

MARCIA A. LECLERC
MAYOR

TOWN OF EAST HARTFORD

740 Main Street

East Hartford, Connecticut 06108

(860) 291-7270

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PURCHASING DEPARTMENT

www.easthartfordct.gov

**TOWN OF EAST HARTFORD, CT
INVITATION TO BID**

BID #14-17

RE: R.F.P – WORKERS’ COMPENSATION CLAIMS ADMINISTRATOR

**PROPOSALS WILL BE RECEIVED AT THE OFFICE OF THE PURCHASING AGENT,
740 MAIN STREET, EAST HARTFORD, CT 06108 UNTIL TUESDAY, FEBRUARY 4, 2014
@ 11 A.M. AT WHICH TIME THEY WILL BE PUBLICLY OPENED AND RECORDED.**

**INFORMATION AND SPECIFICATIONS ARE AVAILABLE AT THE ABOVE OFFICE AND
ON THE TOWN OF EAST HARTFORD WEBSITE - WWW.EASTHARTFORDCT.GOV**

**THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS WHEN SUCH ACTION IS
DEEMED TO BE IN THE BEST INTEREST OF THE TOWN OF EAST HARTFORD, CT.**

**MICHELLE A. ENMAN
PURCHASING AGENT
(860) 291-7271**



TOWN OF EAST HARTFORD, CT.

STANDARD INSTRUCTIONS FOR PROPOSAL

1. SEALED PROPOSALS WILL BE RECEIVED BY THE PURCHASING AGENT UNTIL THE DATE AND TIME ON THE TITLE SHEET. PROPOSALS RECEIVED LATER THAN THE DATE AND TIME SPECIFIED WILL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED. **PROPOSALS WILL NOT BE ACCEPTED VIA FAX OR E-MAIL.**
2. ALL PROPOSALS WILL BE OPENED AND RECORDED AND ARE SUBJECT TO PUBLIC INSPECTION. FIRMS MAY BE PRESENT OR BE REPRESENTED AT ALL OPENINGS.
3. MUNICIPALITIES ARE EXEMPT FROM ANY SALES, EXCISE OR FEDERAL TAXES. FEES MUST BE EXCLUSIVE OF TAXES AND WILL BE SO CONSTRUED.
4. THE TOWN OF EAST HARTFORD RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS OR ANY PART OF ANY OR ALL PROPOSALS AND TO WAIVE ANY INFORMALITY WHEN SUCH ACTION IS IN THE BEST INTEREST OF THE TOWN AND ALSO RESERVES THE RIGHT TO EXTEND AN AWARDED PROPOSAL BY MUTUAL CONSENT AND NEGOTIATE ANY TERMS, CONDITIONS AND PRICES IF IT IS IN THE BEST INTEREST OF THE TOWN.
5. FIRMS SHOULD FAMILIARIZE THEMSELVES WITH THE ITEMS AND/OR CONDITIONS SET FORTH IN THE RFP SPECIFICATIONS. FAILURE TO BE INFORMED WILL NOT BE ACCEPTED AS AN EXCUSE FROM FULFILLMENT OF THE REQUIREMENTS.
6. IN CASE OF AN ERROR IN THE EXTENSION OR ADDITION OF PRICES, THE UNIT PRICE WILL GOVERN. THE TOWN WILL NOT BE SUBJECT TO ANY PRICE INCREASES AFTER AN AWARD IF NOT PART OF THE ORIGINAL PROPOSAL TERMS.
7. FOR PROFESSIONAL SERVICES - A SELECTED TOWN COMMITTEE WILL EVALUATE ALL RESPONSES AND MAKE A RECOMMENDATION TO THE MAYOR. **IF DEEMED NECESSARY** BY THE COMMITTEE, AN INTERVIEW MAY BE REQUIRED AS PART OF THE SELECTION PROCESS.

CORPORATE RESOLUTION (when required)

(TO BE TYPED ON CORPORATION LETTERHEAD PAPER)

I _____, Secretary of _____
(name of Corporation's Secretary) (legal name of Corporation)
a Corporation duly organized and operating under the laws of _____ DO
STATE
HEREBY CERTIFY that the following is a true, correct and accurate copy of a
Resolution duly adopted at a meeting of the Board of Directors of such
Corporation, duly convened and held on _____, at which meeting
(date)
a duly constituted quorum of the Board of Directors was present and voted in
favor of such Resolution. I further CERTIFY that such Resolution has not been
modified, rescinded or revoked since the date on which it was enacted, and it is
at present in full force and effect:

RESOLVED: That the following Officers of this Corporation, or any one
them:

_____,
(Name and title of Officer or Officers)

is empowered to execute and deliver in the name and on behalf of this
Corporation contracts, bids and other documents to the Town of East Hartford, State
of Connecticut, and are further authorized to affix the Corporate Seal to such
documents and to bind the Corporation to such contracts, bids and other documents.

