



CITY OF HOUSTON
Administration and Regulatory Affairs Department
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June 24, 2011

SUBJECT: Letter of Clarification No.2
Workers' Compensation Healthcare Network for the Human Resources Department

REFERENCE: **RFP No.: T23981; HCN NGIP CODE #953-92**

TO: **All Prospective Proposers:**

This Letter of Clarification is issued for the following reason:

For the benefit of all prospective Proposers and to avoid possible confusion in bidding, we wish to clarify the bidding document as follows:

- **The following questions, attachment, and City of Houston ("COH") responses are hereby incorporated and made a part of the Request for Proposal:**

1. Who is the current TPA or Carrier?

Answer: Cambridge

2. Should the City make an award to a chosen vendor, what is the intended date to announce to successful bidder?

Answer: TBD - but expect conclusion before 6 months from RFP due date.

3. Please describe any program nuisances/unusual problems that the City of Houston has experienced of which a proposed managed care vendor should be made aware.

Answer: As a governmental entity we are subject to the Public Information Act and proposers should be cognizant that scrutiny or review may come from various employee groups.

4. Can you provide the current account/special handling instructions?

Answer: Proposer should provide what the criteria and special handling instruction between the City and the managed care entity.

5. Does the current TPA provide a claim data feed to the managed care vendor's website to view all medical images and adjudicate bills as applicable?

Answer: Yes

6. How many claims went to both TCM and FCM in the previous 2 years?

Answer: We do not have TCM but approximately 5% to 10% of lost time claims require FCM.

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7. What is the current TCM and FCM pricing mechanism?

Answer: \$85.00/hr Professional Time; Travel/Wait Time \$55.00/hr plus mileage expenses per IRS.

8. Please share the principle objective of why City of Houston is considering changes to their current program. What changes would they seek from their current managed care services?

Answer: Quality of treatment coupled with Cost Control of the Workers' Compensation Program.

9. Please share the City of Houston's philosophy of use of case management services.

Answer: Utilized for cat claims, hospitalizations, and some doctor referrals.

10. Is an established referral criterion in place for case management and vocational services?

Answer: Yes

11. What is the current status of the City of Houston's modified duty program?

Answer: Good

12. What is the current triage process for WC claims? How are claims reported to the vendor? Is there a separate fee for triage if TCM is applied to the file?

Answer: Refer to aforementioned in question #9 above. Separate fee is charged.

13. Are job descriptions available? Do the preferred providers in areas of high concentration have them?

Answer: On HR website for the City of Houston.

14. What is the current bill review fees structure with the current medical bill review supplier?

Answer: Bill Review fee is \$7.25/bill.

15. Please provide clarification on section 2.1 regarding the establishment of a certified workers' compensation health care network.

A. Would the creation of a custom 504 network option, specific to the City of Houston employee population be considered?

Answer: City of Houston is open to all options available.

B. Would the City prefer a proprietary 1305 created to meet their needs or would the City prefer to access an existing 1305 network?

Answer: The City of Houston would consider any and all options.

16. Will we be provided a list of preferred providers for the City of Houston, so we can determine who might already be in our 1305 or 504 certified networks?

Answer: No

17. Do you currently have any direct contracts with specialty networks and if so, would City desire these be included in the City's 504 or 1305 network?

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Answer: No

18. Will the vendor of choice be responsible for creating and distributing provider panels to the work place? If so, any specific nuances (color paper, electronic copies, laminated)?

Answer: Yes

19. Do you have loss information available including claimant zip code and/or county distribution (where employees live)?

Answer: See attachment #1 below.



20. In 3.6 of Provider Medical Health Care Network Section – can updated provider listings be in a mutually agreed upon electronic format, or are printed directories required also?

Answer: City of Houston is open to all options.

21. In 3.7.7 of Provider Medical Health Care Network – are you looking for “Referral criteria” for case management services or other?

Answer: Yes

22. Can you please define what services are referenced under Section IV: Utilization Review-does this include DDE, IME and Peer Reviews?

Answer: City of Houston is open to all options.

23. In 4.3 of Utilization Review Section – do the suggestions for Utilization Review reference our guidelines for pre-authorization or file reviews for peer reviews, IME, DDE? Please clarify.

Answer: Yes. City of Houston is open to all options.

24. Does 4.7 of Utilization Review Section include IME appt and the respective results that must be completed and received by the City within 45 days or deductions begin to incur? Please elaborate.

Answer: Yes. Deduction amounts to be determined at time of HR award of contract.

25. In 8.8 of Medical Bill Review Section – Will the City of Houston consider an online document center that provides access to bills in lieu of maintaining paper copies?

Answer: City of Houston is open to all options.

26. 10.8.3 - Network Management Section – Can you share how you are currently measuring health-related outcomes today?

Answer: We do not. One of the reasons the City is requesting proposals on a Certified Network.

27. In 12.2.2 of General Duties of the Parties – Will the City of Houston consider sending a claims feed daily on new claims and changes to existing claims?

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Answer: City of Houston is open to all options.

28. In 14.5.1.2 - Proposal Outline and Content Section – Can you elaborate on what you want to see in method of approach? I.e. an implementation plan, processes for respective Scope of Work, other?

Answer: City of Houston is open to all options.

29. Can the City of Houston provide the following for 2010 or Projections for 2011:

	<u>FY10</u>	<u>FY11</u>
a) Number of Medical Bill Paid	19,201	16,538
b) Number of Pre-Authorizations	28,053	24,613
c) Number of Peer Reviews	2,300	7,190
d) Number of IMEs	51	Currently not available
e) Number of DDEs		Information not readily available.
f) Number of claims with case management services		
i) % of telephonic case management services		% not readily available.
ii) % of field case management services		5% to 10% of lost time claims

30. Is the City looking to participate in existing HCN or certify/private-label a network as their own?

Answer: City of Houston is open to all options.

31. Do you have a list you share of providers who you want in the HCN?

Answer: No

32. What is the target award date and anticipated start date of services/contract?

Answer: TBD

33. Number of bills associated with each claim?

Answer: Information not readily available.

34. Will MHealth WorkLink be cutting checks for the City of Houston for RFP T-23981?

Answer: City of Houston is open to all options.

35. Legacy Claims: What is the anticipated number of claims and how does the City of Houston envision the Network handling these?

Answer: City of Houston is open to all suggestions regarding Legacy claims.

36. Average number of bills the City receives in a month or in a year?

Answer: Refer to question #29.

37. How are injury reports received? Is there a file dump or are they paper?

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Answer: Received by both methods.

38. Per page 75 of the RFP located on the Pay or Play Program Acknowledgement it asks for City Vendor ID: Where is this number located?

Answer: City of Houston website under Office of Business Opportunities.

39. We are respectfully inquiring/requesting if the City of Houston would consider extending the response due date for RFP NIGP CODE #953-92 Selection of a Contractor for Workers' Compensation Healthcare Network to July 1st, 2011 allowing ample time to adequately respond and provide a quality response.

Answer: Yes, the RFP has been extended to July 1, 2011.

40. I have checked the website this morning. Will there be an addendum posted with everyone's questions and answers. Thank you for the extension.

Answer: Yes.

When issued, Letter(s) of Clarification shall automatically become a part of the Proposal documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. It is the responsibility of the Proposer to ensure that they have obtained any such previous Letter(s) associated with this solicitation. By submitting a Proposal on this project, Proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this Proposal.

If you have any questions or if further clarification is needed regarding this solicitation, please contact me.

Sincerely,

James Mihalic
Administrative Manager
City of Houston Human Resources Department
713-837-9345

END OF LETTER OF CLARIFICATION NO. 2

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