

**REQUEST FOR PROPOSAL FOR
WORKERS' COMPENSATION
THIRD PARTY ADMINISTRATOR SERVICES**

The Public Facilities Protection Corporation (PFPC) is requesting proposals from entities interested in providing Third Party Administrator (TPA) services required for the City of St. Louis's self-funded Workers' Compensation Program. Included in the City's Program are the City's various offices and departments and other affiliated agencies, which shall jointly be referred to as the "City". This program includes approximately 7,712 employees. A third party administrator third party administrator has been utilized to administrator the City's Workers' Compensation Program since 1991.

Prior to any binding agreement between the successful bidder and PFPC for services under this RFP, the successful bidder will be required to enter into a contract for the requested services under this RFP. PFPC is seeking a five (5) year contract beginning July 1, 2016. The contract may be renewed at the end of the five year period, and thereafter, on an annual basis at PFPC's option.

RFP PROCESS

Questions and Answer Period

Any questions or requests for clarification must be submitted in writing or e-mailed to:

Nancy R. Kistler
Deputy City Counselor
Room 314, City Hall
1200 Market Street
St. Louis, MO 63103
Email address: kistlern@stlouis-mo.gov

Any questions/requests must be received by 5:00 p.m., April 27, 2016. A copy of all questions/requests and answers thereto will be provided to all parties by May 2, 2016 who have received a copy of this RFP and notified the above-named individual of their address. Contact with any PFPC board member other than the above-named individual is not permitted.

Submission of Proposal

Proposals must be received no later than 5:00 p.m., Monday, May 9, 2016. Proposals are to be submitted to:

Nancy R. Kistler
Deputy City Counselor and President of PFPC
Room 314, City Hall
1200 Market St.
St. Louis, MO 63103

One (1) sealed, complete original proposal and eight (8) separately sealed, complete and exact copies of the original must be mailed or personally delivered. All envelopes must be labeled "Response to Request for Proposal for Workers' Compensation TPA Services." Proposals received late will be returned unopened. Respondents shall assume full responsibility for timely delivery of sealed proposals at the designated location.

All requested information must be submitted in the order and format requested. Proposals which do not provide the requested information in the specified order or the requested number of copies are subject to rejection.

All materials submitted in accordance with this RFP will become the property of PFPC and will not be returned. All proposals shall be considered public records and may be treated as open records. However, such materials may be treated as "closed" or "exempt" by PFPC at the sole discretion of PFPC, pursuant to PFPC's understanding and interpretation of the laws of the State of Missouri. PFPC cannot guarantee the confidentiality of any materials used during the evaluation process or at any other time.

Each respondent in seeking, receiving, possessing this RFP and/or submitting a response thereto does release, indemnify and hold PFPC harmless from and against any claims or demands of any and all loss, cost, damage, or liability of whatever nature, which may be asserted against PFPC as a result of issuing this RFP, making any revisions thereto, conducting the selection process and negotiating and entering into any contract.

Selection

It is anticipated that a determination will be made during May 2016.

The Workers' Compensation Oversight Board will review the proposals submitted and participate in the selection of the successful bidder. The selection process will consist of an initial narrowing of the respondents. Those going forward may be required (at the discretion of the Workers' Compensation Oversight Board or PFPC) to schedule an oral presentation, and/or interviews and/or site visit if it is determined to be in the best interest of PFPC. Additional information or materials may be requested if it is deemed necessary.

Upon determination of the successful proposal, the key contact will be notified and any required implementation processes will be scheduled as soon as practical.

PFPC reserves the right to waive any and all irregularities in the submission of responses that it deems to be immaterial. PFPC also reserves the right to disqualify any and/or all respondents and reject any or all proposals for failure to comply with this RFP or to promptly provide additional requested information or materials. Further, PFPC reserves the right to cancel this RFP. Nothing in this RFP is intended or should be construed as an offer of engagement unless and until a contract is fully negotiated. For the contract to take effect, all parties with the authority to bind the respective entities must sign the agreement.

OBJECTIVES

The City and PFPC have the following objectives:

- I. To pay workers' compensation claims accurately and timely.
- II. To provide the injured employee with appropriate medical care and rehabilitation.
- III. To provide best in class case monitoring and investigation to prevent program abuse.
- IV. To pursue the most cost-effective and equitable combination of settlement of claims and litigation of claims.
- V. To control overall workers' compensation costs, including temporary total disability payments, medical expenses and permanent disability payments.
- VI. To maintain accurate cost-tracking and data reporting system for all City departments, divisions and affiliates.
- VII. To produce management reports and measurement tools to assist the City in controlling the cost of Workers' Compensation claims.
- VIII. To satisfy all requirements imposed by City ordinance, state and federal law and the Division of Workers' Compensation.

