "Financial Proposal Form", is a one page document. No supporting material exists, nor should any supplementary information not specifically requested by the RFP be submitted as part of an Offeror's Financial Proposal.

6. *Please provide a loss run for the last 5 years.*

RESPONSE 6: This information is not available. Record keeping prior to September, 2017 is incomplete.

7. *Please provide the total number of medical bills processed per year for the last 3 years. What is the total amount billed per year and the total amount paid per year?*

RESPONSE 7: This information is not available. See Response #6, above.

8. *Please provide the total number of nurse case management referrals and the total paid for nurse case management per year for the last 3 years.*

RESPONSE 8: This information is not available. See Response #6, above.

9. *Will a separate conversion be required for the data related to bill review?*

RESPONSE 9: Yes.

10. *How many years of electronic data will be included in the conversion?*

RESPONSE 10: One year of full data, and approximately two years of partial data. Data from prior to September, 2017 is incomplete.

11. *What is the specific evaluation criteria and how are the factors weighted?*

RESPONSE 11: See section 6.2 of the RFP, titled "Evaluation and Selection Process, Technical Proposal Evaluation Criteria". The criteria are listed in descending order of importance.

12. *What is the estimated Contract Award Date?*

RESPONSE 12: The State anticipates, but does not guarantee, that the new Contract will begin on March 1, 2019.

13. *Please define connected care services.*

RESPONSE 13: Connected care services are all services that provide a convenience benefit to the claimant and treatment monitoring. This includes but is not limited to nurse case management.

14. *Please confirm the Claims per Month (1310) indicate the monthly average of open inventory (open/reopened) claims at the end of each month? If yes, please provide the average or current number of open medical only claims vs the number of open indemnity type claims.*

RESPONSE 14: The State will provide the exact numbers at a later date.

15. *Please provide the definition of Cases Marked Inactive per Month.*

RESPONSE 15: Non-active files where the benefits have been paid, or benefits are not being pursued, or

where the UEF has been found not responsible for payment of benefits by final order of the Maryland Workers Compensation Commission.

16. *Approximately how many hearings are attended by the adjuster each year?*

RESPONSE 16: Currently zero, but there exists a possibility that an adjuster or investigator must attend.

17. *Does the current service provider charge a percent of savings fee for subrogation? If yes, what is the percentage?*

RESPONSE 17: The State declines to provide this information.

18. *Please provide the approximate number of open claims in subrogation.*

RESPONSE 18: The State declines to provide this information.

19. *Please provide the average amounts of subrogation recovery received each year.*

RESPONSE 19: The State declines to provide this information.

20. *Approximately how many uninsured employers exist in the program today?*

RESPONSE 20: The State does not know how many uninsured employers exist in the program today.

21. *What is the average employee population per employer?*

RESPONSE 21: The State does not have this information.

22. *Approximately how many of these employers are still in operation and have availability of modified work or return to work opportunities?*

RESPONSE 22: The State does not have this information.

23. *Approximately how many different employers require Federal OSHA 300 Reports preparation each year?*

RESPONSE 23: The State does not have this information.

24. *Please describe the Case Management Service Report that is required.*

RESPONSE 24: This is a report that is "as requested" by the Agency. Reporting requirements may change depending on the Agency's need.

25. *Please provide a medical bill summary of the last 12 months or last year to include:*

- i. *How many bills processed*
- ii. *Total amount of fee schedule reductions*
- iii. *Total amount of PPO Network access reductions*
- iv. *Total amount allowed.*

RESPONSE 25: There were 7,572 bills processed in the last year. The State declines to provide the number of fee schedule reductions, the amount of PPO Network access reductions, and the total amount allowed.

26. *Please provide a summary of average number of medical bills processed per year or summary of the last year of processed bills to include:*

1. *# of medical bills (excluding pharmacy bills)*
 - a. *Total Billed Charges*
 - b. *Fee Schedule reduction*
 - c. *PPO reductions*
 - d. *Other reductions (negotiations/specialty bill review) if any*
2. *# of hospital bills*
 - a. *Total Billed Charges*
 - b. *Fee Schedule / U&C reductions /Charge Master/Cost Allowance Reductions*

- c. *PPO Reductions*
- d. *Other reductions (negotiations/specialty bill review), if any*
- 3. # of pharmacy bills
 - a. *Total Billed Charges*
 - b. *Fee Schedule / U&C reductions /Charge Master/Cost Allowance Reductions*
 - c. *PPO Reductions*
 - d. *Other reductions (negotiations/specialty bill review), if any*
 - e. *Current cost of medications*

RESPONSE 26: There were 5,831 medical bills, 178 hospital bills, and 1,563 pharmacy bills processed in the last year. The State declines to provide any of the other requested information.

