

**STATE OF NEW HAMPSHIRE
ADMINISTRATIVE SERVICES
RISK MANAGEMENT UNIT
STATE HOUSE ANNEX – Room 412
25 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301**

ADDENDUM #2 TO RFP 2015-173

DATE OF BID OPENING: April 13, 2015

TIME OF BID OPENING: 11:00 AM (EST)

FOR: Workers' Compensation Third Party
Claims Administration and Related Services

DATE POSTED: April 3, 2015

In accordance with **Section I**, Bid Instructions and Conditions, C. 3. Proposal Inquiries, the State has received the following questions and/or clarifications regarding the RFP and replies as follows:

1. **Inquiry:** Can we get **a copy of the last actuarial report** so we can tell if it is indeed a multi-line type report and therefore can better provide us an actual price quote.

State's Response: See Addendum 2 Exhibit A, *Estimated Workers Compensation Unpaid Loss and ALAE* as of a June 30, 2014 dated October 17, 2014.

2. **Inquiry:** Can we get something telling us the **frequency of use for IH services the last 3 to 5 years** so we can properly estimate this cost.

State's Response: The last three years the State requested Industrial Hygiene services between 7 to 9 times per year. Requests were a combination of on-site assessments and technical assistance not requiring a site visit.

3. **Inquiry:** Reports – Can we get a **copy/sample of the “Quarterly Claim Summary Reports”** (there are 10 listed) per the requirements on page 20?

State's Response: The ten listed items on page 20 item 2a are listed in a one page report. See Addendum 2 Exhibit B.

4. **Inquiry:** On item 10 of the claim reports, page 20, appears you want “number of claims and percentage of savings” for the top 3 medical providers. **Does the word claims mean the number of bills submitted** by that provider or is it the number of claimants treated by that doctor?

State’s Response: The State’s preference would be to report on dates of service; however, either method in your question would be acceptable if clearly defined in report.

5. **Inquiry:** Annual Reports, page 20 – do you have **samples/copies** of what you are looking for with “Detailed Statistical plan reports”? It sounds like a year-end loss analysis like we do for our Customers, so we should be able to provide charts/graphs, but if you have something specific in mind it would be very helpful in terms of pricing the reporting part of this.

State’s Response: The base requirements for the annual *detailed statistical plan reports* are described on page 20. The State intends for this to be a “year-end” report/summary.

6. **Inquiry:** On page 21 – Risk Management Info Services – **can we get samples** of what you mean by these reports under item 2? We have various reports already, but may need to build new ones, similar to the Quarterly claims reports items above.

State’s Response: The base requirements for the minimum workers’ compensation claims reports are described on page 21. It is expected reports could be run by agency and limited by date range to enable loss comparison by cause, location and date. Examples of the fields that could be included in such reports are noted below.

Itemized statement of loss:

Claim Number	Loss Date	Part of Body
Location	Status	Date of Hire
Cause	Lost Time Days	Incurred/Paid/OR Indemnity
Accident State	Carrier Report Date	Incurred/Paid/OR Medical
Nature of Injury	Date Closed	Incurred/Paid/OR Expense
Total Incurred	Total Paid	Outstanding Reserve

Customized claim detail:

Case Manager	Catalyst Description	Cause Description
Cause Group	Claim Category Description	Claim Closing Reason Description
Claim Number	Claim Status	Claimant Name
Date Claim Closed	Date of Birth	Date of Hire
Date Reported to Employer	Date Reported to Carrier	Date Return to Work
Days Open	Injury Description	Location
Nature of Injury	Paid Expense	Paid Indemnity
Paid Medical	Paid Lost Time Days	Tenure

Total Outstanding Reserves	Total Paid	
----------------------------	------------	--

Customized payment detail:

Case Manager	Catalyst Description	Cause Description
Cause Group	Claim Category Description	Claim Closing Reason Description
Claim Number	Claim Status	Claimant Name
Date Claim Closed	Service Type	Transaction Type
Date Reported to Employer	Date Reported to Carrier	
Days Open	Payee Name	Location
Nature of Injury	Paid Expense	Paid Indemnity
Paid Medical	Paid Lost Time Days	Tenure
Total Outstanding Reserves	Total Paid	

7. **Inquiry:** RIMS item 4, page 21, – you want the ability to “Create and write reports”. **What does this mean?** If it is simply using our report filters to run various existing reports or CSV downloads, then fine. However, if this means you want the ability to have programmers in our system actually programming new code to create reports we would have some significant programming issues.