SCOPE OF SERVICES

PFPC is seeking to contract for services related to the administration of a self-funded Workers' Compensation Program. Services to be provided, according to best practices in this industry will include, but not necessarily limited to:

- I. Claims Handling
 - A. Evaluation of claims and establishment of reserves for reported claims (based on total exposure of the claim).
 - B. Provision of twenty four (24) hour employee contact for the City's injured workers (24 hours from notification of work-related injury).
 - C. Entry of claims and incidents (where there is a report of injury but no medical treatment) into a computerized data system to which the City's Workers' Compensation administrator and other City employees or consultants with responsibilities related to the Workers' Compensation Program will have access (may be "read only" access).

- D. Preparation and maintenance of legal files for the City Counselor's Office.
- E. Monitoring of claims closely to prevent program abuse and fraud and investigation of questionable claims.
- F. Interviewing and taking witness statements from claimants and witnesses as needed.
- G. Administering the Preferred Provider Organization (PPO) program for the City's employees, including the selection and monitoring of services provided by such PPO and negotiating PPO discounts to be processed.
- H. Review, monitoring and payment of medical costs related to Workers' Compensation claims.
- I. Negotiation of settlements with claimants pursuant to the City's authorization and final approval, as well as conveying offers of settlement as directed by the City Counselor's Office.
- J. Obtaining ratings from experts in a timely manner as requested by the City Counselor's Office.
- K. Handling of correspondence and calls and transmission of documents on claims on behalf of the City Counselor's Office.
- L. Pursuit of subrogation claims where appropriate; notification of the City Counselor's Office when legal intervention becomes necessary to pursue such claims, and coordination of efforts with said office.
- M. Provision of loss control consultation and on site review on an "as needed" basis. This will include participation in safety meetings scheduled by the City.

II. Accountability/Reporting Requirements

- A. Preparation of regular reports for use in evaluating the Workers' Compensation Program and effectiveness of loss control activities, including the following must be provided to the City:
 - 1. Monthly reports on the status of all claims, total incurred cost and any other matters related to the provision of services, as requested by the City.

2. Reports with the following information for each claim beginning from inception, upon request: type of injury; body part affected; total medical expenditure; total indemnity expenditure; outstanding reserve; amounts recovered from third parties, and; any other information pertinent to the recording function.

- B. Preparation of a monthly listing of checks issued from the City's Workers' Compensation account showing payee and amount.
- C. Preparation and timely filing of all reports required by the Missouri Labor and Industrial Relations Commission and the Missouri Division of Workers' Compensation.
- D. Preparation and timely filing of all reports required by the Internal Revenue Service or other agencies such as but not necessarily limited to Form 1099s.
- E. Timely reporting to, and ongoing follow-up with, the City's Excess Workers' Compensation insurance carrier for any claim which may reach specified reporting level.
- F. Timely notification of the City Comptroller's Office of the amounts needed to ensure that the Workers' Compensation Program's account will be sufficient to cover the checks issued.

PROPOSAL REQUIREMENTS

Proposals must include the following in the order listed:

- I. A description of the specific step-by-step protocols and document flows to ensure that the City of St. Louis Workers' Compensation Program complies with all relevant laws and regulations, including audit mandates. Document Flow description should include a description of the bidder's access and ability to receive and transmit claim filings and/or relevant data electronically. **These protocols should address the scope of services specified above.**
- II. A brief history and overview of the bidder's entity, including the following:
 - The length of time your entity has been administering Workers' Compensation claims for self-insured entities in the State of Missouri.
 - Qualifications/resumes of persons who will administer claims and persons who will provide loss control services. Please address the experience of such persons in working with return to work and rehabilitation programs. Persons assigned to service in the City's Workers' Compensation claims

must be experienced in providing such services; the primary adjustor must have extensive experience in processing claims of the type likely to be filed by City employees.

