



# **State of New Hampshire**

## **REQUEST FOR PROPOSAL**

**Workers' Compensation Third Party Claims Administration  
and Related Services**

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**RFP# 2015-173**

**Response Due: April 13, 2015 at 11 AM E.D.T.**

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## **SECTION I: BID INSTRUCTIONS AND CONDITIONS**

### **A. INTRODUCTION**

This is a Request for Proposal (RFP) issued by The State of New Hampshire (State), Department of Administrative Services, acting through the Risk Management Unit (RMU) in accordance with Revised Statutes Annotated (RSA) 21-I:24 and 21-I:25-a, for Workers' Compensation Third Party Claims Administration and related claims management services. The State is interested in contracting with a qualified vendor that will offer a five-year contract commencing July 1, 2015 through June 30, 2020 and be committed to continuous improvement throughout the term of the contract.

### **B. BACKGROUND**

The State currently self-funds its workers' compensation claims which are managed by a Third Party Administrator (TPA). The TPA provides claims management, loss control, Medicare Secondary Payer mandatory reporting, managed care, risk management information services and other related services to the State. Wage replacement (indemnity), medical, legal, permanency ratings and other claim expenses are paid by the TPA and then reimbursed by the State on a monthly basis. The TPA invoices the State for its annual administrative fee on a quarterly basis. The administrative fee is a flat fee for claims management, loss control, managed care, legal defense, Medicare Secondary Payer mandatory reporting, information systems and other related services. The administrative fee is billed separately from claims costs.

The State of New Hampshire employs approximately 17,000 full time and part time employees, the majority of which are represented by a union, who are covered under workers' compensation per RSA 281-A. State employees hold a myriad of jobs with different levels of risk exposure.

Please refer to the State of New Hampshire website (<http://www.nh.gov>) for detailed information about State government. In addition, the State's transparency website contains several detailed financial reports. They can be found through the following link: <http://www.nh.gov/transparency/index.htm>

### **C. PROPOSAL CONDITIONS FOR THE STATE, DEPARTMENT OF ADMINISTRATIVE SERVICES, RISK MANAGEMENT UNIT**

#### **1. RFP SCOPE**

The Department of Administrative Services, Risk Management Unit (RMU), is soliciting bids for a Workers' Compensation Third Party Claims Administration (TPA) and related services. The successful vendor(s) shall provide the following services to the State: claims management, loss control, managed care, legal defense, risk management information services, Medicare Secondary Payer mandatory reporting, and other related workers' compensation services.

#### **2. MANDATORY INSTRUCTIONS FOR VENDORS**

Read the entire bid invitation prior to filling it out. Complete the pricing information in Section IV "Financial Section" and all other required information on your offer. Also complete the "Vendor Contact Information" Section. Finally, complete the company information on the "Bid Transmittal Letter" page of this bid invitation, then sign the bid in the space provided on that page.

All State of New Hampshire bid invitations and addenda to these bid invitations are advertised on our website at: <http://admin.state.nh.us/purchasing/index2.asp>

It is a prospective Vendor's responsibility to access our website to determine any bid invitation under which they wish to participate. It is also the Vendor(s)'s responsibility to access our website for any posted addenda prior to submitting a bid. The website is update several times per day; it

is the responsibility of the prospective Vendor(s) to access the website frequently to ensure no bidding opportunity or addenda are overlooked.

It is the prospective Vendor's responsibility to forward a signed copy (if the form has a signature block) of any addenda to the Bureau of Purchase and Property with the bid response.

It is required that bidders submit their Bid by the stated Bid Submission Deadline. **All companies, vendors, agents or underwriters submitting Bids are construed to have agreed to all conditions set forth in the RFP. This RFP may not be altered or modified by bidders or bidding entities.**

**Failure to follow these instructions is grounds for rejection of your response.**

### 3. PROPOSAL INQUIRIES:

All questions regarding this bid, including clarifications and proposed specification changes shall be submitted to Danielle Ruest, Purchasing Agent, Bureau of Purchase and Property, at Danielle.ruest@nh.gov., or Telephone number: 603-271-2201 x227. **All questions shall be submitted in writing via e-mail no later than March 30, 2015 at 4:00 P.M. E.S.T.** The vendor shall include complete contact information including the vendor's name, telephone number, fax number, and e-mail address. The State shall attempt to provide any assistance or additional information of a reasonable nature, which might be required by interested vendors. The questions and answers will be responded to through an addendum(s) which shall be posted on the State's website. RFP inquiries shall be submitted by an individual authorized to commit the organization to provide the services necessary to meet the requirements of this RFP.

### 4. ADDENDUM

In the event it becomes necessary to add to or revise any part of this RFP prior to the scheduled Bid Submission Deadline, the State shall post any Addenda on the State's Bureau of Purchase and Property web site. Before submitting your Bid, check the site for any addenda or other materials that may have been issued, that may pertain to this RFP. The web address is [www.admin.state.nh.us/purchasing](http://www.admin.state.nh.us/purchasing).

### 5. BID SUBMISSION DEADLINE

- a. All RFP submissions shall be received at the State's Bureau of Purchase and Property **no later than 11:00 AM E.S.T. on April 13, 2015.** Submissions received after the date and time specified will be marked as late and will not be eligible for consideration in the evaluation process.
- b. All offers shall remain valid for a period of 120 days from the Bid Submission Deadline of April 13, 2015. A vendor's disclosure or distribution of Bids other than to The Bureau of Purchase and Property to the attention of Rebecca White, Risk Manager, shall be grounds for disqualification.
- c. Bid prices must be in US dollars and must include delivery and all other costs required by this bid invitation. Special charges, surcharges, or fuel charges of any kind (by whatever name) may not be added on at any time. Any and all charges must be built into your bid price at the time of the bid.
- d. Vendors shall submit their Bid in its entirety to:

**State of New Hampshire, Bureau of Purchase and Property  
C/O Danielle Ruest  
25 Capitol Street, 1<sup>st</sup> Floor, Room 102  
Concord, NH 03301-6312**

Bid responses shall be marked as:

**State of New Hampshire RFP# 2015-173**

**Due Date: April 13, 2015 @ 11:00 AM E.S.T.**

**Workers' Compensation Third Party Claims Administration and Related Services**

e. Your RFP response shall conform to the following criteria in order to be considered for evaluation:

1. RFP responses shall be submitted in a sealed envelope or package.
2. Exterior of the RFP response envelope or package shall be permanently marked identifying the vendor's name and address, as well as the assigned RFP Number 2015-173.
3. RFB/RFP responses shall include:
  - One (1) original (clearly identified as such) copy of your RFP response, and 3 copies. The original RFP response shall include the Transmittal Letter, signed by a person authorized to bind the company to all commitments made in the RFP response.
  - One (1) electronic copy\* of your RFP response in CD Format.
  - RFP responses transmitted by facsimile or e-mail will not be accepted or reviewed.

\*In the event of a discrepancy between a Bid response in paper and electronic copy, the paper copy shall prevail.

#### **6. TERMS OF SUBMISSION:**

The Transmittal Letter (attached hereto as Appendix B) shall be signed and submitted with your RFP response. Failure to submit the Transmittal Letter with your response will result in rejection of your response.

The State assumes no responsibility for understandings or representations concerning conditions made by its officers or employees prior to and in the event of the execution of a contract, unless such understanding or representations are specifically incorporated into this RFP. Verbal discussions pertaining to modifications or clarifications of this RFP shall not be considered part of this RFP unless confirmed in writing. Any information provided by the vendor verbally shall not be considered part of that vendor's response.

All material received in response to this bid shall become the property of State and will not be returned to the Vendor. Regardless of the Vendor(s) selected, State reserves the right to use any information presented in a bid response. The content of each Vendor's bid shall become public information once a contract(s) has been awarded.

Complete bids shall be filled out on original bid format. All pricing shall be included in the Financial Section located in Section IV.

#### **7. LIABILITY:**

The State shall not be held liable for any costs incurred by the vendor in the preparation of their bid or for work performed prior to contract(s) issuance.

#### **8. VENDOR RESPONSIBILITY:**

The successful Vendor shall be solely responsible for meeting all terms and conditions specified in the proposal, and any resulting contract(s).

## 9. VENDOR CERTIFICATIONS

**ALL** Vendors **SHALL** be duly registered as a Vendor authorized to conduct business in the State of New Hampshire. Vendors shall comply with the certifications below at the time of submission and through the term of any contract which results from said proposal. Failure to comply shall be grounds for disqualification of proposal and/or the termination of any resultant contract:

- Per Admin Rules 602.01(ax), "vendor" is defined as person or association that provides commodities or services to the State of New Hampshire.