27. Please provide the qualification and job description for Claims Investigators. Are these field investigators providing surveillance type activities or just desk investigators?

RESPONSE 27: The UEF would like one field investigator, with the remaining investigators being desk investigators.

28. Please confirm the staffing model indicated in 2.3.6.1 does not include medical only adjusters. Please indicate the approximately number of medical only adjuster (approximate number of medical only FTE's) assigned to UEF?

RESPONSE 28: The Offeror will make the determination if a medical-only adjuster is necessary, but the UEF requires 4 Claims Adjusters in total for this Contract.

29. Please confirm the 4 Full Time Claims adjusters are Indemnity or Senior adjusters.

RESPONSE 29: The State declines to answer.

30. Please indicate the current number of support personnel assigned to the UEF (Support Personnel FTE's).

RESPONSE 30: The State will not provide the number of support personnel working on the current Contract.

31. Please indicate how many authorized Users will require access to the claim system electronic files. Are all the open files completely electronic?

RESPONSE 31: A minimum of 16 users will require access. At this time, re-opened files may not be electronic. Other files may also not be electronic.

32. Will the Contractor be responsible for storing any closed claim paper files? If yes, approximately how many boxes will have to be stored?

RESPONSE 32: No, the Contractor will not be responsible for storing any closed claim paper files.

33. We have performed over 400 data conversions. It typically takes approximately 5-15 business days after data is received after the transfer of claims on the effective date. Is there a reason why the UEF believes it may take 90 days to convert all electronic data?

RESPONSE 33: The UEF does not anticipate the data transfer to take a full 90 days, but the Agency wanted to give a reasonable amount of time to work out any unanticipated issues that may arise. The Offeror's system must be capable of data transfer from the existing proprietary system as required in the RFP.

34. Will the current Contractor be required to adhere to the End of Contract Transition requirements as described in the RFP?

RESPONSE 34: The State will answer this question at a later date.

35. Please confirm the requirement for submitting invoices means submission of pending payments, and not actual copies of invoices that are maintained in the electronic file?

RESPONSE 35: The requirement for submitting invoices means submission of pending payments as long as the copies of actual invoices are accessible by Agency personnel in the electronic files located on the Contractor's proprietary system.

36. Will access to all claim documents and correspondence satisfy the requirement of providing copies of every invoice?

RESPONSE 36: Yes, access to all claim documents and correspondence will satisfy this requirement.

37. Which personnel are required to have the described background, criminal and fingerprint checks? The assigned exclusive and dedicated personnel working on-site?

RESPONSE 37: All personnel who provide services on this contract are required to meet RFP background check requirements.

38. Who are the current subcontractors providing service for this contract?

RESPONSE 38: As the current contract was an Emergency Procurement, no MBE goal was set, and there is no incumbent MBE subcontractor(s).

39. Please confirm the MBE subcontractor be the same service provider as the VSBE.

RESPONSE 39: Prime contractors may choose any number of MBE or VSBE certified firms to fulfill State subcontracting goals. Only Maryland MBE Certified firms will receive credit toward the MBE goal. Only Federally certified Veteran Owned small businesses will receive credit towards the VSBE goal. If a firm is dually certified, they may be counted towards both goals.

40. Please confirm the TPA personnel must work the same hours and holidays as the State personnel.

RESPONSE 40: Yes, the Third Party Administrator's personnel must work the same hours and holidays as State personnel.

41. Please provide State hours and office closures.

RESPONSE 41: Official Maryland State Business Hours are 8:00 AM to 5:00PM, Monday through Friday, excluding official State holidays. State holidays vary from year to year. A list of State holidays for 2019, the most current year for which information is available, is available here: <https://dbm.maryland.gov/employees/Pages/StateHolidays2019.aspx>

42. If there was some kind of a catastrophe and extra hours or weekend access was necessary will the State provide office access, if necessary, to the TPA personnel?

RESPONSE 42: Access to the office in the event of an emergency may be granted if deemed necessary by the Agency. This may include weekend hours.