- III. A list of five reference entities for whom similar services have been provided. This list should include names and telephone numbers of contact persons who can provide performance references regarding Workers' Compensation service. Entities must have successfully provided services for five other self-funded Workers' Compensation programs of similar size and complexity as the City of St. Louis to be considered.
- IV. A copy of your standards for claim handling (e.g., twenty-four hour contact, timely adjuster/supervisor review, etc.,).
- V. Complete answers to the following questions:
 1. What is the average case load for adjusters who will be assigned to the City's program? Please indicate not only the number of cases assigned but also the nature of claims assigned to adjusters at various levels of experience. If a unit will be dedicated to the City of St. Louis, please explain, e.g., what staff positions will be dedicated to the City and will the City be the only client for all members of the unit?
 2. What has been your turnover rate for supervisors and adjusters over the past three years?
 3. What methods are used to identify questionable claims? Include the policy for interviewing witnesses, video surveillance and other methods used.
 4. What methods are used to review medical expense charges? If another firm is used for such reviews, provide a complete description of that firm and methodologies used.
 5. What other loss control services are provided?
 6. What cost containment services including training programs will you provide based on your proposal costs? If other programs are available on a fee per occasion basis, please list those services and the cost.
 7. What methods are used to identify and pursue payment from third parties responsible for an on-the-job injury to a City employee?
 8. What managed care system(s) does your firm use? Briefly describe procedures for establishing a managed care requirement and the process used to determine the need for such services.

9. How will you charge for obtaining the medical benefit discounts that you identify when reviewing the City's medical and pharmacy bills and what percentage savings have you achieved for each of the past three (3) years off of billed charges for the City and/or comparable entities?
10. List any other resources, specialists or materials available to the local office of your company for assistance in managing claims for the City of St. Louis.
11. Describe mechanism(s) in place to ensure confidentiality of personal information of injured employees.
12. Is your proposal "cradle to grave" or life of contract?
13. If you do not currently manage the City's claims, how will you charge for the existing open claims (the run-off)?
14. Describe mechanism(s) in place to review Rx utilization and review patient compliance with treatment protocol to ensure safety of employees and avoid both over and under utilization. How does your system control generic vs. name brand purchase and utilization.
15. Describe how your firm monitors/manages any required Medicare "set aside" amounts.
16. Please describe what access City employees/ consultants will have to the claim system (including adjuster notes). Are there any limitations to the number who may have access or type of access?
17. What is your entity's level of Minority and Women's Business Enterprise (MBE/WBE) participation? The successful bidder must make a good faith effort to maximize utilization of MBEs and WBEs in all of its activities under the resulting contract and shall comply with the Mayor's Executive Order No. 28, as amended, or any subsequent order, ordinances, or any City rules and/or regulations with respect W/MBE participation. PFPC's goal in connection with the contract resulting from this RFP is least 25% MBE and 5% WBE participation. A copy of the City's Directory of certified M/WBEs is available on the Disadvantaged Business Enterprise Office website: www.mwdbbe.org or by contacting the DBE Office at 314-551-5000. An M/WBE Utilization form (Appendix 1) is attached to this RFP and is to be completed by the Respondent.
18. Describe in detail any area in which your proposal differs from the specifications outlined in this Request for Proposal.

VI. The following items must also be submitted with Respondent's proposal:

1. Proof that the bidder is, and has been, actively licensed for a minimum of five (5) consecutive years by the State of Miss labor and Industrial Relations Commission to provide the services listed and self-insured Workers' Compensation programs.

2. A complete schedule of fees to be charged that specifically addresses each area of service to be provided, as well as any other charges referenced in Paragraph 1 of Additional Contract Requirements, below.

Appendix 1 or a similar format may be utilized. Any additional fees must be approved by PFPC.

3. Completed Minority and Women's Business Enterprise form. (Appendix 2)

4. Signed and notarized affidavit verifying bidder's participation a federal work authorization program. (Appendix 3)

5. Statement that no conflicts of interest exist and that any future conflicts of interest will be avoided by bidder.

6. Statement of the bidder's ability to meet all requirements of the Americans with Disabilities Act (ADA). The successful bidder will be required to comply with all applicable requirements of the ADA.

7. Statement of the bidder's ability to meet all non-discrimination requirements. The successful bidder must agree that in performing any services under the contract that discrimination against any business, employee, applicant or client on the basis of race, creed, color, disability, religion, sexual orientation, marital status, national ancestry or origin will not be permitted.

ADDITIONAL CONTRACTING REQUIREMENTS

I. The successful bidder must maintain an office convenient to City Hall and the Workers' Compensation Division. If any services, such as loss prevention or back-up personnel, will be provided from a different office, please specify.

The bidder must provide the City at least 360 square feet of office space for officing at least three City employees, as well as access to standard office equipment such as a printer, a copier and a FAX machine. If necessary, the bidder must provide said City employees with parking at a cost no more that \$20 bi-weekly per said City employee. If there is to be

an additional charge(s) for any of these items beyond overall fee, said charges must be listed in bidder's schedule of fees.