STATE OF NEW HAMPSHIRE VENDOR APPLICATION: Vendor **SHALL** have a completed Vendor Application and Alternate W-9 Form which **SHALL** be on file with the NH Bureau of Purchase and Property. See the following website for information on obtaining and filing the required forms (no fee): [https://das.nh.gov/purchasing/vendorregistration/\(S\(gfcdkzjebuy4qemi24rxan55\)\)/welcome.aspx](https://das.nh.gov/purchasing/vendorregistration/(S(gfcdkzjebuy4qemi24rxan55))/welcome.aspx)

NEW HAMPSHIRE SECRETARY OF STATE REGISTRATION: A bid award, in the form of a contract(s), will **ONLY** be awarded to a Vendor who is registered to do business **AND** in good standing with the State of New Hampshire. Please visit the following website to find out more about the requirements for registration with the NH Secretary of State: [http://sos.nh.gov/corp\\_div.aspx](http://sos.nh.gov/corp_div.aspx)

- CONFIDENTIALITY & CRIMINAL RECORD: If Applicable, by the using agency, the Vendor will have signed by each of employees or its approved sub-contractor(s), if any, working in the office or externally with the State of New Hampshire records a Confidentiality form and Criminal Record Authorization Form. These forms shall be returned to the individual using agency prior to the start of any work.

## 10. ADDITIONAL INFORMATION:

The State reserves the right to make a written request for additional information in writing to assist in understanding or clarifying a proposal response. The State reserves the right to reject any and all proposals, or any part thereof.

## 11. PUBLIC DISCLOSURE OF BID SUBMISSIONS:

Generally, all bids and proposals (including all materials submitted in connection with them, such as attachments, exhibits and addenda) become public information upon the effective date of a resulting contract or purchase order. However, to the extent consistent with applicable state and federal laws and regulations, as determined by the State, including, but not limited to, RSA Chapter 91-A (the "Right-to-Know" Law), the State will attempt to maintain the confidentiality of portions of a bid that are clearly and properly marked by a Vendor as confidential. Any and all information contained in or connected to a bid or proposal that a Vendor considers confidential must be clearly designated in a manner that draws attention to the designation. The State shall have no obligation to maintain the confidentiality of any portion of a bid, proposal or related material, which is not so marked. Marking an entire bid, proposal, attachment or sections thereof confidential without taking into consideration the public's right to know will neither be accepted nor honored by the State. Notwithstanding any provision of this RFP/RFB to the contrary, pricing will be subject to public disclosure upon the effective date of all resulting contracts or purchase orders, regardless of whether or not marked as confidential. If a bid or proposal results in a purchase order or contract, whether or not subject to approval by the Governor and Executive Council, all material contained in, made part of, or submitted with the contract or purchase order shall be subject to public disclosure.

If a request is made to the State by any person or entity to view or receive copies of any portion of a bid or proposal, and if disclosure is not prohibited under RSA 21-I: 13-a, Vendors acknowledge

and agree that the State may disclose any and all portions of the bid, proposal or related materials which is not marked as confidential. In the case of bids, proposals or related materials that contain portions marked confidential, the State will assess what information it believes is subject to release; notify the Vendor that the request has been made; indicate what, if any, portions of the bid, proposal or related material will not be released; and notify the Vendor of the date it plans to release the materials. The State is not obligated to comply with a Vendor's designation regarding confidentiality.

By submitting a bid or proposal, the Vendor agrees that unless it obtains and provides to the State, prior to the date specified in the notice described in the paragraph above, a court order valid and enforceable in the State of New Hampshire, at its sole expense, enjoining the release of the requested information, the State may release the information on the date specified in the notice without any liability to the Vendor.

**12. IF AWARDED A CONTRACT, THE VENDOR MUST COMPLETE THE FOLLOWING SECTIONS OF THE ATTACHED AGREEMENT STATE OF NEW HAMPSHIRE FORM #P-37;**

- Section 1.3 Contractor(s) Name
- Section 1.4 Contractor(s) Address
- Section 1.11 Contractor(s) Signature
- Section 1.12 Name & Title of Contractor(s) Signor
- Section 1.13 Acknowledgement
- Section 1.13.1 Signature of Notary Public or Justice of the Peace
- Section 1.13.2 Name & Title of Notary or Justice of the Peace

- Provide certificate of insurance with the minimum limits required as described above.
- Provide certificate of workers' compensation.
- Provide a Certificate of Good Standing from the NH Secretary of State or proof of your completion of and payment for the start of the registration process.

**13. REQUIRED CONTRACT TERMS AND CONDITIONS**

- The form contract P-37 (attached hereto as Appendix C) shall be considered part of this bid and the basis for any resulting contract. The successful vendor and the State, following notification of selection for award, shall promptly execute this form of contract, which is to be completed by incorporating the service requirements and price conditions established by the vendor's offer.
- In addition to the fully and properly executed P-37, the successful vendor shall promptly provide the required documentation needed for Governor and Council approval. Such documents shall include, but may not be limited to, a Certificate of Authority/Vote, an original Certificate of Good Standing, and a Certificate of Insurance.
- The Certificate of Good Standing shall be dated April 1 of the current year or later, and have a gold seal. The Certificate of Good Standing is available from the Secretary of State's Office by calling (603) 271-3244 or (603) 271-3246 or by visiting [www.sos.nh.gov/corporate/index.html](http://www.sos.nh.gov/corporate/index.html).
- The vendor's certificate of insurance shall contain coverage limits in accordance with sections 14 and 15 of Form P-37 and additionally limits for errors and omissions/professional liability coverage in the amount of \$5 (five) million per claim and \$10 (ten) million in the aggregate.
- Exceptions: Any exceptions to terms, conditions or other requirements in any part of these specifications must be clearly pointed out in the appropriate section of the proposal. Otherwise, it will be considered that all items offered are in strict compliance with the

specifications. Exceptions to terms and conditions of the RFP may result in disqualification of the proposal.

- Unless the successful vendor returns the above mentioned documents to the State within ten business days following notification of selection for award, the State reserves the right to award the contract to the next conforming bidder.

#### **14. BID RECEIPT AND OPENING**

To preserve the integrity of the bidding process, Bids will not be made public at the time of Bid opening. For vendors wishing to attend a Bid opening, only the names of the responders will be read.

#### **15. ADDITIONAL INFORMATION**

The State reserves the right to make a written request for additional information in writing from a vendor to assist in understanding or clarifying a Bid response. The State reserves the right to reject any and all Bids, or any part thereof.

#### **16. NOTIFICATION AND AWARD OF CONTRACT**

- a. The State shall provide notification via email and/or telephone to the selected vendor. Public announcements or news releases pertaining to any contract award shall not be made without the written permission of RMU.
- b. Bid results will not be given by telephone or e-mail. Bid results will be made public through the Governor & Executive Council process. Bid results may be viewed on our website at [http://das.nh.gov/purchasing/bids\\_posteddte.asp?sort=PostedDate\\_DESC](http://das.nh.gov/purchasing/bids_posteddte.asp?sort=PostedDate_DESC)

#### **17. WAIVER OF MINOR IRREGULARITIES**

The State reserves the right to waive minor irregularities in Bids. Such waiver shall in no way modify the RFP requirements or excuse a vendor from full compliance with RFP specifications and other requirements if the vendor's Bid is selected.

#### **18. COSTS FOR BID PREPARATION**

The State shall not be held liable for any costs incurred by the vendor in preparing or submitting a Bid.

#### **19. CHANGE OF OWNERSHIP**

In the event that the vendor should change ownership for any reason whatsoever, the State shall have the option of continuing under the contract with the vendor, its successors or assigns for the full remaining term of the contract, continuing under the contract with the vendor, its successors or assigns for such period of time as determined necessary by the State; or immediately terminating the contract without liability to the vendor, its successors or assigns.

#### **20. VENDOR'S RELATION TO THE STATE**

In the performance of the contract, the vendor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the vendor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

## 21. CANCELLATION

The State reserves the right to cancel all or any part of this RFP at any time. Cancellation of this RFP, in whole or in part, shall not bar the State from issuing an RFP for the same services or from purchasing the same services through other means.

## D. ESTIMATED TIMETABLE/SCHEDULE OF EVENTS

Action	Date
RFP Released	March 23, 2015
<b>Deadline for Inquiries, Questions and/or proposed specification changes (see p. 5)</b>	<b>March 30, 2015, 4:00 PM E.S.T.</b>
Response to Bidder Inquiries and/or Requests for Clarification and Bid Specification Changes	April 3, 2015
Bid Submission Deadline/Bid Opening	April 13, 2015, 11:00 AM E.S.T.
Contract Finalization	Not later than April 21, 2015
Contract Effective Date	Governor and Council meeting May 13, 2015
Anticipated Implementation	After Governor and Council meeting date and through July 1, 2015
Service Commencement Date	July 1, 2015

**Payment to the selected vendor shall not commence prior to July 1, 2015.**

\*This time table is estimated and dates may be changed at the sole discretion of the State.

