



Request for Proposals

Third Party Workers' Compensation Claims Administration and Managed Care Services

Release Date: **February 24, 2022**

Deadline for Submittal
March 18, 2022

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City of Richmond
Human Resources Department
Risk Management

INTRODUCTION

The City of Richmond is requesting proposals from qualified third-party administrators (TPA) firms to administer the City's self-insured workers' compensation claims including bill review and utilization review (collectively called "managed care services"). The City seeks service providers with experience in public entity workers' compensation self-insurance who promote a proactive approach to manage and administer benefits in accordance with California State laws and statutes with a focus on quality care. This request for proposal (RFP) describes the project, the required TPA Performance Expectations (Attachment III), the consultant selection process, and the minimum information that must be included in the proposal. Failure to submit information in accordance with the RFP requirements and procedures may be cause for disqualification. It is the City's intent to enter into a three (3) year contract with one or more experienced firms to provide claims administration and managed care services for all new and existing self-funded workers' compensation claims beginning July 1, 2022. The City may elect to award separate contracts for claims administration, bill review, and utilization review or may elect to award one contract for all services to one firm, whichever is determined to be in the City's best interest. Interested bidders are welcome to respond to this entire Request for Proposal (RFP), may respond only to claims administration, or may respond to one or more of the managed care services. Each main service category listed in Scope of Services will be evaluated and awarded independently using the Evaluation Criteria outlined Proposed Evaluation and Selection Process. In the event that one or more firms are awarded ancillary support service contract(s), the selected TPA must have the capability to work with these firms.

ABOUT THE CITY

The City of Richmond was chartered as a city in 1909, and is located 16 miles northeast of San Francisco, directly across the San Francisco Bay. Richmond's population is 103,828. The mission of the City of Richmond is as follows:

The City of Richmond provides services that enhance economic vitality, the environment and the quality of life of our community.

The City of Richmond provides a full range of municipal services including police and fire protection; construction and maintenance of highways, streets and infrastructure; library services; storm water and municipal sewer systems; operation of a wastewater treatment facility; and the administration of recreational activities and cultural events. The City also operates the Richmond Memorial Convention Center and the Port of Richmond.

SCOPE OF SERVICES

The TPA shall perform all services required to supervise and administer the City's self-insured workers' compensation claims, and to act as the City's representative in matters relating to the City's obligations under the workers' compensation laws for the State of California.

Program Administration Needs: The City's Risk Management Division, in the Human Resources Management Department, coordinates all aspects of the workers' compensation

program including the management of the TPA and its contract.

Permanent Disability: As soon as the TPA receives notice of permanent and stationary status, they shall communicate this information to the City so that permanent accommodation consideration can be initiated.

Fraud Control: The City requires the TPA to aggressively control fraud and pursue restitution in all fraud cases. Risk Management shall be notified of all claims involving potential fraud and initiation of fraud investigation activities.

Claims Reviews: On-site quarterly claim reviews at the City are required and involve participation by City Department representatives. The TPA is expected to send claim staff to attend claim reviews and be prepared to discuss agenda items.

Loss Reporting and Data: The TPA shall provide basic loss reports electronically that detail payments and check runs, claim frequency, paid and incurred costs, annual OSHA reports, 1099's and the annual SIP report. In addition, the City may need on occasion to obtain other reports for various purposes including, but not limited to, actuarial studies, audits, program and departmental analysis. The City retains the right to select the risk management information system. The TPA shall not change the RIMS without advance written notice to the City and consent by the City.

Claims Personnel: The City maintains the right to interview and review evidence of work experience of all personnel to be assigned to its account and to approve such personnel. The City shall have a right to request a change of designated account staff. The claims supervisor and senior claims examiner shall possess a self-insured certification. A minimum of 5 years experience shall be required of the claims supervisor, senior claims examiner, and claims examiner.

The TPA will input all new claim reports within 24 hours of receipt.

The City and/or the excess carrier may conduct claims performance audits to measure the TPA's performance and compliance with claims administration standards and requirements. The TPA shall provide the results of the SAS70 audit compliance report on an annual basis.

Excess Carrier: Report on all potential excess carrier claims as required to the applicable excess carrier. Provide to the City a copy of each report and pursue, when appropriate, excess reimbursements from the carrier. Maintain records on excess re-insurers and reimbursements on behalf of the City. Comply with all State mandated reporting requirements (SIP, DWC, OSHA log, etc.).

Settlement Authorization: Prepare and submit settlement authorization request for approval by the City prior to initiating settlement negotiations. The City may, at its discretion, grant limited authority to the TPA to resolve minor claims; however, settlement authorization request forms must still be submitted to the City. Settlements involving payments of over ten thousand dollars (\$10,000) require City Council approval. Provide at least 35 days advance notice of settlement authorization requests for settlement amounts over ten thousand dollars (\$10,000).

The TPA will provide documentation and information as needed to enable the City to effectively coordinate return to work and the ADA interactive process.

The TPA will maintain an electronic and/or paper file on each claim.

