



Loudoun County, Virginia

[www.loudoun.gov](http://www.loudoun.gov)

Department of Finance and Budget

Division of Procurement

P.O. Box 7000, Leesburg, Virginia 20177

Physical Address: 1 Harrison Street, S.E., 4<sup>th</sup> Floor, Leesburg, Virginia 20175

December 18, 2019

## NOTICE TO OFFERORS

### ADDENDUM NO. 1

### RFQ 137782

The following changes and/or additions shall be made to the original Request for Proposal (RFP) for Claims Administration Services for Workers' Compensation, RFQ 137782. Please acknowledge receipt of this addendum by signing and returning with your proposal.

1. Attached are the questions and answers received in response to the solicitation.

Prepared By: s/ Diane C. Smith Date: December 18, 2019

Acknowledged By: \_\_\_\_\_ Date: \_\_\_\_\_

## QUESTIONS AND ANSWERS

- Q1. Please provide the number of Medical Only Claims and Lost Time/Indemnity claims reported to the Third Party Administrator for the following fiscal years:

7/1/2018 - 6/30/2019

7/1/2017 - 6/30/2018

7/1/2016 - 6/30/2017

- A1. As requested, the following claim information is provided for the aforementioned claims and fiscal years. "Medical Only" includes claims with lost time less than the waiting period.

**7/1/2018 - 6/30/2019:**

|                     |            |
|---------------------|------------|
| <b>Record Only</b>  | <b>144</b> |
| <b>Medical Only</b> | <b>229</b> |
| <b>Lost Time</b>    | <b>47</b>  |
| <b>Total</b>        | <b>420</b> |

**7/1/2017 - 6/30/2018:**

|                     |            |
|---------------------|------------|
| <b>Record Only</b>  | <b>145</b> |
| <b>Medical Only</b> | <b>221</b> |
| <b>Lost Time</b>    | <b>50</b>  |
| <b>Total</b>        | <b>416</b> |

**7/1/2016 - 6/30/2017:**

|                     |            |
|---------------------|------------|
| <b>Record Only</b>  | <b>151</b> |
| <b>Medical Only</b> | <b>190</b> |
| <b>Lost Time</b>    | <b>46</b>  |
| <b>Total</b>        | <b>387</b> |

- Q2. In reference to the 303 active claims, is the County able to break this total down between Lost Time, Medical Only and Record Only?

- A2. As requested, the below information corresponds to the County's active claims. Please note, this data is accurate as of November 30, 2019.

|                     |            |
|---------------------|------------|
| <b>Record Only</b>  | <b>40</b>  |
| <b>Medical Only</b> | <b>140</b> |

|                        |            |
|------------------------|------------|
| <b>Lost Time</b>       | <b>105</b> |
| <b>Total</b>           | <b>285</b> |
| Total Litigated Claims | 18         |

Q3. Please provide a 5 year claims summary broken down as follows:

Claim Type broken out by year between Lost Time, Medical Only and Record Only  
Claims Payments broken out by Indemnity Paid, Medical Paid and Expense Paid

**A3. Please review the response to Q1 for FY17, FY18, and FY19 claim types. The remaining information requested is below.**

**7/1/2015 - 6/30/2016:**

|                     |            |
|---------------------|------------|
| <b>Record Only</b>  | <b>234</b> |
| <b>Medical Only</b> | <b>209</b> |
| <b>Lost Time</b>    | <b>35</b>  |
| <b>Total</b>        | <b>478</b> |

**7/1/2014 - 6/30/2015:**

|                     |            |
|---------------------|------------|
| <b>Record Only</b>  | <b>113</b> |
| <b>Medical Only</b> | <b>198</b> |
| <b>Lost Time</b>    | <b>34</b>  |
| <b>Total</b>        | <b>345</b> |