43. Please describe the security in the office where staff will be housed. Will the TPA employees be secured within a locked space?

RESPONSE 43: Locked entry doors to the office with controlled access door locks. Key fobs are required for entry. Security guards are posted in the lobby of the building.

44. The request for proposal is complex and requires comprehensive consideration after thorough review of answers to questions. The answers to questions may require additional clarification. Hard copies of the proposal are required which takes a minimum of three days to print, bind and deliver a day before due. Will the UEF please provide a minimum of 15 business days after questions are answered to allow proposer(s) to evaluate, modify and complete responses in a thoughtful, timely and professional manner?

RESPONSE 44: The State declines to change the Proposal Due Date at this time.

45. Will questions be answered as they are submitted and prior to the question due date?

RESPONSE 45: Questions are answered in batches. Some questions cannot be answered due to a lack of data. The State will endeavor to answer all questions submitted prior to the November 19, 2018 cutoff date in time for vendors to consider the State's reply in their proposal submission. No guarantees are

made that questions submitted at the cutoff date or shortly before can be responded to prior to December 3, 2018.

46. Where is the current vendor located? Is a certain office location required?

RESPONSE 46: The State declines to provide the location of the current vendor. Please consult the RFP for requirements about office locations.

47. Does the pricing include services that are typically allocated loss adjustment expense, i.e., investigation, medical bill review, preferred provider network access, peer review, medical records review, medical case management, nurse triage, connected care services, IME's and other associated fees for service?

RESPONSE 47: The price per claim must be a fully loaded price.

48. Is a summary implementation schedule satisfactory?

RESPONSE 48: No.

49. May proposers suggest any modification to the contract language and/or the insurance requirements?

RESPONSE 49: Any proposed alterations to Attachment M: Contract constitute exceptions that may result in an Offeror being deemed not susceptible for award. Exceptions to the Scope of Work or any State requirements must be documented in the Executive Summary of the Technical Proposal. The State may request that an Offeror “cure” their Technical Proposal by withdrawing these exceptions. A failure to respond to a request to withdraw any deficiency or exception deemed unacceptable to the State will result in the Offeror being deemed not responsible and/or not susceptible for award.

50. Please confirm the redacted technical and pricing submissions can redacted all pricing.

RESPONSE 50: Yes. The Financial Proposal Form itself should not be altered in any way, but the line item pricing may be fully redacted. Total Proposed Pricing and the Financial rankings for all responsible Offerors are included on the Board of Public Works Agenda, and becomes public information. Line item pricing is held in confidence, even if not specifically redacted by an Offeror.

51. Please confirm that submission of resumes and “signed letters of commitment” for key personnel means key management personnel including senior management and principles of sub-contractor(s), if any. This account will require recruiting, hiring or promoting adjuster candidates. We typically do not take adjusters off of other accounts that are working for our other customers to provide service for new customers. It would be difficult and perhaps unreasonable to ask adjuster candidates to sign letters of commitment before a contract was even awarded.

RESPONSE 51: All management personnel, including senior management and the principles of the subcontractors, if any, are required to provide resumes and signed letters of commitment.

52. The contract allows unilateral changes in the work by the Procurement Officer by written offer. Is it acceptable for the TPA to offer the following alternative to the indemnity provision? “...whether or not involving a third party claim, which arise out of or relate to the Contractor’s, or any of its subcontractors’, negligent performance of this Contract...” And delete 10.2 and section 29.

RESPONSE 52: The State does not agree to these proposed changes. Any proposed alterations to Attachment M: Contract constitute exceptions that may result in an Offer being deemed not susceptible for award.

53. Will the State/UEF indemnify the Contractor for any rejections of candidates, due to criminal history, based on the RFP requirements? If we are the employer, but we are rejecting someone due to the State’s requirements, the State/UEF should take responsibility for any legal action that results from a candidate suing the Contractor.

RESPONSE 53: The State does not concur, and will not take responsibility, indemnify or otherwise compensate the Contractor for any legal actions arising from this Contract.

Remember proposals are due on December 3, 2018 no later than 2:00 p.m. If there are questions concerning this solicitation, please contact me via e-mail at christopher.hautala@maryland.gov or call me at (410) 260-4081.

Date Issued: 11/8/2018

By:
Chris Hautala
Procurement Officer