The TPA will provide the City with updates and information on changes or proposed changes in statutes, rules, and regulations affecting the City's responsibility under a self-insured workers' compensation program.

Claims Administration Services

- A. Determine liability for claimed injuries and illnesses on a timely basis and in accordance with the California Labor Code.
- B. Determine eligibility for and authorize payment of medical and indemnity benefits on a timely basis.
- C. Review, compute, and, after approval by the City, pay all informal ratings, findings and awards, and settlements; arrange for informal disability ratings whenever possible to avoid unnecessary litigation.
- D. Pay any and all penalties due in accordance with the California Labor Code. Such penalties shall be paid by the claims administrator with liability for the action determined by the record unless such penalties were incurred as a result of the City's action or inaction.
- E. Establish files containing medical and factual information on each reported claim, together with complete accounting records and maintain in accordance with statutory time requirements.
- F. Prepare, file, and maintain all information and reports as required by the State of California, Department of Self-Insurance.
- G. Provide the City with information and recommendations for implementation strategies for changes or proposed changes in statutes, rules and regulations affecting the City under the California Labor Code for workers' compensation.
- H. Review with the City the program's progress, including identification of problem areas and conduct periodic root cause analysis and recommended solutions to reduce claims cost and attend monthly regularly scheduled meetings required by the City relative to the workers' compensation program.
- I. Arrange for and supervise all necessary investigations to determine eligibility for compensation benefits and liability of negligent third parties.
- J. Establish procedures to support the payment of all benefits and allocated expenses together with appropriate documentation necessary to reconcile a trust fund checking account provided by the City.
- K. Sponsor and pay for a membership in the nationwide Index System on the City's behalf; submit all claims to the Index System as regular practice.

- L. Provide (at no cost to the City) informational pamphlets in appropriate languages to employees as required by the State of California relative to their workers' compensation benefits.
- M. Refer litigated cases to attorneys approved by the City for the purpose of defending the City's interest before the Workers' Compensation Appeals Board and courts of law.
- N. Attend, where indicated, trials, hearings, arbitrations, rehabilitation hearings and any and all legal proceedings.
- O. Produce computer generated reports as specified by the City; including, comparison reports with data from similar agencies (anonymous) that may be similar in size or in demographic area.
- P. Coordinate Medicare and Medicaid set aside agreements in compliance with Section 111 of the MMSEA including required reporting.
- Q. Comply with the PRISM claims adjusting requirements dated 7/1/2011.

Bill Review

- A. Review all bills in a timely manner for compliance with applicable fee schedules and reduce accordingly, including those that fall outside of a fee schedule or PPO network.
- B. Identify and reduce all duplicate billings.
- C. Deny charges for all items not required for injury described.
- D. Identify all unauthorized charges to ensure billing does not exceed parameters of injured workers' treatment plan.
- E. Maintain contracts with effective PPO organizations (including pharmacies), that include providers in the City of Richmond area.
- F. Provide reports on a monthly and annual basis outlining bill review activity, savings, and costs. Provide ad hoc reports as requested.
- G. Provide a computer system that interfaces with both the City's workers' compensation TPA and utilization review provider.
- H. Handle all provider inquiries regarding bill reductions.

Utilization Review

- A. Approve or disallow service requests within the applicable time standards and provide medical advice as warranted.
- B. Provide timely reports to the City outlining utilization review requests, approvals, denials, and costs/savings.
- C. Recommend, for City approval, panels of medical professionals, specialists, and treatment facilities to which injured employees should be referred for long- term or specialized treatment.

- D. Provide medical management of all cases to assure cost-effective and appropriate treatment, including assurance that treatment is related to the compensable injury or illness.
- E. Arrange for medical/legal opinions in disputed cases, conferring with medical examiners, professional personnel, the City, and legal counsel where indicated.
- F. Provide a computer system that interfaces with the selected TPA and bill review service provider.

PROJECT BACKGROUND / DESCRIPTION

The workers' compensation claims have been administered by Acclamation Insurance Management Services (AIMS) - California since 2012. This RFP is being issued to comply with public bidding requirements that require the City to competitively bid its contracts every five (5) years. AIMS sister company, Allied Managed Care, currently provides most other managed care services in conjunction with administering the workers' compensation claims.

RFP SCHEDULE

Date	Activity
February 24, 2022	Release RFP
March 8, 2022	Final Day to Submit Questions (1:00 PM)
March 18, 2022	RFP Due Date
April 2022	Short List Interviews
April 2022	Final Selection and Contract Negotiations
April 2022	City Approval Processes
July 1, 2022	Effective Date of Contract

PROPOSAL FORMAT GUIDELINES

The proposal should be concise, well organized, and demonstrate the proposer's qualifications and experience applicable to the Project. The proposal shall be limited to 15 double-sided pages (8.5 inches x 11 inches), inclusive of graphics, forms, pictures, photographs, dividers, etcetera, but not of cost proposal, resumes, required forms, certifications, front and back covers, or letters of commitment from sub-consultants. The required font size is 12 point, with minimum left and right margins of one-inch, and top and bottom margins of 0.7 inches.

Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide "layman" explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer.

Proposals, which appear unrealistic in the terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected. The following proposal sections are to be included in the Vendor's response:

A. Vendor Cover Letter

A cover letter, not to exceed three pages in length, should summarize key elements of the proposal and shall:

- Confirm that all elements of this RFP have been reviewed and understood.
- Include a statement of intent to perform the services as outlined.
- Express company's willingness to enter into an agreement under the terms and conditions prescribed by this RFP, insurance requirements and in the sample City or Richmond Standard Contract (Services Agreement).
- Submit a written description and brief history of the company's experiences, qualifications and successes in providing California services described herein. Please indicate the number of employees, client base and location of offices.
- Indicate the address and telephone number of the vendor's office located nearest to Richmond, California and the office from which the project will be managed.
- Confirm that vendor has a minimum of three (3) years verifiable California experience.
- Stipulate that the proposal price will be valid for a period of at least 180 days.
- Identify a single person for contact during the RFP review process; and
- Cover letter shall be signed by an authorized official of the company.

B. Background and Project Summary Section

The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to description of services for this RFP.

C. Methodology Section

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Services of this RFP. The Methodology Section should include:

- 1) An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.
- 2) Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Services" section.
- 3) Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.

- 4) Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Services.

D. Staffing

Describe proposed Project team organization, including identification and responsibilities of key personnel. Indicate role and responsibility of prime consultants and all sub-consultants. If applicable, indicate how local firms are being utilized to ensure a strong understanding of state and local laws, ordinances, regulations, policies, requirements, and permitting. Indicate the extent of the commitment of key personnel for the duration of the Project and furnish resumes of key personnel. Provide an indication of the staffing level for the Project. The City of Richmond's evaluation of the proposal will consider the proposer's entire team; therefore, no changes in the team composition will be allowed without prior written approval of the City of Richmond. Sub-consultant letters of commitment are required and must be submitted with the proposal.

Describe the experience of the proposer's Project team in detail, including the team's Project Manager, and other key staff members, on projects of similar size, capacity, and dollar value. For each similar project, include the client's name and correct telephone number. It is the City of Richmond's policy to interview proposers' references as well as references identified by the City of Richmond.

E. Qualifications

The information requested in this section should describe the qualifications of the firm, key staff and sub-contractors performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:

- 1) Names of key staff that participated on named projects and their specific responsibilities with respect to this scope of service.
- 2) A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.
- 3) Provide at least three (3) references that received similar services from your firm. The City of Richmond reserves the right to contact any of the organizations or individuals listed. Information provided shall include:
 - a) Client Name and contact info
 - Telephone & e-mail address
 - Address
 - b) Description of services provided including contract amount
 - c) Project start and end dates

F. Cost Information

Provide the total direct and indirect costs to complete all tasks identified in the scope of services. Even if the method of payment to proposer will be fixed fee, a detailed cost breakdown shall be provided identifying: (1) the number of staff hours and

hourly rates for each professional and administrative staff person who will be committed to this Project; (2) all other direct costs, such as materials and reproduction costs; and (3) sub-consultant services, if needed. These rates will also be used to negotiate rates for other projects (including optional tasks) that may be assigned. No additional funds will be paid above and beyond the original quote given by the selected Vendor.

Proposers will be paid at the same rates set forth in their cost proposal unless further negotiated in writing and agreed to by the City of Richmond.

G. Value Added Services

Please provide any additional services of benefit not specifically required herein, which the Offeror offers to provide.

H. Contractor Assignment of Sub-Contract

The resulting contract shall not be assigned, transferred, or sublet, in whole or in part, without the prior written approval of the City of Richmond. If Offerors intend to subcontract any portion of the resulting contract, they must describe their process for selecting such subcontractor(s) and the quality control measures that the Offeror will employ to ensure that any subcontractor complies with the provisions of Offeror's contract with the City.

I. Previous Contracts with the City of Richmond

The proposer shall submit a list which indicates all prime contracts and/or amendments awarded to the proposer by the City of Richmond for the last three (3) years. The list shall include a short description of the Project, the Project scope of work, award date, completion date, name of City of Richmond's assigned Project Manager, and contract value.

J. Exceptions to this Request for Proposals

The proposer shall state whether or not it takes exception(s) to this RFP, including but not limited to the City of Richmond's Standard Services Agreement – RFP. If the proposer does take exception(s) to any portion of the RFP or contract, the specific portion to which exception(s) is taken must be identified by section number and explained. Requests for changes or additions to sections of City of Richmond's Standard Services Agreement must be shown by requesting deletion of specific words and/or by providing new requested contract language. Requests for complete replacement of the City of Richmond's Standard Services Agreement for another contract will not be granted. Failure to make exceptions to the RFP or Standard Services Agreement within the proposal will be deemed a waiver of any objection. Exceptions will be considered during the proposal evaluation process.