**Claim Payment information (based on Date of Injury), including reserves (as of 11/30/19):**

| <b>Year</b> | <b>Indemnity</b>    | <b>Medical</b>        | <b>Expenses</b>     | <b>Total</b>          |
|-------------|---------------------|-----------------------|---------------------|-----------------------|
| <b>FY19</b> | <b>\$231,195.36</b> | <b>\$1,114,101.46</b> | <b>\$212,631.73</b> | <b>\$1,557,928.55</b> |
| <b>FY18</b> | <b>\$647,859.79</b> | <b>\$1,867,589.95</b> | <b>\$392,177.01</b> | <b>\$2,907,626.75</b> |
| <b>FY17</b> | <b>\$438,839.05</b> | <b>\$1,249,196.30</b> | <b>\$206,018.25</b> | <b>\$1,894,053.60</b> |
| <b>FY16</b> | <b>\$273,640.98</b> | <b>\$1,041,258.45</b> | <b>\$225,570.20</b> | <b>\$1,540,469.63</b> |
| <b>FY15</b> | <b>\$408,622.76</b> | <b>\$1,197,511.85</b> | <b>\$211,423.73</b> | <b>\$1,817,558.34</b> |

Q4. When is the anticipated award date?

**A4. The County expects to award the Contract for these services prior to mid-April 2020.**

Q5. Does the County expect responses to each item listed in the Section 5.0 Scope of Services? If so, where should these be listed in the response? The instructions do not indicate this section should be addressed, however, other parts of the RFP mention responding to this section.

**A5. Potential Offeror must respond to the Section 8.0 Proposal Submission Format, which mirrors the requirements addressed in Section 5.0.**

Q6. In Section 5.5.A the RFP refers to the amount of \$225,000.00 for the escrow account is listed. Will this amount increase if the contractor will be issuing the Temporary Total Disability (TTD) payments? If so, to what amount will it increase?

**A6. Temporary Total Disability (TTD) payments are currently paid by the Contractor directly to the County from the escrow account to reimburse the operating fund; therefore, the only change necessary would be the mail-to address for certain eligible claims. There will not need to be an increase in the amount of the escrow account unless there is a material change in the amount of lost time claims.**

Q7. What format is the County data in? Are there specific formats that cannot be accommodated by the County?

**A7. The County does not currently send data directly to the current third-party administrator, but typically sends .csv files to other vendors. The County IT team will work to coordinate the appropriate format for the successful offeror.**

**The County's current third party administrator utilizes a SQL Server database.**

Q8. What data will be converted, i.e., claims, financials, notes, documents etc. and what is the anticipated database size?

**A8. The County expects that all data, including but not limited to, claims, financials, claim notes, and documents, will be converted. It is estimated that this data exceeds 80 MB.**

Q9. Will the County be able to provide a sample file and a final file? What is the expected turnaround time for firms to provide data files?

**A9. This information will be provided to the successful offeror during the mutually agreed-upon implementation period prior to the go-live date of July 1, 2020.**

Q10. Will the County be able to provide a data dictionary for any reference tables used in the existing database?

**A10. The data dictionary utilized by the current third-party administrator is below:**

| Status Code | Status Description         |
|-------------|----------------------------|
| A           | No Lost Time - 1 to 3 days |
| B           | Nonawarded Partial         |
| C           | Catastrophe                |

|          |                                      |
|----------|--------------------------------------|
| <b>D</b> | <b>Special Payment Claim</b>         |
| <b>F</b> | <b>Fatal</b>                         |
| <b>H</b> | <b>Unawarded OD Claim</b>            |
| <b>J</b> | <b>Settlement</b>                    |
| <b>L</b> | <b>Permanent Total</b>               |
| <b>N</b> | <b>No Lost Time</b>                  |
| <b>O</b> | <b>Other</b>                         |
| <b>P</b> | <b>Permanent Partial</b>             |
| <b>R</b> | <b>Unawarded OP Claim</b>            |
| <b>T</b> | <b>Temporary Total</b>               |
| <b>U</b> | <b>Unawarded Partial</b>             |
| <b>V</b> | <b>Long Term Temporary Total Dis</b> |
| <b>W</b> | <b>Temporary Partial</b>             |
| <b>X</b> | <b>Unawarded Permanent Total</b>     |

Q11. How many total claims will be converted?

