



December 17, 2014

**SUBJECT: Letter of Clarification No. 46-56 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.

46. Question:

Is there a requirement for both a dedicated program manager and a dedicated operations manager?

46. Answer:

Yes there is a requirement for both a dedicated program manager and a dedicated operations manager. However, The City will view and consider all proposals for services provided.

47. Question:

Does the requirement for "on-site dedicated program manager" mean on-site at the City's office or located in the TPA's office

47. Answer:

The City would like to have a Program Manager located in the Cities office. However, The City will view and consider all proposals for services provided.

The City will entertain either on-site at the City's office or located in the TPA's office?

48. Question:

Regarding question 7.15 on page 39 of the RFP: Is there an expectation for the TPA to record ALL calls conducted out of the operations or just calls with injured City employees?

48. Answer:

All Calls will be expected to be recorded.

All claims related incoming and outgoing calls are needed to be recorded. However, The City will view and consider all proposals for services provided.

49. Question:

Regarding item 5.15 in the SOW on page 26 of the RFP: Is the City's definition for reserving "life of claim" synonymous with "known exposure"?

49. Answer:

TPA shall set reserves to reflect **actual** exposure based upon the injury through the life of the claim without reduction for present value and considering the governing law at time of injury. Although all the necessary facts may not be available at the outset of a claim, TPA will set reserves within seven (7) days of receipt of notification of the claim. Reserves will be adjusted when **medical information or investigation indicates** that the existing reserve is inadequate or excessive.

50. Question:

Does the City require pricing and information on any specific loss control services?

50. Answer:

Currently this is done by annual vendor contract.

The City is inquiring about Safety and Risk Management audit and consulting services if the TPA can perform within their current staffing profile. The City will view and consider all proposals for services provided.

The proposer should price services with sufficient detail, as City will retain the right to bundle and unbundle services during the contract term.

51. Question:

From January through October 31, 2014, what is the number of ISO claims searches being paid? What is the fee per search and is it allocated to the claim files?

51. Answer:

There were 283 ISO claim searches performed in 2013?

The City under the current contract does not pay for ISO searches.

Each reported City injury is indexed with an ISO claims check and recorded in the file.

52. Question:

Please identify the city's current third party administrator. How long have they been servicing the city's program?

52. Answer:

The contract in question has been in effect for the past 8 1/2 years with several company purchases to include the last purchase on June 2011 by Sedgwick CMS.

The proposer should price all services with sufficient detail, as City will retain the right to bundle and unbundle services as needed during the contract term.

53. Question:

Please identify the city current bill review and PPO network providers. How long have they been servicing the city's program?

53. Answer:

Injury Management Association (IMO)

Has been a provider for the City for full cost containment services since September 2008.

The City has no **PPO network**

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).

54. Question:

Under the rules of engagement is the city in a position to provide a copy of the in-force contract with its current TPA and bill review and PPO network providers?

54. Answer:

Direct pricing is considered proprietary.

55. Question:

This is a sample question.

55. Answer:

NO RESPONSE REQUIRED

56. Question:

Here is my next question.

56. Answer:

NO RESPONSE REQUIRED

Sincerely,

Kim Smith

Department of Workers' Compensation Division