K. Statement of Impartiality and Disclosure

The nature of this Project requires an impartial unbiased approach on the part of the proposer's team. This proposal shall include a statement declaring that the proposer's and sub-consultants are not currently, and will not, during the performance of these services, participate in any other similar work involving a third-party with interests currently in conflict or likely to be in conflict with City of Richmond's interests. Additionally, proposer is required to disclose any pending or

active investigations or litigation that may affect the reputation or ability of the proposer to carry out the Project.

PROCESS FOR SUBMITTING PROPOSALS

Questions Concerning Request for Proposals

All questions must be submitted via the electronic BidsOnline system on the Q&A tab by 1:00 p.m. on March 8, 2022. If the City finds it necessary to issue an addendum, prospective Offerors will receive e-mail notification of addendum. Otherwise, answers to questions received will be provided on the Q&A tab and notification will be sent by March 11, 2022. It is the proposer's responsibility to periodically check the BidsOnline website www.ci.richmond.ca.us/bids for any possible Addenda to the RFP that may have been posted.

Any party submitting a proposal shall not contact or lobby any City Council member, City official, employee (except those specified for contact) or agent regarding the RFP. Any party attempting to influence or circumvent the RFP, bid submittal, and review process may have their proposal rejected for violating this provision of the RFP.

Interested parties may download copies of the above-mentioned proposal by visiting the City's web site, www.ci.richmond.ca.us/bids. To download RFP, new vendors will be required to register. Once the vendor downloads any documents relative to a solicitation, that vendor's name will appear on the Prospective Bidders list for that project and will receive any addenda or notifications relating to the RFP.

Submission of Proposals

Electronic Proposals shall be submitted via the City's secure online bidding system. All required sections of the proposal must be submitted via the website. Contractor is solely responsible for "on time" submission of their electronic proposal. The Bid Management System will not accept late proposals and no exceptions shall be made. Contractors will receive an e-bid confirmation number with a time stamp from the Bid Management System indicating that their bid was submitted successfully. The City will only receive those proposals that were transmitted successfully.

The proposal must be received no later than 5:00 p.m., local time, on March 18, 2022.

The proposal and any required certifications shall be signed by an individual or individuals authorized to execute legal documents on behalf of the proposer.

GENERAL GUIDELINES

This RFP does not commit the City of Richmond to award a contract, to defray any costs incurred in the preparation of a proposal pursuant to this RFP, or to procure or contract for work. The City of Richmond may reject a proposal without providing the reason(s) underlying the declination. A failure to award a contract to the proposer with the lowest cost proposal shall not constitute a valid cause of action against the City of Richmond. The City

shall not be responsible for work done, even in good faith, prior to final approval of the proposed contract. The City may investigate the qualifications of any respondent under consideration, require confirmation of information furnished by the respondent, and require additional evidence or qualifications to perform the Services described in this RFP.

The City reserves the right to:

1. Reject any or all proposals.
2. Issue subsequent Requests for Proposal.
3. Postpone opening for its own convenience.
4. Remedy technical errors in the Request for Proposal process.
5. Negotiate with any, all, or none of the Respondents.
6. Solicit best and final offers from all or some of the Respondents.
7. Select one or more Respondents.
8. Accept other than the lowest proposed fees.
9. Waive informalities and irregularities in proposals.

Public Records

All proposals submitted in response to this RFP become the property of the City of Richmond and public records and, as such, may be subject to public review. Documents protected by law from public disclosure will not be disclosed by the City of Richmond if clearly marked with the word "confidential" on each applicable page. Trade secrets may be marked as confidential only to the extent they meet the requirements of California Government Code section 6254.7. Only information claimed to be a trade secret at the time of submittal to the City of Richmond and marked as "confidential" will be treated as a trade secret.

Insurance Requirements

The City of Richmond requires consultants doing business with it to obtain insurance, as shown in RFP insurance requirements. The required insurance certificates must comply with all requirements of the standards as shown and must be provided within fifteen (15) days of issuance of the Notice of Intent to Award and prior to the commencement of any work on the Project.

Business Licenses

The successful Contractor and all subcontractors used in the work will be required to hold or to obtain a City of Richmond business license for which the fee will not be waived.

Compliance with City Ordinances

The contractor and all subcontractors shall comply with the City of Richmond Nondiscrimination Clauses in City Contracts Ordinance ([Richmond Municipal Code \(RMC\) Chapter 2.28](#)), Business Opportunity Ordinance ([RMC Chapter 2.50](#)), Local Employment Program Ordinance ([RMC Chapter 2.56](#)), Living Wage Ordinance ([RMC Chapter 2.60](#)) and Ordinance Banning the Requirement to Provide Information of Prior Criminal Convictions

on all Employment Applications (“Ban the Box”) ([RMC Chapter 2.65](#)), which are incorporated into the Contract Documents by this reference.