## E. TERM OF CONTRACT

1. The anticipated contract will commence upon Governor and Council approval, or on July 1, 2015, and terminate on **June 30, 2020**. After the policy termination date of June 30, 2020, this agreement may be extended for additional periods under the same terms, conditions and pricing structure upon the mutual agreement between the Contractor and with the approval of the Governor and Council.
2. The State shall have the right to terminate the contract, if a contract is awarded, at any time by giving the vendor ninety (90) days advance written notice.

## F. ELIGIBILITY CRITERIA

All Proposals shall meet or exceed the eligibility criteria contained in this Section. Bids that are not in compliance with the eligibility criteria shall be deemed non-responsive.

1. At the time of Bid Submission, the vendor shall be a business entity in existence, registered to do business in the State of New Hampshire, in full compliance with the Secretary of State statutes (RSA Chapter 293-A) and in possession of all applicable approvals including a Certificate of Good Standing from the Secretary of State.
2. The bidding entity shall possess a third-party administrator's license (or a valid ruling establishing an exemption from licensing) issued by the Department of Labor under RSA 281-A.
3. The managed care services proposed in the bid proposal shall be statewide and approved by the Department of Labor under RSA 281-A:23-a at the of bid submission.

4. The bidding entity shall have a minimum of five years of experience in providing the services requested by this RFP.
5. Provide resume(s) or description of key staff and/or claims representatives who will be assigned to service the State's account including, but not limited to, education, experience, certifications/licenses, length of time employed by vendor. The Vendor may submit a staffing plan detailing positions that would be added to service the account.
6. The bidding entity shall demonstrate financial stability by submitting financial statements audited by independent Certified Public Accountants, the most recent independent auditor's report, and Service Organization Control 1 Report (SOC-1), or equivalent external audit of bidder's operations. Proof of financial stability must demonstrate the entity has sufficient cash and liquid assets to advance on behalf of the State all payments due by the State under RSA 281-A during a typical 30 day period, as well as the typical monthly expense of providing the proposed services.
7. Right to Audit: All bidders agree the State shall have the right to independent audits of claims payments and claims administration at no cost to the State.
8. Any sub-contractors to be used in performing the services proposed by the Vendor shall be fully disclosed and meet all applicable eligibility and regulatory requirements.

**G. CONTRACT AWARD**

1. Bidders are encouraged to review the historical data referred to in Appendix A. Submission of a bid shall be full acknowledgment that the vendor is familiar with the State's workers' compensation documents and requirements of these specifications.
2. The financial proposals will be scored based on the projected costs as determined by the State for the five-year period from July 1, 2015 to June 30, 2020 including stated third party claims administrative fees and other claims expenses fees or rates. The lowest cost proposal will receive 100% of the 50 points allocated for the Financial Section. All other financial proposals will be scored on a sliding scale, with proposals losing 2.0 points (of the 50 allocated) for every 1.0% more costly than the lowest cost proposal. Proposals that reflect a projected cost that is 25% more costly than the lowest cost proposal will receive 0 points for the Financial Section.
3. The State shall select the Vendor submitting the highest ranked proposal. Formal and final award of a contract however, is contingent upon the successful negotiation and the proper execution of all contract documents (acceptable to the State) and the approval of Governor and Executive Council. If the State is unable to reach agreement with the Vendor, the State may, at its sole discretion and at any time and without liability to the Vendor, immediately terminate such contract discussions with the Vendor and undertake discussion with the Vendor submitting the next highest ranked proposal, and so on.
4. Bidders will receive scores up to the maximum points allocated to each item outlined below:
  - ♦ Financial: 50 Points
  - ♦ Technical Questionnaire: 50 points

20 Points	Claims administration, Risk Management Information Systems, Account Management, Reports, Claims Payment Services, Invoicing
15 Points	Managed Care Services, Disability Management/Modified Duty, Litigation Management, Vocational Rehabilitation
5 Points	Implementation and Performance Guarantees
10 Points	Loss Control Services, Medicare Secondary Payer Reporting

- ♦ **TOTAL Up to 100 Points**

## H. REQUEST FOR REFERENCES

Provide the name, physical address, telephone number and/or email address, contact person of three (3) references your firm has served; preferably those in which the members of your proposed team provided the same or similar services.

- **Reference #1:**

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone #/email: \_\_\_\_\_

- **Reference #2:**

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone #/email: \_\_\_\_\_

- **Reference #3:**

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone #/email: \_\_\_\_\_

## I. BIDDER CONTACTS

1. Identify the individual(s) representing your company during the RFP process:

Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

2. Identify the individual(s) responsible for day-to-day service (if different):

Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

## SECTION II: SPECIFICATIONS FOR WORKERS' COMPENSATION THIRD PARTY CLAIMS ADMINISTRATION AND RELATED SERVICES

### SCOPE OF WORK

The State is seeking to contract with one vendor as its workers' compensation third party administrator (TPA) to provide the following services to the State: claims management, loss control, managed care, litigation management, risk management information services, Medicare Secondary Payer mandatory reporting, and other related workers' compensation services as described herein. Wage replacement (indemnity), medical, legal, permanency ratings and other specified claim expenses and/or fees including but not limited to surveillance, nurse case management, medical bill review, utilization review, or subrogation expenses shall be paid by the TPA and then reimbursed by the State on a monthly basis.

### A. CLAIMS ADMINISTRATION

Claims Administration includes but is not limited to: claims adjusting services including compensability investigation, reserving practices, claim reviews, medical care and cost control, disability management, litigation management and payment control.

#### 1. CLAIMS TO BE SERVICED

The vendor **shall** offer pricing with respect to administering all workers' compensation claim activity generated by State employees' beginning on July 1, 2015 for the proposed contract term and continuing thereafter until each claim is completely resolved (from "cradle to grave").

The State may elect to transfer responsibility for servicing these claims during or following the termination of the contract period. The vendor **shall** handle claims from "cradle to grave", but the State reserves the right to transfer responsibility for any or all of the claim files at the time the contract terminates, or any time thereafter, if such a transfer would be in the best interest of the State. In the event of such a transfer, the vendor shall pay to the State within thirty days of written demand, an amount equal to the then "market rate" for TPA claims runoff services, said market rate to be arrived at by good faith negotiations between the parties. Upon the election of the State to transfer responsibility, you agree to transfer all records to the state or the successor Third Party Administrator in a manner agreed to by the parties or in no more than 90 days of contract termination.

#### 2. IMPLEMENTATION

- a. Implementation **shall** begin upon approval of the contract by Governor and Council (G&C meeting date to be determined) for an effective date of coverage on July 1, 2015.
- b. The vendor's implementation plan **shall** include the following:
  1. Implementation meeting(s) open to all State agency risk management coordinators and agency personnel responsible for managing workers' compensation claims for the State's 61 agencies and boards which include approximately 1,635 sub-locations. The meeting(s) shall be held at one or two central locations in State buildings within thirty days of contract commencement. The meeting(s) will address the following topics and include the stated materials: Prepare and distribute workers' compensation brochures, applicable forms and communication materials to State employees detailing workers' compensation claim filings and procedures, the managed care network, loss prevention services and risk management information systems.
  2. Provide each agency with workers' compensation Notice of Compliance posters.

3. Ensure that the vendor's computerized risk management information system available to the State users upon the effective date of the contract. During the course of the contract term and upon request of the State, vendor will hold orientation meetings to train risk management coordinators whenever a new version of the vendor's IT claim reporting computer system is rolled out.
4. Ensure that the vendor's managed care network is available to injured employees.
5. Train Vendor staff on the State account and, upon request, attend meetings or tours of State worksites to become familiar with State operations, personnel and workplace exposures.

### **3. CLAIM REPORTING AND ASSIGNMENT**

- a. The State shall be able to report a claim to the vendor via internet, telephone and/or fax twenty-four (24) hours a day seven (7) days a week. The vendor shall provide a toll free number for claim reporting. Claim location, cause and injury coding, shall be in a format dictated by the State.
- b. The vendor shall be responsible for reporting claims to the NH Department of Labor and shall participate in the Central Index Bureau.
- c. All Workers' Compensation claims reported from 7/1/2015 to 6/30/2020 will be entered into vendor's claim reporting system and assigned to an adjuster within one business day of report from The State. Note that the day following the date of receipt, issuance, or other required action is counted as the first day. All file activity shall be fully documented either by paper or electronically, and shall include the source of information and dates of activity.