State’s Response: The requirement described in item # 4 is intended to permit the State’s users to independently filter data and run reports using the vendor’s RMIS system. On occasion the State revises agency location codes which may require changes to reporting structure.

8. **Inquiry:** Ad-Hoc Reporting – do you have any **samples of what this might be and how often these types of reports are needed?**

State’s Response: The State has averaged between 5 to 10 requests per year. However, these requests are often generated by inquiries from State policymakers and therefore the frequency and content is unpredictable. For example, we recently received a request for data related to opioid use by workers’ compensation claimants.

9. **Inquiry:** Do you get an Experience Mod Rating, and if so, do you file them through NCCI by submitting unit stats?

State’s Response: No.

10. **Inquiry:** Will the TPA have the opportunity to place excess or stop loss coverage?

State’s Response: This RFP does request excess or stop loss coverage. Excess or stop loss coverage is not currently under consideration by the State.

11. **Inquiry:** Can you confirm that this RFP does not contemplate the bidder taking over any "Tail" claims from prior policy years.

State's Response: The successful vendor will not be required to administer "tail" claims from prior policy years. "Claims to be Serviced" are described in detail in Section II A. 1. of this RFP.

Note: Existing contracts permit "tail" claims to be transferred in a manner consistent with the description in paragraph two of Section II A. 1. Any such transfer would only occur upon mutual agreement between the State and the receiving Vendor.

12. **Inquiry:** Are the tail claims included?

State's Response: No. See Response to Question 11.

13. **Inquiry:** Please describe the role lien waivers play in your current program.

State's Response: Requests for a waiver of a State workers' compensation lien is subject to RSA 281-A:13, V (*V. Whenever the lien created by paragraph I, II, or III is in the state of New Hampshire by virtue of benefits paid to or on behalf of a state employee, the governor and council, upon petition by the injured employee, may, in their discretion, waive all or part of the lien.*) The Vendor's required role in this process is described in Section II A. 5. of this RFP.

14. **Inquiry:** Currently, how are the Allocated Loss Adjustment reports and Service Organizational Reports delivered to the State?

State's Response: The Allocated Loss Adjustment reports are delivered electronically on an annual basis. The Service Organizational Reports and bridge letters are delivered electronically when updated and upon request.

15. **Inquiry:** May we have the RFP in Word format?

State's Response: Attached you will find portions of the bid (H. Request for References Page, Section III. Questionnaire and Appendix B: Transmittal Letter) in Microsoft Word format. Although bidders may choose to use these pages to complete their bid, this is not required, and the language in the existing RFP must NOT be modified in any way." See Addendum 2 Exhibits C, D, and E, respectively.

16. **Inquiry:** Exhibit E of the RFP, the WC Summary Dashboard, lists WC claims by year (2009 – 2014) however; the number of open claims by claim type (Lost Time and No Lost Time) is not detailed. For example, for 2014 there were 745 claims Eighty-seven (87) claims are open, but we are unable to identify how many of the 87 are Lost Time and how many are No Lost Time. Additionally, the WC Summary Dashboards only go back to 2009. Please provide the number of currently open lost time claims and medical only claims, including claims reported in years before 2009.

State's Response: The breakdown of open claims for 2009-2014, as of 04/01/15, is as follows:

2009	2010	2011	2012	2013	2014
12 Open	11 Open	15 Open	19 Open	40 Open	81 Open
11 Indemnity	11 Indemnity	13 Indemnity	15 Indemnity	37 Indemnity	70 Indemnity
1 Medical	0 Medical	2 Medical	4 Medical	3 Medical	11 Medical

The total number of open claims reported in policy years before 2009, as of 04/01/15, is 74 (68 indemnity and 6).

17. **Inquiry:** Exhibit B of the RFP does not list any incident only claims. What is the annual estimated number of new incident only (report only) claims, if any?

State's Response: The history of record only claims reported during 2009-2014 is as follows:

2009	2010	2011	2012	2013	2014
187 Record Only Claims	191 Record Only Claims	148 Record Only Claims	126 Record Only Claims	157 Record Only Claims	163 Record Only Claims

18. **Inquiry:** Section II L 2 of the RFP, indicates 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. In Section IV Financial Section, Table 1 requires submission of the TPA Claims Service Fee by year. Table 2 is for listing Additional Program Costs such as Bill Review, Nurse Case Management, etc. Please confirm if Table 2 is a breakout of the fee in Table 1 or is Table 2 for Additional Program Costs above and beyond the Claim Service Fee listed in Table 1. Will the State accept alternatives to the flat fee pricing option?

State's Response: Table 2 is not a breakout of the fees in Table 1. Table 2 must be to completed to describe any other fees or charges of any kind services, supplies, or other claims expenses that are not covered by the

annual fixed price in Table 1. See Section IV in its entirety. The RFP requires the administrative fee to be stated as an annual fixed price fee.

19. **Inquiry:** Section II I 2 of the RPF, addresses the number of IT system users. Please confirm the minimum number of users to be included for all 61 State agencies is eight (8).

State's Response: See Section II I. in its entirety. Paragraph # 4 requires a minimum of eight users to have the ability to create and write reports. Paragraph #5 requires all agencies have logon access to the vendor's system to report claims and run more basic agency specific standard claims reports. The State has averaged between 60 to 65 individuals with logon access to report claims. Of those, 6 individuals have full RMIS access for statewide claims and 15 have RMIS access limited to their agency.

20. **Inquiry:** Please identify and list all interfaces/data feeds required.

State's Response: The State does not currently utilize an interface for workers' compensation. Data provided to the vendor from the State will generally be provided in excel format.

21. **Inquiry:** Please provide the historical medical bill review statistics as follows:

01/01/2014 – 12/31/2014	Item
	Total number of bills (1)
	Total provider charges (1)
	Fee schedule/UCR Savings
	PPO Savings
	Out of Network savings
	Total Savings
	Fee schedule UCR Fees
	PPO fees
	Out of network fees
	Total fees invoices

(1) Please either exclude duplicates or identify the number of duplicates included in this numbers

State's Response: This information is not available for the specific time period and detail requested. For the period of July 1, 2011 through November 1, 2014 the State can provide the following information pertaining to medical bill review:

07/01/2011 – 11/1/2014	Figure
Net Medical bills (Duplicates excluded)	\$10,481,937 (\$11,384,867 w/ duplicates)
Medical Paid	\$8,179,864
Fee schedule/U&C Savings	\$392,336
PPO Network Savings	\$592,047
Denials/Other	\$1,317,688
Net Saved (Excluding duplicates and fees)	\$1,728,975 (\$2,302,072 less \$573,097 fees paid)
Fees Paid	\$573,097

22. Please provide the annual number of telephonic case management referrals as follows:

Claim Type	01/01/2014 – 12/31/2014
# of telephonic case management referrals	
Average Duration (days)	

State's Response: This information is not available as requested. However, from 1/1/2014 to 12/31/2014, telephonic case management was utilized for 94 claims with a date of loss in 2014. During the same period telephonic case management was utilized on a total of 151 claims regardless of the date of a loss.

23. Please identify how claims will be reported to _____. (Check all that apply). If more than one method per line of business identify the anticipated % of claims reported for each method.

Method	Workers' Compensation
Internet	
Daily Feed	
Telephonically	
Fax/Email	

State's Response: The State does not report claims via daily feed. Small agencies occasionally report claims telephonically. Agencies report claims via internet and fax on a daily basis but do not generally use email.

PURCHASING AGENT: Danielle Ruest

TEL. NO.: (603) 271-2201 x227

NOTE: IN THE EVENT THAT YOUR BID INVITATION HAS BEEN SENT TO THIS OFFICE PRIOR TO RECEIVING THIS ADDENDUM, RETURN ADDENDUM WITHIN THE SPECIFIED TIME WITH ANY CHANGES YOU MAY WISH TO MAKE AND MARK ON THE REMITTANCE ENVELOPE BID INVITATION NUMBER AND OPENING DATE. RETURNED ADDENDA WILL SUPERSEDE PREVIOUSLY SUBMITTED BID.

BIDDER _____ ADDRESS _____

BY: _____
(this document must be signed)

_____ TEL. NO. _____
(please type or print name)