Sanctuary City Contracting Ordinance (SCCO)

The Richmond Sanctuary City Contracting Ordinance No. 12-18 prohibits the City from granting and or retaining contracts with any person or entity that provides Data Broker or Extreme Vetting services to the U.S. Immigration and Customs Enforcement Division of the United States Department of Homeland Security (“ICE”). Bidders/Proposers must submit the attached Sanctuary City Compliance Statement with their Bid or Proposal.

Collusion

By submitting a proposal, each respondent represents and warrants that its proposal is genuine and not false or collusive or made in the interest of, or on behalf of any person not named therein; that the respondent has not directly or indirectly induced or solicited any other person to submit a false proposal, or any other person to refrain from submitting a proposal; and that the respondent has not, in any manner, sought collusion to secure any improper advantage over any other person submitting a proposal.

Withdrawal of Proposals

A respondent may withdraw their proposal before the expiration of the time for submission of proposals by delivering to the Finance Department a written request for withdrawal signed by, or on behalf of, the respondent.

Ownership of Documents

All reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials produced for the Project shall be the sole and exclusive property of the City. No such materials or properties produced in whole or in part for the Project shall be subject to private use, copyrights, or patent rights by Respondent in the United States or in any other country without the express written consent of the City. The City shall have unrestricted authority to publish, disclose (except as may be limited by the provisions of the Public Records Act), distribute, and otherwise use, copyright, or patent, in whole or in part, any such reports, studies, data, statistics, forms or other materials or properties produced for this project.

PROPOSAL EVALUATION AND SELECTION PROCESS

All proposals will be reviewed for responsiveness to this RFP. Those proposals deemed responsive will be further screened by a selection committee using five criteria outlined below. Firms submitting the highest rated proposals may be invited for interviews. Proposals for claims administration, bill review, and utilization review will be evaluated separately using the following criteria:

- A. Ability to provide services as outlined in the RFP.
- B. Experience and qualifications of the firm and proposed service team

members.

C. Quality of the references.

D. Responsiveness to the RFP including completeness and thoroughness of proposal.

E. Proposed cost.

The City reserves the right to reject any or all proposals, or to make no award. The City also reserves the right to require modifications follow-up with requests for additional information, including, but not limited to, follow-up interviews. The City may request Best and Final offers based upon improved understanding of the offers or changed scope of service. The City will negotiate with that vendor to determine final pricing, and contract form. Because this proposal is negotiable, all pricing data will remain confidential until after award is made, and there will be no public opening and reading of Proposals. Overall responsiveness to the RFP is an important factor in the evaluation process. The criteria upon which the evaluation of the proposals will be based include, but are not limited to, the following:

Experience/Past Performance/References/Proposer Qualification– 50%

Consideration will be given based upon the firm's experience, years in business, past and current client references; technical expertise and professional competence in areas directly related to this RFP; number of years of experience in performing similar work. This category will also evaluate the ability to provide services as outlined in the RFP and the proposer's demonstrated knowledge of the work required. Respondent should demonstrate that all key personnel have been successfully involved with projects of similar scope and magnitude. This category will evaluate the firm's:

- Qualifications and relevant individual experience
- Unique qualification of key personnel
- Staff Availability / Time commitment of key members
- Organization chart

Proposer Qualifications –

Claims Administration

- A. Firm's s: Describe the firm and provide a statement of qualifications for performing the requested scope of services as outlined in Scope of Services-Claims Administration Services. Identify the firm's primary service office for the City's account. Provide a company-wide organizational chart with reference to the proposed service office and proposed service team.
- B. Service Team Qualifications: Provide an organizational chart outlining your proposed service team including names, titles, and length of service in your organization. For each proposed team member, provide a summary of qualifications including claims handling experience, indemnity case load, experience working with public entity self-insured entities, education, and any professional designations and awards. Include

full resumes for each member of your proposed service team. If you have not designed staff to service the City's account, provide the selection qualifications for any staff necessary to service the City's account.

- C. Claims Administrative Services: Describe your firm's claims administration policies, procedures, and best practices that ensure superior service to City employees while maintaining economic and administrative control over claims costs. Discuss your claims reserving philosophy and indicate the maximum number of indemnity files handled by your proposed claims examiners.
- D. Ancillary Services: Identify any company-owned and affiliated ancillary services to include, but not limited to, bill review, and utilization review. Provide a description of each ancillary service including an organizational chart, physical location, description of where the work is being conducted, management structure, and number of employees. List all outside vendors you currently work with including the services they provide. If such services were awarded to one or more vendors not owned by or affiliated with your company, describe how your firm would work with such outside providers to ensure effective and efficient service to the City. Include any limitations you may have in working with outside vendors.
- E. Claims Management System: Describe in detail how your computer system is utilized to provide workers' compensation services. Discuss the capabilities of the system including whether the system tracks lost time, temporary modified duty and temporary partial disability. Provide samples of standard and customized computer-generated reports you prepare for your clients (Note: limit 1 - 2 pages per sample).
- F. SAS 70 Audit Compliance: Indicate your firm's compliance with SAS70 annual audit compliance reporting and indicate the date of the most recent completed audit report.
- G. Client References: Provide a list of five (5) clients (including full contact information) from which similar types of claims-related services are provided by your proposed service team office. Include the length of your contract with each client including the approximate number of indemnity claims annually. The City will contact these references to discuss the bidder's performance.