### **4. INVESTIGATION**

All claims, including medical only and lost time claims, shall be investigated to determine compensability and include contact with the applicable agency personnel to verify accident details and resolve compensability issues.

Lost time claims will require additional contact requirements as detailed here:

- a. For all "appropriate" continuous lost time workers' compensation claims, the Vendor will contact or make "reasonable attempts" to "contact" the following individuals within the following parameters:
  - Unless represented by an attorney, contact with the injured worker within 1 business day of report of the claim by the State and request a recorded statement.
  - Contact with the appropriate personnel at the applicable State agency within 1 business day of report of the claim by the State.
  - Contact with the injured worker's treating physician within 2 business days of the report of the claim by the State.
  - Contact with relevant witnesses to verify accident details within 2 business days of notice of existence and request a recorded statement.
- b. All actual and attempted contacts will be documented by the Vendor.
- c. "Reasonable attempts" are defined as written documentation, posted in the electronic file of Vendor's attempts to contact the injured worker, employer, treating physician, and witnesses.
- d. "Appropriate" is defined as cases with continuous lost time at the time of report that exceed the New Hampshire statutory waiting period of three (3) days, per RSA 281-A:22.

- e. Verification of an employee's average wage consistent with jurisdictional requirements shall be obtained from the employer within ten (10) working days.
- f. The vendor is responsible for identification and all aspects of filing claims with the NH Second Injury Fund, per RSA 281-A:55; Combined Earnings per RSA 281-A: 30, RSA 281-A: 15 and RSA 281-A:55, and Job Modification Reimbursement per RSA 281-A:54.

5. **LIEN WAIVER REQUESTS.**

In collaboration with RMU, the Vendor shall prepare all documents required for Governor and Council (G&C) meetings in accordance with employees' petition for workers' compensation lien waiver, in full or part, connected to a third party recovery. The Vendor shall not tentatively agree to settlement amounts without written approval from RMU and shall make parties to any tentative agreement aware lien waivers are subject to G&C approval.

6. **FRAUD PREVENTION.**

When appropriate, activity checks and/or surveillance shall be conducted by vendor or vendor's designee.

7. **CLAIM ACCEPTANCE OR DENIAL**

- a. The vendor shall manage receipt of the following workers' compensation forms from the State and work with agency personnel to obtain any information necessary to complete the forms. The vendor shall be responsible for filing claims with the NH Department of Labor (DOL).
  - **Notice of Accidental Injury or Occupational Disease (Form No. 8aWCA).** This form is used by an employee to provide the employer with written notice that she or he has sustained an on the job injury or believes that she or he has developed an occupational illness.
  - **Employer's First Report of Injury or Occupational Disease (Form No. 8-WC).** This form is to be completed by the employer within five calendar days of learning of an employee's work-related injury or illness.
  - **Employer's Supplemental Report of Injury (Form No. 13 WCA).** The employer uses this form when an employee's occupational illness or injury has resulted in lost time from work (disability) of four or more days. It is also used when an employee who was disabled by a work-related injury or illness returns to work. It should be used to clarify lost time if the First Report of Injury is not clear.
  - **Wage Schedule (Form No. 76 WCA).** In the event that an employee becomes disabled from a work-related injury or illness and loses time from work. This form will need to be completed and mailed to the vendor so that the injured employee's workers' compensation rate can be calculated.
  - **Supplemental Wage Schedule (Form No. 76 WCA 1).** If requested, this form should be completed by the employer and signed by the employee. This form is used to calculate after tax earnings.
- b. Vendor will accept or deny a claim that exceeds the New Hampshire three (3) calendar day waiting period within 14 calendar days from the first day of disability whichever is sooner. This standard is held in abeyance if the claim is reported less than 5 business days prior to the compensability due date. Vendor will mail a letter of denial within twenty-one (21) calendar days of receipt of claim to all appropriate parties: injured worker, attorney if injured worker is represented, employer and treating physician.
- c. If a claim is determined to be compensable, a first payment shall be issued on or before the 14<sup>th</sup> business day of disability or earlier, if statute so provides, if special circumstances warrant

delivery prior to the 14<sup>th</sup> business day. Vendor shall send a 9WCA (memo of payment form) to the State agency.

- d. If a denial of compensability is in order, prompt and legally sufficient details of such denial shall be made to all the appropriate parties within 21 calendar days from receipt of claim on form 9WCA-1 (Memo of Denial form). Vendor shall contact the agency employer representative advising of the vendor's intention to deny prior to issuing written notice to the employee. All denials shall be followed by timely administrative filings and a vigorous defense of non-meritorious claims.

## 8. RESERVING

Vendor shall establish initial reserves for Workers' Compensation indemnity claims within 14 business days of disability. Reserve estimates shall be revised whenever developments occur which change the ultimate loss exposure. Documentation shall exist, with reserve worksheets or other appropriate means to support the basis for reserve changes.

## B. MANAGED CARE SERVICES

1. The vendor shall make available to the State a network of medical care providers and medical centers contracted by a managed care program to render services to employees on workers' compensation. The network shall be approved by the Commissioner of Labor as provided in RSA 281-A:23-a and comply with Lab 700. The network shall ensure that injured employees have access to prompt, efficient and quality medical care providers and specialists. The medical providers and centers shall be currently licensed and credentialed in the State of NH. The network should provide coverage throughout the State of NH and the vendor shall administer and enforce participation in accordance with RSA 281-A:23-a.
2. The managed care services shall include:
  - a. Qualified injury management facilitators, case managers and rehabilitation managers either employed or contracted by the vendor or managed care program. Including medical and disability case management with registered nurses case managers and/or other medical personnel with experience in occupational medicine. Nurse case managers assess injury severity, medical treatment plans, functional abilities and physical job requirements, establishing case-specific return to work plans. Nurse case managers may accompany injured employees to doctor's visits and may contact injured employees to discuss treatment plans and return to work plans.
  - b. Referral to appropriate medical providers within network in accordance with RSA 281-A:23-a and Lab 700 *Managed Care Programs in Workers' Compensation*.
  - c. Medical bill review – Review and adjustment of medical bills for compliance with fee schedules, usual and customary limitations, treatment plans and clinical logic, as well as jurisdictional rules and requirements regarding medical necessity, casualty, and precertification; includes adjustments negotiated with providers regarding particular charges and elimination of duplicate bills, bills for non-covered services and bills disallowed through peer review.
  - d. Utilization Management pre-certification review – initial request for medical services to determine medical necessity and appropriateness; Utilization Management Extension review – subsequent review for further certification of treatment or service beyond that which has already been certified. Review for necessity of extended service during hospitalization or the extended necessity of outpatient treatment; Utilization Management non-clinical review – Data collection and processing of certain medical services to identify treatment exceeding standards of practice; Utilization Management retrospective review;

and Utilization Management consultation – proving recommendations regarding the medical appropriateness of treatment request.

- e. Case management of employee in-patient or outpatient medical care on all lost time cases, and medical only cases if treatment extends more than ninety (90) days after injury and/or employee is working with physician imposed restrictions.
- f. Pharmaceutical cost management measures.
- g. Written medical reports shall be aggressively pursued and obtained from the treating physician and/or other medical practitioners for the status of the worker's injury and for use in conjunction with medical bills screening, and file preparation pending hearings and/or appeal.

### **C. DISABILITY MANAGEMENT/MODIFIED DUTY AND ALTERNATIVE WORK**

Modified duty and/or Temporary Alternative Work shall be evaluated and discussed with the employer by the vendor. All opportunities shall be confirmed and detailed in written correspondence by the vendor, supplied to the physician, and copied to the employer contact. If available, Vendor shall inform the provider of modified duty opportunities prior to the employee's medical appointment where disability status will be assessed. Vendor shall follow the provisions of RSA 281-A:23-b for temporary alternative work opportunities for State employees.

- 1. The Vendor shall arrange for the best medical care necessary to treat and cure injury or illness to State employees claiming workers' compensation benefits. The Vendor shall provide the employer with a list of physicians/medical providers' utilized and possessing experience in industrial medicine and managed care concepts within thirty (30) days of contract inception and annually thereafter. Vendor shall manage physicians/medical providers in the network on an ongoing basis to ensure standards are met.
- 2. The service team must promote a team approach to mitigate disability through use of continual follow-up contact with the injured worker, employer and physician at intervals consistent with the injury and estimated length of disability to establish a return-to-work target date. Personnel utilized must possess expertise and licensing necessary to effectively discuss diagnosis, prognosis and extent of disability with treating physicians. Board Certified physicians are preferred.
- 3. The treating physician must be provided with a complete job description detailing essential tasks and responsibilities required. If none are available from the State department, or in a form insufficient for medical comment on disability and return to work, the Vendor will take whatever measures are necessary to detail essential tasks and job requirements. The physician shall be requested to facilitate an objective evaluation of the injured worker's ability to return to work. When necessary, the Vendor will videotape the job and provide it to the physician.
- 4. The Vendor must provide **technical assistance** to the employer in the development of task analysis for transitional and/or modified jobs when requested by the agency employer and approved by the Risk Management Unit. If an offer of physician approved Temporary Alternative Work is refused by an injured employee, the Vendor must confer with the employer and/or RMU prior to requesting termination or reduction of benefits.
- 5. Independent medical examinations shall be conducted consistent with RSA 281-A: 38, RSA 281-A:38-a, and Lab 700 where questions of disability, causal relationship, need for surgery and/or existing treatment or where reports of treating physician are not forthcoming. Vendor must be willing to enforce RSA 281-A:39 if State employees on Workers' Compensation refuse to submit to an examination.
- 6. When appropriate, activity checks and/or surveillance shall be conducted consistent with length of disability and/or when the injured worker is suspected of exaggerating or prolonging

disability. Persons or companies conducting activity checks and/or surveillance must be licensed and bonded.

7. If an offer of physician approved Temporary Alternative Work is refused by an injured employee, the vendor shall notify the State Risk Manager prior to requesting termination or reduction of benefits per RSA 281-A:48.

#### **D. VOCATIONAL REHABILITATION**

Shall be provided per the provisions of RSA 281-A: 25, RSA 281-A:68, and Lab 500. Vocational rehabilitation involves job placement, job analysis, aptitude testing and vocational counseling services.

#### **E. LITIGATION MANAGEMENT**

The vendor may utilize in-house or outside counsel that meets the vendor's quality control standards and agrees to accept the vendor's litigation management plan and billing rates or fee schedule. The Risk Manager or designee reserves the right to approve the Vendor's choice of legal counsel for representation in hearings or appeals.

The vendor shall ensure that all cases are properly prepared prior to conference, hearing or trial, including but not limited to the following:

1. Notify the State Risk Manager and agency contact of the scheduled hearing/appeal date and discuss whether employer representation is necessary. Agency employer and/or a member of the RMU may attend hearings, conferences, appeals or trials concerning a State employee unless there are bona fide privacy concerns. Upon request of RMU or legal counsel the vendor's claims representatives shall attend hearings.
2. Have available all necessary lay and professional witnesses or their depositions prior to formal hearing or trial.
3. If contested issues involve extent of disability and/or permanency, have medical reports and opinions and witnesses available and ready for testimony or deposition, depending on the statute requirements.
4. The vendor shall notify the State in writing of hearing and appeal outcomes, preferably with a report from assigned counsel, and make recommendations regarding the merits of appealing outcomes.

#### **F. LOSS CONTROL SERVICES**

The vendor's designated Loss Control Services personnel shall work closely with the RMU to tailor an effective loss control program. The vendor shall focus on reducing loss frequency, severity and related costs while complying with the provisions of RSA 281-A: 64. The vendor shall work with the State to identify actual and potential sources of loss and offer recommendations, information and training to assist the State in reducing its loss frequency, severity and related costs.

##### **1. NOTIFICATION STANDARDS**

When the RMU requests loss control assistance, the vendor shall make contact with the employer agency within ten (10) business days. After the service visit has been completed, the vendor shall follow up with a written report to the agency and RMU within fifteen (15) business days.

**2. CONSULTATION STANDARDS. THE VENDOR OR ITS DESIGNATED VENDOR SHALL PROVIDE THE FOLLOWING SERVICES, AS NEEDED:**

- Assist agencies with creation of loss control programs for State agencies following the provisions of RSA 281-A: 64, RSA 277, RSA 277-A and LAB 1400 rules.
- Assist agencies with development of temporary alternative work.
- Assist agencies with joint loss management committees by making loss control staff available to occasionally attend.
- Review of actual and potential exposures, hazard analysis, and fact-finding, broken down by employer agencies.
- Comparison to appropriate industry benchmarks.
- Basic engineering guidelines for the design of physical safety controls
- Loss control surveys which reveal an immediate danger to employees shall be reported within twenty four (24) hours to the RMU. The vendor will work with the State to prioritize and target higher risk loss exposures and then develop targeted loss control programs.
- Standard industrial hygiene services as follows: The State shall report claims or potential claims that are directly related to an occupational illness exposure or uncontrolled exposure that needs testing, such as indoor air quality, solvents and dust, noise and vibrations, water incursion into buildings and radiation. The hygienist shall go on site to collect and analyze samples and then issues a written analysis and recommendation.
- Workstation assessments by a consultant trained in ergonomics and submission of recommendations to reduce exposure to cumulative trauma disorders with existing or potential workers' compensation claims.
- Safety and loss control training materials, safety literature and posters.
- Access to webinar trainings.
- Four health and safety in person classroom based seminars shall be conducted annually by vendor for State agencies on pertinent loss control topics agreed upon by vendor and the State. In the past, topics were blood borne pathogens, accident investigation, ergonomics, indoor air quality; setting up a Joint Loss Management Committee and agency safety programs and lock out/tag out.
- The vendor shall provide a combination of on-site, telephonic and web-based safety consulting.

**G. REPORTS**

In accordance with cradle to grave claims handling, the vendor shall continue to provide all required reports until claims are fully resolved. All reports, including ad-hoc reports shall be provided to the State within 5 business days of request.

**1. QUARTERLY REPORTS**

The vendor shall send quarterly reports to State agencies on the 10<sup>th</sup> of the month at the end of each quarter, for each year of the contract, on the following dates:

- October 10 for the first quarter from July to September
- January 10 for the second quarter from October to December
- April 10 for the third quarter from January to March
- July 10 for the fourth quarter from April to June

- If requested on an as needed basis by The State, the reports shall be provided within 30 days.

## 2. THE REPORTS ARE AS FOLLOWS:

a. **Quarterly Claim Summary Reports.** Separately for each agency and one total summary report for the State. The reports shall include the following:

1. Total claim count and cost; number of open and closed claims.
2. Distribution of claims total paid and reserve sorted by amounts: all claims with value of up to \$1,500, claims from \$1,500 to \$10,000, claims from \$10,001 to \$25,000 and claims over \$25,000.
3. List of top 10 claims indicating claim number, name, injury date, open or closed status, total incurred, paid and on reserve.
4. Medical savings indicating medical bills received, PPO penetration, total charged, duplicates eliminated, net charged, medical dollars saved, percentage saved and net medical paid.
5. First report of injury with number reported within three days of injury, between four to ten days and over eleven days.
6. Lost time cases: total count and incurred and litigated cases, indicating count and incurred.
7. Lost time cases by employee tenure: number of cases and total incurred sorted by employees who have worked for the State less than one year, more than one year, between two to four years, between five to nine years and over ten years.
8. Disability days indicated temporary total and temporary partial.
9. Top five causes of loss: indicating number of claims; percentage of total; total incurred
10. Top three medical providers with total paid, number of claims and percentage of savings, and PPO inclusion

b. **Quarterly Incident Rate Reports** shall be sent to the agencies separately and one summary shall be sent to RMU for the State overall. Indicating the number of injuries per 100 employees which is calculated as a number of claims times 200,000 work hours divided by actual work hours. The report will indicate a number for total claims and a number for lost time claims only.

## 3. ANNUAL REPORTS

- **Detailed Statistical plan reports** including recommendations on corrective action to be taken by the State in order to realize a reduction of claim frequency, severity and costs. Recommendations shall identify the State agency involved and establish the cost to implement as well as dollars projected to be saved resulting from planned action.
- **Actuarial analysis of outstanding liabilities** for the State's workers' compensation program shall be provided to the State no later than September 1 of each contract year. The report analyzes the State's workers' compensation claim experience in order to develop estimates of unpaid loss and Allocated Loss Adjustment Expense (ALAE). The analysis shall also include an allocation of the Incurred But Not Reported (IBNR) losses and ALAE to the State's four operating divisions. This report will assist the State in meeting any governmental requirements in settling of actuarially sound reserves for workers' compensation liabilities. Vendor may have the report prepared by an outside party, such as an actuarial or accounting firm.
- **Service Organization Control 1 (SOC 1) Report with Independent AICPA Service Auditor's Report including Tests Performed and Results Thereof** (formerly Statement on Auditing

Standards (SAS) No. 70 Reports). The Report shall be provided to the State no later than September 1 of each policy year. Vendor may have the report prepared by an outside party, such as an actuarial or accounting firm.