**A11. The Contractor must convert all claims commencing on or after the start of the self-insurance program, January 1, 1989. As of November 30, 2019, there are 10,386 total claims.**

Q12. Is the County able to provide current loss runs – to include both open and closed claims -- in Excel format for at least the last five years? If the County is able to break legal out separately, please provide the number of current open Legal, Lost Time and Medical Only claims.

**A12. Due to the file size of the information requested, please request a copy of the MS Excel file for the date from the County Procurement Division at [Diane.Smith@loudoun.gov](mailto:Diane.Smith@loudoun.gov).**

Q13. How is the Telephonic Case Management (TCM) currently assigned to claims? Is the TCM to be included in the Flat Annual Fee or is this an allocated expense based on authorization from the County for referral?

**A13. This is currently an allocated expense based on authorization from the County for referral.**

Q14. Can the County define "Other medical fee services reviews" as utilized under Section 8.5.C.4 (page 37 of the RFP?

**A14. This statement is a catch-all to include review of any medical service that was not previously delineated in the subsection.**

Q15. If the all-inclusive pricing must include run-in fees for the transfer of data for the conversion, does the County current TPA charge a fee to transfer data? If they charge a fee per policy year, please advise how many policy years of data will be transferred?

**A15. The County's current third-party administrator does not charge a fee to transfer data unless there is a request for information or data transferred beyond the normal transfers.**

Q16. Please confirm the County's desire for a "dedicated" (as stated) or "designated" Claims Manager, adjuster, and Supervisor. Is the County looking for these positions to be dedicate 100% of their time to the County's program?

**A16. The County does not require that the positions be exclusive to the account; rather the County seeks a designated team assigned to the program, subject to overall agreed-upon caseloads across all accounts.**

Q17. Could we please have detailed information regarding your current bill review program, i.e., current price structure?

And also, per year if available:

Total volume?

Total charges?

Total paid?

PPO savings?

Total savings?

**A17. The current pricing structure is below:**

|   |                 |
|---|-----------------|
| <b>Medical Bill Review:</b> Limited to reviewing bill for (i) coding errors, duplication and fraud and (ii) repricing billed charges to applicable state mandated fee schedule.   | \$5.25 per bill |
| <b>PPO, Specialty Bill Review, Audit and Negotiations Services:</b> This includes any savings obtained as a result of Equian: (i) obtaining PPO Network access for additional discounts at participating providers, (ii) reviewing bills for charging discrepancies and repricing to usual and customary charge amounts using Equian's proprietary software and algorithms, and (iii) negotiating discounts with providers. | 30% of savings  |

Q18. In Section 6.30 Background Checks of the RFP is this reference applicable to this type of contract, since it refers to "job site"?

**A18. Due to the sensitive nature of claim information and financial responsibility for the Contract, Section 6.30 is applicable.**

Q19. Does the requirement in Section 5.1.H.1 Claims Audits, apply to all open claims; or, a subset of claims with specific criteria?

**A19. Section 5.1.H.1 applies to all open claims with the exception of medical only or record only if the claim is automatically closed.**

Q20. Is the County able to provide details/specifications from what the County may be interested in regarding this requirement for the "continuous audits" identified in Section 5.1.H.2 Claims Audits,?

**A20. The County requests continuous audits by the successful offeror in order to ensure best claims practices, adherence to the Contract, and compliance with the Virginia Workers' Compensation Act on an ongoing basis.**

Q21. Is the County able to provide a copy of the current contract with HealthSmart for Workers' Compensation Claims Administration Services??

**A21. Please request a copy of the current contract from the County Procurement Division at [Diane.Smith@loudoun.gov](mailto:Diane.Smith@loudoun.gov).**