Bill Review

- A. Firm's Qualifications: Describe the firm and provide a brief statement of qualifications in providing bill review services. Describe your experience doing business with self-insured public entities in California. Discuss what distinguishes your company from other bill review providers. Provide a company-wide organizational chart with reference to the proposed service office and proposed service team.
- B. Service Team Qualifications: Provide a brief summary of the qualifications and experience of each proposed team member, including their length of service with your firm and their resume. Provide an organization chart representing your staff and identify any sub-consultants you plan to utilize to supplement your proposed staff.
- C. Services: Describe your bill review services, features of your system, unique

capabilities, and ability to customize the delivery of your services. Provide an organizational chart, physical location, description of where the work is being conducted, management structure, and number of employees. Discuss your ability to work with TPAs in delivering bill review services and provide a list of three (3) you currently work with. Include your average monthly bill volume processed by your office.

- D. Client References: Provide three (3) client references for your firm for which you provide bill review services including full contact information.

Utilization Review

- A. Firm's Qualifications: Describe the firm and provide a brief statement of qualifications in providing utilization review services. Describe your experience doing business with self-insured public entities in California. Discuss what distinguishes your company from other utilization review providers. Provide a company-wide organizational chart with reference to the proposed service office and proposed service team.
- B. Service Team Qualifications: Provide a brief summary of the qualifications and experience of each proposed team member, including their length of service with your firm and their resume. Provide an organization chart representing your staff and identify and sub-consultants you plan to utilize to supplement your proposed staff.
- C. Services: Describe your utilization review services including standards and guidelines you use to review treatment requests. Describe any unique capabilities or approaches your firm has for reviewing medical treatment requests. Discuss any methods you employ to help clients reduce utilization review costs. Provide an organizational chart, physical location, description of where the work is being conducted, management structure, and number of employees. Discuss your ability to work with TPAs in delivering utilization review services and provide a list of three (3) you currently work with.
- D. Client References: Provide three (3) references for your firm for which you provide utilization review services including full contact information.

Cost Proposal – 25%

For all services offered in your written proposal, complete the appropriate cost proposal worksheet in Attachment I A, B, and/or C of this RFP and include them in a separate section of your written proposal. In addition, indicate on this cost proposal a schedule of rates for additional related services, if any, which the City may consider, at its sole option.

Interview/Presentations – 25%

Upon request of the City of Richmond, vendors may be requested to give an oral presentation/demonstration on vendor's proposal, which would include a detailed analysis of how each of the RFP requirements would be addressed should Offeror receive the award. A presentation by video conference will be arranged. The demonstration shall be

conducted at no cost to the City.

Vendors are not guaranteed an opportunity to demonstrate. Vendors may be eliminated from consideration based solely on inability to meet minimal requirements and/or review of written proposals. The City shall be the sole judge of the acceptability of the system in conformance with the specifications and its decision shall be final.

Offerors will be given at least 1-week advance notice if required to make a presentation. If required these presentations will take place at the following location:

City of Richmond
450 Civic Center Plaza
Richmond, CA 94804

If special accommodations are required in order to attend a site visit, contact Laura Marquez at laura_marquez@ci.richmond.ca.us , no later than three (3) days before the event.

Pre-Award Negotiations

After the proposals are opened, but prior to award, the City may elect to conduct negotiations with the highest ranked respondent for purposes of:

- Resolving minor differences and information
- Clarifying necessary details and responsibilities
- Emphasizing important issues and points
- Receiving assurances from respondents
- Cost/budget clarifications

If the City cannot successfully negotiate a contract with the highest ranked respondent, the City may begin negotiations with the second highest ranked respondent.

Selection may be made without further discussion, negotiations, or Offeror's presentations; therefore, Offeror shall offer the most favorable terms in response to this RFP. Offeror must demonstrate an understanding of the scope of service to be provided and the ability to accomplish the tasks set forth. Offeror shall include information that will enable the City to determine the Offeror's overall qualifications. The City reserves the right to request additional information or clarification on any matter included in the proposal response, to enable the City to arrive at the final award decision.

Award - When the Review Panel has completed its work, City staff will then recommend a select number of Third Party Workers' Compensation Claims Administration and Managed Care Services firm in order to develop a recommendation to be submitted to the City Manager and City Council. The services provided by the successful bidder shall be governed by a Standard Services Agreement.

Claims Administration Cost Proposal

Complete and include this cost proposal worksheet if you are proposing workers' compensation claims administration services. Proposals which do not contain this cost proposal may be rejected. If non-company owned vendors are used for any services proposed, attach their proposal to you for such services.

1. Claims Administration Services

Proposed **fixed sum** for Workers' Compensation Claims Administration Services to include assumption of all open claims, new indemnity, new medical only, new first aid, and all future medical claims for the proposed **THREE (3) year** contract period:

\$ _____

Other costs (if any) related to claims administration for the proposed THREE (3) year contract period:

Standard reports: \$ _____

Customized reports: \$ _____

Computer access fee: \$ _____

Data transfer/conversion: \$ _____

Other: \$ _____

(Please specify): _____

2. Performance-Based Compensation Alternatives: The City is willing to consider performance-based compensation alternatives. If offering such alternatives, please outline the options below and indicate the standards that would used to qualify:

Bill Review Services Cost Proposal

Complete and include this cost proposal worksheet if you are proposing bill review services. Proposals which do not contain this cost proposal may be rejected. If non-company owned vendors are used for any services proposed, attach their proposal to you for such services.

1. Bill Review

Flat fee per bill: \$ _____

Flat fee per line item: \$ _____

Percentage of Savings: \$ _____

Maximum Cap: \$ _____

2. Other Services Associated with Bill Review (Specify service and cost, if any:)

ATTACHMENT I C
UTILIZATION REVIEW SERVICES COST PROPOSAL

Utilization Review Services Cost Proposal

Complete and include this cost proposal worksheet if you are proposing utilization review services. Proposals which do not contain this cost proposal may be rejected. If non-company owned vendors are used for any services proposed, attach their proposal to you for such services.

1. Utilization Review

Flat fee per review (nurse): \$ _____

Flat fee per review (Dr. peer review) \$ _____

2. Other Services Associated with Utilization Review (Specify service and cost, if any:)

Loss History Reports**City of Richmond Loss Stratification
Report
Total Incurred and Claim Count by Fiscal Year**

Incurred Range	Fiscal Yr 17/18	Fiscal Yr 18/19	Fiscal Yr 19/20	Fiscal Yr 20/21	Fiscal Yr 21/22*
\$0 - \$5,000	\$120,427 ----- 106	\$77,070 ----- 69	\$80,187 ----- 70	\$90,209 ----- 68	\$39,078 ----- 29
\$5,001 - \$20,000	\$160,883 ----- 14	\$112,915 ----- 9	\$207,857 ----- 19	\$280,268 ----- 22	\$317,082 ----- 27
\$20,001 - \$50,000	\$256,557 ----- 7	\$487,476 ----- 13	\$413,163 ----- 12	\$691,868 ----- 21	\$340,501 ----- 9
\$50,001 - \$100,000	\$1,223,908 ----- 17	\$1,222,610 ----- 16	\$1,173,340 ----- 16	\$606,964 ----- 8	\$465,960 ----- 6
\$100,001 - \$200,000	\$1,814,920 ----- 13	\$1,191,992 ----- 8	\$2,070,421 ----- 15	\$1,681,110 ----- 12	\$0 ----- 0
+ \$200,000	\$4,046,851 ----- 14	\$1,368,914 ----- 5	\$2,977,549 ----- 11	\$958,717 ----- 3	\$0 ----- 0
Total Incurred	\$7,623,546	\$4,460,977	\$6,922,517	\$4,309,136	\$1,162,621
Number Claims	171	120	143	134	71

* as of 01/31/2022

ATTACHMENT II
LOSS HISTORY REPORTS

**City of Richmond
Loss Stratification Report
Total Incurred and Average Incurred By Range
7/1/2017 - 1/31/2022**

Incurred Range	Total Incurred	Average	Total # Claims
\$0 - \$5,000	\$406,972	\$1,190	342
\$5,001 - \$20,000	\$1,079,005	\$11,857	91
\$20,001 - \$50,000	\$2,189,565	\$35,316	62
\$50,001 - \$100,000	\$4,692,783	\$74,489	63
\$100,001-\$200,000	\$6,758,444	\$140,881	48
+ \$200,001	\$9,352,031	\$283,395	33
Total	\$24,478,800	\$38,308	639

ATTACHMENT III TPA PERFORMANCE EXPECTATIONS

The following are minimum performance standards under this contract. The City reserves the right to adopt additional standards with the selected third-party administrator.

CITY OF RICHMOND

TPA PERFORMANCE EXPECTATIONS

CASE LOAD

The claims examiners assigned to the City's files shall handle a caseload of no more than 125 claim files. This caseload may include future medical cases. For purposes of calculating caseloads, two future medical claims will equal one indemnity claim.

Supervisory personnel should not handle an active caseload although there may be situations that arise where a Supervisor is assigned a highly sensitive claim for handling.

CLAIM REVIEW AND DOCUMENTATION

Documentation should reflect any significant developments in the file. Each file will contain a current plan of action.

The examiner shall review every open, active claim every 30 calendar days, except the future medical files shall be reviewed no less than every 90 calendar days.

Claims staff will distinguish between (a) regular diary and (b) routine file documentation in the computer notepads.

The supervisor shall monitor significant activity on the file every 120 calendar days. File contents shall be kept in a neat and orderly fashion.

COMMUNICATION

Telephone Inquiries: Return calls shall be made within one (1) working day of the original telephone inquiry. All documentation shall reflect these efforts.

Return Correspondence: A correspondence requiring a written response shall have such response completed and transmitted within five (5) working days of receipt.

FISCAL HANDLING

Indemnity benefits on active cases shall be balanced with appropriate documentation on a semi-annual basis to verify that statutory benefits are paid appropriately.

Proof of file balancing or reconciliation will remain in the file and documented in computer notepad.

In cases of multiple losses involving the same person, payments shall be made on the appropriate claim file.

ATTACHMENT III
TPA PERFORMANCE EXPECTATIONS

THREE POINT CONTACT

The claims examiner shall complete "three-point contact" with the injured worker, City and treating physician within two business days of receipt of the notice of the claim.

The triage nurse may make the initial contact with the physician and the injured worker. In the event a party is non-responsive, there should be evidence of at least three documented attempts to reach the individual.

Each new claim will be set up within two business days of notice of the claim from any source.

COMPENSABILITY DETERMINATIONS

The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reason for such a determination shall be made and documented in the file within fourteen (14) calendar days of the filing of the claim with the employer.

For SEIU Local 1021 (aka 790) general class employees, the TPA shall be required to delay or deny a claim within 14 days from the date the employee returns the DWC-I claim form. The TPA must send BOTH a notice of delay of claim as well as a notice of delay of salary continuation payments. The TPA understands that if the notices are not timely sent to the employee, salary continuation payments must be paid so long as an employee is unable to work; up to 26 weeks regardless if the claim is later denied.

Delay of benefits letters shall be mailed in compliance with the Department of Industrial Relations' guidelines.

The final compensability determinations shall be evaluated by the claims examiner or supervisor with a recommendation to the City in advance of the 90 day determination date.

SETTING AND MAINTAINING CLAIM RESERVES

An initial reserve shall be established at the most probable case value.

Reserve projections will be in compliance with the California rules and regulations. Reserves shall be reviewed every 90 days. Such review will be documented in the computer notepad.

PAYMENTS AND PENALTIES

Indemnity and medical benefits will be provided in a timely manner.

Late payment of indemnity benefits must include a self-imposed penalty. Penalties shall be coded so as to be identified as a penalty payment.

ATTACHMENT III TPA PERFORMANCE EXPECTATIONS

In accordance with the section on compensability determination, if notices to SEIU Local 1021 general class employees are not sent within 14 days from the date the DWC-1 claim form is returned by the employee and the City must make salary continuation payments, and the delay is caused by the TPA, then the TPA will reimburse the City for the salary continuation payments incurred due to the late notices.

Penalties caused by the TPA will be reimbursed on a monthly basis.

Payments on undisputed Awards, Commutations, or Compromise and Releases shall be issued with ten (10) calendar days following receipt of the appropriate document.

Medical treatment billings shall be reviewed for correctness.

MEDICAL TREATMENT

The TPA shall maintain contact with the injured workers' treating physician. Such contact will be documented in the computer database.

The TPA shall arrange medical evaluations as needed.

A triage nurse will review all new claims. If the employee returns to full duty the nurse will not continue on the case. If the employee remains off work or is on modified duty the triage nurse will remain on the case until the employee returns to full duty or becomes permanent and stationary.

All utilization review requests are given to the triage nurse for authorization. If unable to authorize, the utilization review will be forwarded to the Medical Director.

All medical treatment bills are reviewed by the claims examiner for approval and then the bills are directed to bill review where the fee schedule is applied and the bill is paid.

In regard to the use of selected vendors for the Triage Nurse, Utilization Review, and Bill Fee Review, the City reserves the right to implement alternate providers for these services.

SETTLEMENT AUTHORITY

Settlement value shall be documented in the claim file utilizing all relevant information. No agreement shall be authorized without the advance consent of the City.

LITIGATED CASES

The TPA shall, in consultation with the City, assign defense counsel from a list approved by the City.

Settlement proposals directed to the City shall be in a clear and concise written form with a reasoned recommendation. Settlement proposals shall be presented to the City as to ensure receipt in sufficient time to process the proposal.

SUBROGATION

ATTACHMENT III
TPA PERFORMANCE EXPECTATIONS

In all cases where a third party is responsible for the injury to the employee, attempts to obtain information regarding the identity of the responsible party shall be made within ten (10) calendar days of recognition of subrogation potential.

Once identified, the third party shall be contacted within ten (10) calendar days with notification of the City's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board (or State Board of Control as to State entities) within six (6) months of the injury or notice of injury.

Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the City shall be entitled.

The file shall be monitored to determine the need to file a complaint in Civil Court in order to preserve the statute of limitations.

If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the City about the value of the subrogation claim and other considerations. Upon City authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.

Whenever practical, the TPA shall aggressively pursue recovery in any subrogation claim. The TPA should attempt to maximize the recovery for benefits paid and assert a credit against the injured workers' net recovery for future benefit payments.

EXCESS INSURANCE

Claims meeting the definition of potential excess workers' compensation claims shall be reported within 10 working days on which the excess criteria is met, and as required by the City's excess insurance carrier.