- **Department of Labor Reporting:** Vendor shall provide data and forms necessary for the completion of the requisite regulatory filings including self-insurance renewal Questionnaire.

#### **H. MEDICARE SECONDARY PAYER**

With regard to claims serviced by the vendor, identify those individuals who are eligible to receive Medicare benefits and/or whom Medicare Secondary Payer (MSP) requirements apply, the Vendor will be designated the State's agent for the purpose of mandatory reporting under the Medicare and Medicaid Extension act of 2007 (MMSEA) and related regulations. The vendor shall be responsible for the following:

Accurately and timely submitting required reports including without limitation reports under the (MMSEA), specifically Section 111, and any regulations that the federal government may issue pertaining to the MMSEA, using the appropriate Responsible Reporting Entity (RRE) identification number.

Promptly provide missing data and/or corrections to the US Department of Health and Human Services for Medicare and Medicaid Services (CMS) if inaccurate or incomplete data is submitted and make responsible staff available to CMS for inquiries.

Vendor will bear financial responsibility for any fines levied by CMS on the State or the Vendor for failure to follow the requirements.

#### **I. RISK MANAGEMENT INFORMATION SERVICES**

1. The vendor shall provide Risk Management Information Systems comprised of user-friendly web-based technology available to representatives in the State's 61 agencies and boards with the ability to make online claim status inquiries, real time claim file notes, customized and standard reporting with a high level of data integrity and security. In accordance with cradle to grave claims handling the vendor shall continue to provide access until claims are fully resolved.
2. The State requires the following types of workers' compensation claim reports, at a minimum:
  - Itemized statement of loss
  - Customized claim detail
  - Customized payment detail
  - Loss comparison by cause, location, date
3. The State requires the above mentioned reports via on-line access to a computerized claim system. Internet accessibility shall follow State standards for web interface, including web browsing standards approved by the State. State users shall be able to access the reports electronically, sort them via tailored queries and print them.
4. The State shall have a minimum of eight users of the IT system with the ability to create and write reports. The users will be in the RMU and the State larger agencies. The RMU will determine which agency personnel will be granted user status.
5. All agencies shall have the ability to logon to the vendor's computer portal system to report claims and run more basic, agency specific standard claim reports.
6. The vendor shall supply a one-time training session to the RMU and agency users. The training shall take place in a State building in Concord, N.H. The vendor shall supply on-going support for training and new product releases or upgrades via the telephone and/or internet. Support

personnel shall be fully trained and have the required expertise to respond to technical questions and perform troubleshooting and problem solving.

7. The flat administrative fee shall include all of the above mentioned risk management information services including any software releases during the contract term.
8. For every claim and/or incident of injury reported to the vendor, data collection shall include:
  - Employee name
  - Employer [State Department] name
  - Division, Bureau, District, or other unique identifier for respective locations as determined necessary by the Department involved
  - Date of accident/injury
  - Short summary description of how the accident/injury occurred
  - Claim category identification to include the following descriptions: Incident Only, Medical Only, Permanent Total, Temporary Total, Temporary Partial, Permanent Partial, Diminished Earning Capacity, Temporary Alternative Work
  - Incurred loss amounts, Paid loss amounts and Reserve loss amounts
  - Number of lost time days
  - Code/name for cause of accident
  - Code/name for body part injured
  - Code/name for type of injury
  - Claim status identified as open or closed, and date of action

## **J. ACCOUNT MANAGEMENT**

The vendor shall assign experienced personnel to the State account that have adequate caseloads, resources and time to service the account. Vendor will be available to attend meetings as requested by the State. Vendor will provide a staffing plan detailing how account will be serviced.

1. The vendor shall, at its own expense, provide all personnel, materials and resources necessary to perform the services under the contract. The vendor shall warrant that all personnel engaged in the contract services are qualified to perform the services and are properly licensed and otherwise authorized to perform services under all applicable laws.
2. Vendor's personnel shall have a strong dedication to customer service in all aspects of its dealings with the State. Vendor's personnel shall return telephone calls promptly, be professional and maintain confidentiality when communicating with State employees.
3. The bidding entity's personnel shall be available to State personnel five days a week during normal business hours (Monday through Friday from 8am to 4:30 pm E.S.T.)
4. The State reserves the right to require the vendor to remove and/or reassign any employee, including the lead staff member, from the State account due to unacceptable job performance. The State retains the right to approve any replacement employee(s).
5. The vendor shall coordinate with RMU in a timely manner on topics such as, but not limited to, RSA 91-A *Right-to-Know* law requests, requests for information from State leadership and/or elected officials, job modification, termination and other issues, if they relate to workers' compensation matters. The vendor shall be willing to accommodate individual State agency personnel policies and rules, within reason, while maintaining compliance with RSA 281-A.

6. The Vendor shall follow the State's Customized claims special service instructions.

The special service instructions shall be distributed to the vendor's claims personnel. The instructions shall be reviewed and updated annually and/or as necessary. The special service instructions are as follows:

- a. Litigation Management: Discuss with The State prior to actual referral of claim to panel attorney/law firm. The State approves referral of claim to outside counsel. Discuss if there are any additional fees and provide detail.
- b. Settlement Consultation with the State's Risk Manager or designee to obtain settlement approval for all claim settlements over twenty thousand dollars (\$20,000) and all settlements involving any other mental disability including stress and indoor air quality issues.
- c. Claim and Reserve Communication: The vendor shall notify the State's Risk Manager on the following claims: reserve increase of one hundred thousand dollars (\$100,000) or more, fatality, catastrophic injury, unusual or emerging risk, complex coverage and return to work is no longer an option.
- d. Action Plan Communication/Update:  
Vendor shall email a sixty (60) day action plan updates to the Risk Manager. Communication for the initial investigation and return to work coordination is between the State agency representative and the vendor, the Risk Manager is involved on overall case management.
- e. Compensability Decisions: After investigating a workers' compensation with efforts from the local agency, contact the Risk Manager if the claim is denied.

## **K. CLAIMS PAYMENTS SERVICES**

1. The State requires the following claims payment process:

- Specific Claims to be serviced: The vendor shall offer pricing with respect to administering all workers' compensation claim activity generated by State employees' beginning on July 1, 2015 for the proposed contract term through June 30, 2020 and continuing thereafter until each claim is fully resolved (from "cradle to grave").
- Medical and indemnity payments shall be made according to the timetable set forth in RSA 281-A or based on vendor's internal guidelines, if sooner.
- Attorney bills shall be reviewed by vendor to ensure that they reflect billing practices and expense controls that are consistent with the vendor's fee schedule and billing agreements on vendor's approved Law Firms. Non-panel attorney bills should be reviewed to ensure that billing practices and expense controls are consistent with cost containment measures. All claims payments shall be made by vendor in accordance with statutory provisions and regulations.
- Upon request by the State, vendor shall make available within ten (10) business days all source documents related to any payment in question.
- The State is directly responsible for actual paid Loss and Allocated Loss Adjustment Expense (ALAE) and shall reimburse vendor for all payments advanced as provided herein. Loss and allocated loss adjustment expenses advanced by vendor shall be charged directly to the claim file and billed monthly to The State one month in arrears.
- All bidders agree to extend to the State the right to an independent audit at the Vendor's own cost.

## L. INVOICING

1. **Claim Invoicing** The vendor shall be responsible for submitting claim invoices to the State on a monthly basis on the last day of each month in which the services have been charged to the vendor. Invoices shall include the date, the services provided, the charge, and any additional detail in which the State may require for processing. Claim payment detail shall support invoices submitted by the vendor when requesting reimbursement for workers' compensation benefits paid out on behalf of the State in the previous month. At minimum, reports shall include employee name, date of injury, payee, amount paid, and type of payment made [Indemnity, Medical, Expense]. Wage replacement (indemnity), medical, legal, permanency ratings and other claim expenses are paid by the TPA and then reimbursed by the State on a monthly basis.
2. **Quarterly TPA Administrative Fee Invoicing** The vendor shall be responsible for submitting TPA administrative fee invoices on a quarterly basis. The administrative fee is a flat fee for claims management, loss control, managed care, legal defense, information systems, Medicare Secondary Payer reporting and other related services. The administrative fee is billed separately from claims costs.
3. Invoices shall be submitted to:
  - The State of New Hampshire
  - Department of Administrative Services
  - Risk Management Unit
  - 25 Capitol Street, Rm 412
  - Concord, NH 03301
  - Or via email to: [jason.dexter@nh.gov](mailto:jason.dexter@nh.gov)
4. The State shall not make payments to the vendor prior to July 1, 2015.
5. The vendor shall be reimbursed within thirty (30) business days after receipt of invoices and acceptance of the work to the State's satisfaction. Said payments shall be made electronically, through an automatic deposit or ACH credit.

## M. PERFORMANCE GUARANTEES

Performance Guarantees are criteria used by the State to measure the Vendor's adherence to the performance standards as well as the Vendor's success or failure to meet the standards. Vendor shall agree to performance standards for the service categories in this RFP (*Claims administration and subcategories 2 thru 7, Managed Care Services, Disability Management, Litigation Management, Loss Control Services, Reports, Medicare Secondary Payer, Risk Management Information Systems, Account Management, Claims Payment Services, and Invoicing*), and detail the performance guarantees they would be willing to include in the contract. The financial penalty (maximum dollar amount or percentage of administrative fees) you will agree to pay if the standard is not met, the method of measuring the performance, and calculating the penalty. Bidders are encouraged to place a material amount at risk per contract year; however the State requires a minimum of \$20,000 per contract year. A bidder's willingness to offer meaningful guarantees (greater than the minimum) will be reflected in their score.

Vendor's commitment to Performance Guarantees is worth 5% in the weighted criteria used to evaluate vendors as indicated in Section I, G. Contract Award.

The Performance Guarantee criteria and penalties shall be finalized during contract negotiations.

Performance guarantee metrics may be self-reported, but are subject to independent audit by the State. All guarantees shall be set and measured annually.

The following performance guarantees will be required:

1. Implementation: Successful implementation per the terms of this RFP. Penalty for non-conformance is 1% of the applicable administrative fee for the first quarter of the contract.
2. Risk Management Information Systems available 98% of the time measured annually. Penalty for non-conformance is 1% of the applicable administrative fee in the quarter measured.
3. Standard reports and Ad-hoc reports delivered timely: Standard reports shall be delivered per the terms of this RFP and ad-hoc reports within 5 business days of request. Penalty for non-conformance is \$1000 for each report not delivered timely.
4. Claims administration: adherence to investigation standards per the terms of the RFP will be measured annually. Penalty for non-conformance is 1% of the applicable administrative fee for the policy year measured.

## SECTION III: QUESTIONNAIRE

### WORKERS' COMPENSATION THIRD PARTY CLAIM ADMINISTRATION AND RELATED SERVICES

Each proposal shall be evaluated to determine compliance with the minimum qualifications and criteria detailed in this RFP. Any proposal that meets all of the minimum qualifications shall be further evaluated in accordance with the State's selection criteria and other relevant factors. Generally, to receive consideration, a proposal must unconditionally check "YES" for each minimum qualification stated below.

#### MINIMUM QUALIFICATIONS

1. Bidder is able and willing to demonstrate its financial stability.

YES  NO

Submission Requirements: a) Bidder's most recent financial report; b) Most recent independent auditor's report; and c) Statement on Standards for Attestation (SSAE) No. 16, Service Organization Control 1 Report (SOC-1), or equivalent external audit of bidder's operations. Attach to proposal.

2. Bidder possesses a third-party administrator license issued by the NH Department of Labor (or a valid ruling establishing an exemption from licensing).

YES  NO

Submission Requirements: Provide a valid copy of license or proof of exemption.

3. Bidder is able and willing to demonstrate they can provide access to a Managed Care Program approved by RSA 281-A:23-a.

YES  NO

Submission Requirements: Provide name of Managed Care Program and proof of DOL approval.

4. Bidder has at least five (5) years of experience providing the same services requested in this RFP.

YES  NO

Submission Requirements: List of clients including name and location of client (public or private sector), number of covered workers and period of service.

5. Bidder agrees to extend to the State the right to an independent audit as stated in this RFP.

YES  NO

6. Bidder is able to provide the workers' compensation third party administrator services and related claims management services to the full level intended by the State and as set forth in the RFP.

YES  NO

Submission Requirement(s): Full and complete compliant responses to the information requests made in this RFP, with any deviations clearly stated. Any deviation may disqualify the proposal.

7. Bidder provided, as part of its proposal, all information requested in this RFP including all information requested in Sections I and II.

YES  NO

Submission Requirements: Full and complete compliant responses to all of the information requests made in this RFP.

8. The bidder has, or agrees to have in place upon the effective date of this contract, an account services team specifically trained on the State's account, a website, a toll-free number, and the ability to administer workers' compensation third party administrator services and related claims management services program for the State.

YES  NO

Submission Requirements: Include an implementation plan that addresses State staff training, vendor staffing plan, vendor staff training and any and all other details about how bidder intends to service the State's account.

9. Bidder provided, as part of its proposal, the fee and rate information requested in this RFP including the information requested in the "Financial" Section IV.

Submission Requirements: Full and complete responses to all of the information requested in the "Financial" Section of this RFP.

### **SCOPE OF SERVICES (II)**

10. Confirm that you are able and willing to perform the specified duties as listed in Section II SCOPE OF SERVICES.

Briefly describe your commitment to administering the Scope of Work as described.

### **CLAIMS ADMINISTRATION**

11. Confirm that you are able and willing to perform the specified duties as listed in Section II.A.

Briefly describe your claims administration processes, including but not limited to:

Implementation plans, claim reporting and assignment, claims investigation, lien waivers, fraud prevention, claims acceptance/denial and reserves.

### **MANAGED CARE SERVICES**

12. Confirm that you are able and willing to perform the specified duties as listed in Section II.B.

Describe your network of medical care providers and medical centers. Include information that allows the State to estimate how soon after a claim is reported an employee will be seen, and how your nurse case managers and claims managers encourage the use of the managed care network. Describe how you monitor provider outcomes, and how you encourage claimants to utilize effective providers. Include in this information the role of medical bill reviews, utilization management pre-certification, and case management.

### **DISABILITY MANAGEMENT/MODIFIED DUTY AND ALTERNATIVE WORK**

13. Confirm that you are able and willing to perform the specified duties as listed in Section II.C.

Describe how you handle temporary alternative work opportunities.

Describe your process for working with the state agency and the treating Physician to develop modified work that will be within the employee's restrictions.

Describe how suspected exaggerations are handled, and provide information for the person or companies that may conduct activity checks or surveillance.

### **VOCATIONAL REHABILITATION**

14. Confirm that you are able and willing to perform the specified duties as listed in Section II.D.

Describe if you will be performing this function in-house or if it will be handled by a vendor.

If this service will be provided by a vendor, provide information on their services, qualifications, and success rate.

Describe your process for monitoring and determining the need for vocation rehabilitation.

### **LITIGATION MANAGEMENT**

15. Confirm that you are able and willing to perform the specified duties as listed in Section II.E.

Describe your process for vetting potential assigned legal counsel and detail your minimum standard qualifications.

Describe the factors you consider when referring a case to legal counsel and how you consult with your client about the appropriate time to refer a case.

Describe your process for monitoring the performance of assigned legal counsel.

Describe how you will communicate with the state regarding legal counsel activity for state workers' compensation claim hearings, appeals and settlements.

### **LOSS CONTROL SERVICES**

16. Confirm that you are able and willing to perform the specified duties as listed in Section II.F.

Indicate who will conduct the on-site activities such as training, site surveys, and meetings.

Describe the process for responding to requests for on-site industrial hygiene services and list response times.

List any outside vendors that may be used to conduct on-site loss control services (including but not limited to air testing, ergonomics evaluations, safety training) and list their qualifications and experience.

If on-site loss control activities will be performed using in-house staff, list their qualifications/experience.

### **REPORTS**

17. Confirm that you are able and willing to perform the specified duties as listed in Section II.G.

Provide sample reports including the quarterly claim summary report, quarterly incident rate report, and an annual report.

Describe your ability to provide workers' compensation reports and proposed delivery time frames for requested ad-hoc reports.

Describe how you will deliver the Allocated Loss Adjustment Expense report and Service Organization Control reports and what vendors are used to prepare the reports, if applicable.

### **MEDICARE SECONDARY PAYER MANDATORY REPORTING**

18. Confirm that you are able and willing to perform the specified duties as listed in Section II.H.

Describe how you intend to perform this requirement.

List any vendors or persons responsible for this requirement.

### **RISK MANAGEMENT INFORMATION SYSTEMS**

19. Confirm that you are able and willing to perform the specified duties as listed in Section II.I.

Provide a detailed response to each paragraph (one through eight) posed in the risk management information services requirement.

Describe the various types of risk management/loss control reports that are currently available from your system.

If applicable, list any vendors that you use to carry out the listed requirements.

### **ACCOUNT MANAGEMENT**

20. Confirm that you are able and willing to perform the specified duties as listed in Section II.J.

Describe your handling of each paragraph (1 – 6) in the Account Management section.

Describe your standard office hours and availability.