- II. Prior to entering into any contract, the successful bidder must have a current City of St. Louis Business License.

ADDITIONAL INFORMATION

The City of St. Louis's self-funded Workers' Compensation program covers the following entities:

City of St. Louis
St. Louis Library
Tower Grove Park
St. Louis Convention & Visitors Commission

The number of covered employees by department, the six-year history of claim counts and incurred losses of the City's Workers' Compensation program for the period of July 1, 2010 through June 30, 2015, the Self-Insurer's Report of Compensation Payments for the calendar year 2015 and Table One – 2015 Payroll and Premium Tax Report filed with the Missouri Department of Insurance are found in Attachments A through D.

AUDITS

PFPC reserves the right to perform an audit of all activities of the selected provider including but not limited to case load of adjusters, control processes and compliance with relevant regulations. The City of St. Louis and its auditors and accountants shall be afforded access during the term of any contract adopted pursuant to this RFP and for five (5) years following termination to all the selected provider's books and records without limitation whatsoever for the purpose of conducting audits. All books and records shall be open to inspection and reproduction to the extent necessary to adequately permit evaluation and verification of the selected provider's full compliance with contract documents. In those circumstances where the selected provider's records have been generated from computerized data or records, in addition to hard copy reports the selected provider shall provide such information on disc or in a suitable alternative electronic format.

GOVERNING LAW

This RFP, and any contract or agreement that may result from it, shall be governed by the laws of the State of Missouri.

SUBJECT TO APPROPRIATION

Any contract that results from this RFP is subject to annual appropriation by the City and is voidable by PFPC if appropriation by the City for services under the contract is not made for any year.

APPENDIX 1

SCHEDULE OF FEES

A. Medical only claims - Processing	_____	ea.
B. First Aid Cases – Processing	_____	ea.
C. Documentation Only – Processing	_____	ea.
D. Medical with lost time - Processing	_____	ea.
E. Investigation of questionable claims and claims requiring special handling	_____	ea./per hr.
F. Data processing, record keeping and runoff processing of active claims, including those transferred from previous administrators	_____	ea./per hr.
G. Loss control consultation and audit services	_____	per hr.
H. Preparation and filing of IRS required materials (Form 1099), if not included in above	_____	ea./per hr.
I. Rehabilitation/Structured Work Re-Entry Programs	_____	ea./per hr.
J. Case Management/Rehabilitation Review	_____	
K. Other (please specify)	_____	

In lieu of the above itemization, respondents may quote a single fixed price to include all services listed above. If quoted in this way, please list specifically all services to be provided and any services for which additional costs could be expected.

\$ _____

APPENDIX 2

CITY OF ST. LOUIS

MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES (M/WBE) UTILIZATION PLAN

CONTRACTING AGENCY:

PROJECT NAME:

NAME OF PRIME CONSULTANT:

PROJECT GOAL: _____% MBE; _____% WBE

The prime consultant shall utilize and require all subconsultants to utilize the maximum number of certified minority and women-owned business enterprises possible and will purchase materials and supplies from minority and women-owned business enterprises to the maximum extent feasible, and to this end, the prime consultant will inform each subconsultant of this requirement. The prime consultant shall utilize the services and/or supplies to be provided by the following certified minority and women-owned business enterprises in the execution of this contract.

FIRM NAME

ADDRESS

PHONE NUMBER

CONTACT PERSON CERTIFYING AGENCY

CERTIFICATION DATE

CATEGORY

CERTIFICATION NO.

WORK TO BE PERFORMED

M/WBE PERCENT

PRIME CONSULTANT AUTHORIZED SIGNATURE

DATE

APPENDIX 3

STATE OF _____)

)SS.

COUNTY OF _____)

AFFIDAVIT

Before me, the undersigned Notary Public, personally appeared _____ (Name) who, by me being duly sworn, deposed as follows:

My name is _____ (Name), I am of sound mind, capable of making this Affidavit, and personally acquainted with the facts herein stated:

I am the _____ (Position/Title) of _____ (Contractor)

I have the legal authority to make the following assertions:

1. _____ (Contractor) is currently enrolled in and actively participates in a federal work authorization program with respect to the employees working in connection with this Agreement, as required pursuant to Sections 285.525 through 285.555 of the Revised Statutes of Missouri, as amended.
2. Pursuant to Sections 285.525 through 285.555 of the Revised Statutes of Missouri, as amended, _____ (Contractor) does not knowingly employ any person who is an unauthorized alien in connection with this Agreement.

Affiant

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal this ____ day of _____, 20__.

Notary Public

My Commission Expires: