



CITY OF HOUSTON

Annise D. Parker

Mayor

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December 17, 2014

**SUBJECT: Letters of Clarification No. 24-34 Self- Insured Workers' Compensation
Third Party Administration & Related Services**

REFERENCE: Request for Proposal (RFP) No. S66-T25102

TO: All Prospective Proposers

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. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the proposers to ensure that it has obtained all such letter(s). 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.

24. Question:

Who is the Austin Board Rep?

24. Answer:

Renee C. Keeney
Pappas & Suchma, P.C.
P.O. Box 66655
Austin, TX 78766

25. Question:

Question 5.17 on page 26 of 64 "TPA shall abide by the understanding that no charge shall be levied to the City for the payment processing of Allocated Loss Adjustment expenses", please clarify what you mean by this requirement.

25. Answer:

The types of payments associated with Allocated Loss Adjustments are explained in 5.16 on Page 27 and the City agrees to pay for the approved fees. The TPA shall abide by the understanding that a processing fee shall not be levied to the City for these expenses.

The TPA will be responsible for any Allegations or Referral for Sanction levied on the City for any administrative or claims handling functions.

26. Question:

Will the questions and answers be posted as an addendum?

26. Answer:

Yes the questions will be posted and e-mailed to each.

We will try to answer all questions on Wednesday's of each week.

27. Question:

Question 4.3 TPA provides a monthly billing tape. Will a digital file be acceptable? If a tape is required, could you please provide more information on format?

27. Answer:

The City's Acceptable format is a flat text file.

28. Question:

Who is currently the City's representative?

What is the City's definition of "representative"?

What services does the representative handle?

How much was the current representative paid in fees in 2014?

28. Answer:

Renee C. Keeney

Pappas & Suchma, P.C.

P.O. Box 66655

Austin, TX 78766

Austin Representative is defined as the individual associated with representing the Cities interest with the DWC and any ancillary services needed at TDI in Austin. The a representative acts as the agent for receiving notices, letters and other correspondence from TDI-DWC as well as filing with the TDI office any paperwork needed.

Direct pricing is proprietary.

29. Question:

Will you please clarify Flat Fee? What would the City like us to include in the Flat Fee?

29. Answer:

Please see the new Exhibit #10 attachment outlining the required review of fees. Any additional fees not realized in the charts should be posted as others cost and described in detail. The proposer should price services with sufficient detail, as City will retain the right to bundle and unbundle services during the contract term.

This RFP seeks to align the City with a TPA to handle claims and provide related services for its self-insured workers' compensation program. The City reserves the right to bundle and unbundle services proposed.

30. Question:

What is the City's definition of "risk sharing"?

30. Answer:

The City's definition of **Risk Sharing** is directly referenced in the pricing section of this RFP. The City wishes to explore a possible pricing structure that is variable when the claims volume fluctuates. The pricing structure can utilize possible short term or long term parameters. It can also represent possible long term price increases or decreases with the TPA's experience and accuracy in the City's claims handling processes.

31. Question:

What equipment/furnishings would be provided by the City in this space? (i.e. computers, fax, phones, water, electricity, parking, paper?) Where would they be located?

31. Answer:

The City is expecting the TPA to handle, equip and house the claims handling staff in Houston Texas.

32. Question:

Does the City currently pay for EDI transmissions?
Medical and Claims or both? If so, what are the fees?

How many EDI transmissions for Medical were performed in 2013? How many EDI transmissions for Claims were performed in 2013? (FROI and SROI)

32. Answer:

The City does not pay for EDI Transmissions.

The City does not pay for any EDI transmission Medical or claims.

EDI transmissions are performed on all claims where there is at least one day of lost time. (There were 473 injuries reported last year involving compensable lost time.)

33. Question:

What is the number of nurse reviews for bill review on ODG compliance? Are you currently paying a fee for the nurse review? If yes, what is the fee?

33. Answer:

The number of nurse review bills represents 668, for the time period of 07-01-13 to 06-30-14. Direct pricing is proprietary.

34. Question:

How does the City pay for Retrospective Utilization Review services? Is it allocated to preauthorization or peer review? What is the current fee that is being paid for the RUR for medical necessity?

34. Answer:

The City pays for Retrospective Utilization Reviews Services as allocations to the claim file. The medical bill review staff refers bills for retrospective utilization review.

Direct pricing is proprietary.

Sincerely,

Kim Smith

Department of Workers' Compensation Division