Describe the average caseload for claim representatives. If claims are segmented, provide the average caseload for each category of claims representative.

### **CLAIMS PAYMENT SERVICES**

21. Confirm that you are able and willing to perform the specified duties as listed in Section II.K.

Describe your claims payment system and include description of assigned staff and processing location.

Describe your internal guidelines for ensuring timely issuance of medical and indemnity payments.

Describe your process for reviewing legal bills from vendor's approved law firms and any related cost containment measures.

### **INVOICING**

22. Confirm that you are able and willing to perform the specified duties in Section II.L.

Describe your claim invoicing systems and how you will deliver the level of detail required.

Detail your billing reconciliation policies, procedures and practices. The State requires that appropriate reconciliations be performed by the successful vendor.

Describe the level of detail available above the minimum that you will be able to deliver.

### **PERFORMANCE GUARANTEES**

23. Confirm that you are able and willing to commit to the performance guarantee criteria specified in Section II.M.

Describe the amount of money bidder is willing to place at risk for performance guarantees in the financial section.

Describe the performance guarantees proposed by the bidder including how they will be measured and amount of money committed to each particular guarantee.

## SECTION IV: FINANCIAL SECTION

### WORKERS' COMPENSATION THIRD PARTY CLAIM ADMINISTRATION AND RELATED SERVICES

The vendor shall complete the Fee Tables in the attached spreadsheet for an effective date of July 1, 2015 for the contract term. Any fees not disclosed in the bid submission will not be paid by the State. Fees must be provided in the format requested.

1. Complete the tables in the attached spreadsheet. The annual fixed price fee represents the full cost of all claims services listed in Section II of this RFP. The annual fixed price fee shall include hourly rates of staff and sub-contractors, staffing rates, administration costs (including but not limited to phone calls, photocopying, and banking fees), travel costs and any other applicable costs in performing this contract. Any other fees or charges of any kind for services, supplies, or other claim expenses that are not covered by annual fixed price fee **MUST** be disclosed in your response to the financial section. Any fees not disclosed will not be accepted nor paid by the State at any time. All fees must be stated as a numerical value; use of terms such as "at cost" or "pass-through" may result in disqualification of your bid.

**Your financial proposals must include TABLES 1, 2 and 3 on the attached spreadsheet. Failure to complete the tables will disqualify the bid.**

## **SECTION V: APPENDICES**

Appendix A Historical Data

Appendix B State of New Hampshire RFP Transmittal Letter

Appendix C P-37 Form Contract

## APPENDIX A

### HISTORICAL DATA

**The following information is attached to this RFP. Claim reports will not contain employee names, or any other personal identifying information.**

Workers' Compensation Claims Reports:

1. Claims Payments and TPA Fees from 2009 to 2014.
2. Statewide Total and Lost Time Only Claims from 2009 to 2014.
3. State of New Hampshire Payroll Information for Calendar Year 2014.
4. State of New Hampshire Work Hour and Employee Counts for 2014.
5. Claims Summary from 2009 to 2015: claim count, total incurred, paid and on reserve; claim analysis by total incurred; top ten claims by cause; first report of injury report timeliness; analysis of lost time claims and litigated claims; lost time claims by employee tenure; employee disability days due to workplace injury or illness; top five loss areas.

**APPENDIX B**

**STATE OF NEW HAMPSHIRE BID TRANSMITTAL LETTER**

Date: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

To: Point of Contact: **Danielle Ruest**  
Telephone: **(603)-271-2201 x227**  
Email: **prchweb@nh.gov**

RE: Bid Invitation Name: Workers' Compensation Third Party Claims Administration and Related Services  
Bid Number: 2015-173  
Bid Opening Date and Time: April 13, 2015 11:00 AM EST

[Insert name of signor] \_\_\_\_\_, on behalf of \_\_\_\_\_ [insert name of entity submitting bid (collectively referred to as "Vendor")] hereby submits an offer as contained in the written bid submitted herewith ("Bid") to the State of New Hampshire in response to BID # 2015-173 for Workers' Compensation Third Party Claims Administration and Related Services at the price(s) quoted herein in complete accordance with the bid.

Vendor attests to the fact that:

1. The Vendor has reviewed and agreed to be bound by the Bid.
2. The Vendor has not altered any of the language or other provisions contained in the Bid document.
3. The Bid is effective for a period of 180 days from the Bid Opening date as indicated above.
4. The prices Vendor has quoted in the Bid were established without collusion with other vendors.
5. The Vendor has read and fully understands this Bid.
6. Further, in accordance with RSA 21-I:11-c, the undersigned Vendor certifies that neither the Vendor nor any of its subsidiaries, affiliates or principal officers (principal officers refers to individuals with management responsibility for the entity or association):
  - a. Has, within the past 2 years, been convicted of, or pleaded guilty to, a violation of RSA 356:2, RSA 356:4, or any state or federal law or county or municipal ordinance prohibiting specified bidding practices, or involving antitrust violations, which has not been annulled;
  - b. Has been prohibited, either permanently or temporarily, from participating in any public works project pursuant to RSA 638:20;
  - c. Has previously provided false, deceptive, or fraudulent information on a vendor code number application form, or any other document submitted to the state of New Hampshire, which information was not corrected as of the time of the filing a bid, proposal, or quotation;
  - d. Is currently debarred from performing work on any project of the federal government or the government of any state;
  - e. Has, within the past 2 years, failed to cure a default on any contract with the federal government or the government of any state;
  - f. Is presently subject to any order of the department of labor, the department of employment security, or any other state department, agency, board, or commission, finding that the applicant is not in compliance with the requirements of the laws or rules that the department, agency, board, or commission is charged with implementing;
  - g. Is presently subject to any sanction or penalty finally issued by the department of labor, the department of employment security, or any other state department, agency, board, or commission, which sanction or penalty has not been fully discharged or fulfilled;
  - h. Is currently serving a sentence or is subject to a continuing or unfulfilled penalty for any crime or violation noted in this section;
  - i. Has failed or neglected to advise the division of any conviction, plea of guilty, or finding relative to any crime or violation noted in this section, or of any debarment, within 30 days of such conviction, plea, finding, or debarment; or
  - j. Has been placed on the debarred parties list described in RSA 21-I:11-c within the past year.

**Authorized Signor's Signature** \_\_\_\_\_ **Authorized Signor's Title** \_\_\_\_\_

**NOTARY PUBLIC/JUSTICE OF THE PEACE**

**COUNTY:** \_\_\_\_\_ **STATE:** \_\_\_\_\_ **ZIP:** \_\_\_\_\_

On the \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me, the above named \_\_\_\_\_, in his/her capacity as authorized representative of \_\_\_\_\_, known to me or satisfactorily proven, and took oath that the foregoing is true and accurate to the best of his/her knowledge and belief.

In witness thereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
(Notary Public/Justice of the Peace)

My commission expires: \_\_\_\_\_ (Date)



**4. CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Vendor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT(S) PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract(s) price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract(s) price shall be the only and the complete reimbursement to the Vendor for all expenses, of whatever nature incurred by the Vendor in the performance hereof, and shall be the only and the complete compensation to the Vendor for the Services. The State shall have no liability to the Vendor other than the contract(s) price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Vendor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY VENDOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Vendor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Vendor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Vendor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Vendor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Vendor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Vendor further agrees to permit the State or United States access to any of the Vendor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Vendor shall at its own expense provide all personnel necessary to perform the Services. The Vendor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Vendor shall not hire, and shall not permit any subvendor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contract(s)ing Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contract(s)ing Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Vendor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Vendor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Vendor notice of termination;

8.2.2 give the Vendor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract(s) price which would otherwise accrue to the Vendor during the period from the date of such notice until such time as the State determines that the Vendor has cured the Event of Default shall never be paid to the Vendor;

8.2.3 set off against any other obligations the State may owe to the Vendor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Vendor shall deliver to the Contract(s)ing Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract(s) price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. VENDOR'S RELATION TO THE STATE.** In the performance of this Agreement the Vendor is in all respects an independent Vendor, and is neither an agent nor an employee of the State. Neither the Vendor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACT(S).** The Vendor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontract(s)ed by the Vendor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Vendor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Vendor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Vendor shall, at its sole expense, obtain and maintain in force, and shall require any subvendor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Vendor shall furnish to the Contract(s)ing Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Vendor shall also furnish to the Contract(s)ing Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contract(s)ing Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Vendor agrees, certifies and warrants that the Vendor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Vendor is subject to the requirements of N.H. RSA chapter 281-A, Vendor shall maintain, and require any subVendor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Vendor shall furnish the Contract(s)ing Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Vendor, or any subVendor or employee of Vendor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Vendor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.