



December 17, 2014

**SUBJECT: Letters of Clarification No. 35-45 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.

**35. Question:**

Please substitute "Austin representative" for representative.

**35. Answer:**

Texas Department of Insurance and the City's terminology is: Austin Representative.

**36. Question:**

What is the number of pre authorizations for the last year broken down by nurse and physician and what are the current fees for each?

What are the current bill review fees?

What are the current peer review fees?

What is the current fee for Required Medical Exams?

What is the City's definition of rehabilitation assignments?

What is the number of Retrospective utilization reviews per year and the current fees associated with them?

**36. Answer:**

- 1,854 Pre-authorizations per year average
  - 25,563 Bill Reviews per year average
  - 252 Peer Reviews per year average
  - 175 Required Med. Evaluations per year average
- The number of preauthorization's performed for the period of 07-01-13 to 06-30-14 is 1718. The breakdown represents 1030 for the nurse and 688 for the physician.
  - Direct pricing is proprietary.
  - The number of retrospective utilization reviews performed for the time period of 07-01-13 to 06-30-14 is 74  
Direct pricing is proprietary.
  - A "Rehabilitation Assignment" is also known as "Vocational Rehabilitation". This type of assignment would be to a licensed Vocational Rehabilitation Case Manager to assist an injured worker in preparing for, finding or keeping employment. This could be assigned for an injured employee who has a compensable physical or mental disability which also resulted in qualification for Supplemental Income Benefits.

**37. Question:**

Would you please provide us with the follow information?

Where would the claims handling staff be located?

How much space would be provided for the claims handling staff?

Would the city charge for the use of the space?

Would the city charge for utilities (i.e., electric, phone, water, etc.)?

Would the TPA staff have to pay for parking and if so what is the annual amount?

**37. Answer:**

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

The City is not proposing to house the TPA staff; however, it is preferred that the Account Manager be onsite at the City of Houston.

**38. Question:**

What is the name of defense law firm used for DWC Administrative Hearings; and how many BRC's and CCH's did the City have in the last calendar year or fiscal year?

**38. Answer:**

Pappas and Suchma PC  
811 Town & Country Lane, Suite 400  
Houston, Texas 77024

Totals Hearings November 1, 2013 – November 1, 2014

BRC Hearings 145 CCH Hearings 79

**39. Question:**

What Private Investigation firm is currently being utilized by the District?

How many hours of Private Investigation were paid in 2013? If that isn't available, how many cases were referred and what was the total paid amount?

**39. Answer:**

The TPA solicits pricing and fees from firms on an annual basis and rotates the assignments as needed. The City spent approximately \$40,000 on 50 investigations and services in 2013.

**40. 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?

**40. 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.

**41. Question:**

Does the District currently pay for MMSEA transmissions?

What was the number of RMEs and Designated Doctor examinations for the past calendar year or fiscal year (broken down by type)?

How many ISO claim searches were performed in 2013?

Will the City agree to allow the TPA to image all incoming correspondence? If yes, will the District entertain a review of the destruction policy of the TPA awarded the contract?

Does the current TPA have hard copy files, imaged files or both?

Who is the current Excess Carrier?

**41. Answer:**

- The City does not pay for MMSEA transmissions?
- There were approximately. 83 Designated Doctor Examinations for the past calendar year.
- There were approximately 30 – RME for the past calendar year.
- There were 283 ISO claim searches performed in 2013? IOS's.
- The TPA have hard copy files and imaged files
- The City will review and discuss any idea to reduce time effort or cost associated with any of the services rendered.
- The City has NO Excess Carrier

**42. Question:**

Due to the inability to edit or delete questions that have been submitted, please disregard the last set of questions submitted and address these instead:

Does the City currently pay for MMSEA transmissions?

What was the number of RMEs and Designated Doctor examinations for the past calendar year or fiscal year (broken down by type)?

How many ISO claim searches were performed in 2013?

Will the City agree to allow the TPA to image all incoming correspondence? If yes, will the City entertain a review of the destruction policy of the TPA awarded the contract?

Does the current TPA have hard copy files, imaged files or both?

Who is the current?

**42. Answer:**

- The City does not pay for MMSEA transmissions?
- There were approximately 83 Designated Doctor Examinations for the past calendar year.
- There were approximately 30 – RME for the past calendar year.
- There were 283 ISO claim searches performed in 2013?
- The TPA have hard copy files and imaged files
- The City will review and discuss any idea to reduce time effort or cost associated with any of the services rendered.
- The City has NO Excess Carrier

**43. Question:**

Are team leaders/supervisors required to attend the BRCs in place of or in addition to defense counsel?

**43. Answer:**

The current plan ( *open to discussions with the selected TPA* ) is for supervisors to attend all City BRC's with the appointed Legal representing firm for the first 6 months , The Supervisors then will proceed to take over all BRC without council and attend all CCH's with Legal Counsel. All CCHs will be represented by Legal counsel. Difficult cases may be represented by legal at BRC and CCH's if needed.

**44. Question:**

Would the City like to see bundled managed care/bill review pricing?

**44. Answer:**

The City will view and consider all proposals for services provided. 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. In addition, the proposer should anticipate the City pursuing (outside this RFP) *in the future* a workers' compensation health network as certified by the Texas Department of Insurance Division of Workers' Compensation (TDI-DWC). The proposer should price services with sufficient detail, as City will retain the right to bundle and unbundle services during the contract term.

**45. Question:**

Will the following monthly departmental meetings be required along with meetings noted in the RFP: Weekly transitional duty meetings, bi-weekly upper management meetings to discuss program operational issues, monthly safety meetings, monthly departmental review meetings, quarterly physician visits, quarterly file reviews and periodic visits to homes of injured workers?

**45. Answer:**

Yes , Weekly transitional duty meetings, bi-weekly upper management meetings to discuss program operational issues, monthly safety meetings, monthly departmental review meetings, quarterly physician visits, quarterly file reviews and periodic visits to homes of injured workers?

Sincerely,

Kim Smith

Department of Workers' Compensation Division