IN WITNESS WHEREFORE, the undersigned has affixed his signature and the
Corporate Seal of the Corporation, this _____ day of _____.
(day) (month and year)

(Affix Corporate Seal Below)

(Typed name of Corporation's Secretary)

SIGNATURE OF SECRETARY

REQUEST FOR PROPOSAL (RFP)

Third Party Administration Services of Our Self-Insured Workers' Compensation and Heart & Hypertension Program (Town of East Hartford and the East Hartford Board of Education)

January 2014

By: Cynthia Bennett, Risk Manager
CPCU, ARM-P, AIC, CRM

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SECTION I
GENERAL INFORMATION

1. INTRODUCTION

These specifications are provided for the purpose of soliciting proposals to administer a proactive, organized system of worker compensation/heart & hypertension claim administration services. Administration is for the Town of East Hartford and the East Hartford Board of Education, herein referred to as the Town and is effective July 1, 2014.

The selected firm(s) will be responsible for all open claims as well as new claims. The Town expects to retain an adjusting firm for a period to extend at least through June 30, 2017. The contract may be cancelled by the Town in the event of non-appropriation of funds. The Town by mutual consent may extend this contract after July 1, 2017 and reserves the right to negotiate any necessary terms and conditions in its best interest.

Upon being awarded the contract, the successful respondent(s), at its own expense, shall coordinate any necessary meetings to effectively implement the new program and begin working with the current provider on a data transfer. If the selected bidder is not the current provider, they shall be responsible to work closely with the current provider in order to effect an orderly transition of services.

All questions concerning this proposal should be directed in writing to the Purchasing Agent, Michelle Enman, 740 Main Street, East Hartford CT 06108. All bidders will get a copy of any submitted questions and answers.

2. BACKGROUND INFORMATION

- A. The Town's workers' compensation claims have been self-insured since July 1992 with CIRMA handling the claim administration and managed care from that time through July 2004. Effective July, 2004 through July, 2008, Berkley Administrators handled this program. As of July 1, 2008 and through current, the program has been administered by the Worker's Compensation Trust.
- B. The Towns workforce is approximately 1600 full time employees with 250 being public safety employees. The Town is self-insured for workers' compensation for the first \$800,000 per occurrence and carries a corridor excess insurance policy with Safety National.
- C. All workers' compensation litigation is handled by the law firm of McGann, Bartlett & Brown. The law firm of Montstream and May has some older files they continue to handle. All full and final settlements for workers' compensation must be approved by the Town Council or the Board of Education in an executive session.

3. CLAIMS INVESTIGATION AND MANAGEMENT PHILOSOPHY

The Town's Claim Management Philosophy is as follows:

- A. To process all claims timely and in accordance with local, state and federal laws and to provide the highest professional level of responsive claims handling.
- B. To conduct the necessary investigation of each claim using competent and qualified personnel. The Town reserves the right to require additional investigation. With the approval of the Town, engage the services of persons or firms outside its organization for special work in connection with the investigation.
- C. To give prompt attention to all claim matters in an attempt to discourage unnecessary litigation.
- D. To identify fraudulent claims and claims with subrogation potential and handle timely and appropriately.
- E. To keep communication open between the Administrator, Risk Manager, Claimant and any Attorneys.

4. METHOD OF EVALUATION

The following factors will be considered by the Town Selection Committee in evaluating the proposals submitted for award. The factors will not necessarily be evaluated in the order presented and are not listed in any priority order.

- Conformance to specifications
- Demonstrated understanding of the scope of services
- The firms' general experience and specific self-insured CT municipal experience in administering claims
- Reputation of the firm based on references
- Information provided in the questionnaire including fees for service
- Familiarity with and proximity to the Town of East Hartford
- Computer support and reports
- Negotiated medical discounts with providers and hospitals/surgical centers

Following review and evaluation of the proposals, the Town shall reserve the right to request additional information to include, but not limited to, the following:

- Requests for additional information
- Requests for revised fee schedule
- Personal interviews with key staff of proposing firms

The Town Selection Committee will consist of the Risk Manager, two representatives from the Board of Education, and a representative from USI, the Town's risk management consultant.

SECTION II SCOPE OF SERVICES

1. CLAIMS ADMINISTRATION

Services shall include the following core services:

- a. Have available an on line reporting claim ability as well as a toll free, 24 hours per day, seven days a week telephone number for Town employees to report work related injuries or illnesses. Real time system capability is desired.
- b. Assume all open claims existing at the beginning of the contract term and handle any re-opened claims and follow them through closure. Investigate and handle all newly reported claims.
- c. Contact all claimants within two (2) days of receipt of new claims in an effort to discourage unnecessary litigation.
- d. Obtain and review all medical reports and bills related to the claim and establish if the fees charged are reasonable and customary.
- e. Establish and maintain a high quality and workers compensation educated medical network.
- f. Establish and maintain accurate case reserves.
- g. Payments to claimants and providers will be made by the administrator on behalf of the Town. All cash flow provisions will be mutually agreed to between the Town and the administrator.
- h. Work in conjunction with the Risk Manager and Town Attorney for any legal representation necessary.
- i. Report claims to the excess carrier in accordance with policy requirements.
- j. Meet with the Risk Manager and appropriate Town personnel on an as needed basis to discuss the status of open claims and other related Risk Management issues.
- k. The Town or its designated representative is authorized to visit the Administrator's premises and have access to all data which relates to payments or non-payments made by the Administrator and charged to the Town.
- l. Provide reports as needed.
- m. Maintain all closed files for a minimum of 10 years from the occurrence date. Such files shall be readily available to the Town of East Hartford upon request.

2. FINANCIAL, REPORTING AND ACCOUNTING SERVICES

The firm must be able to:

- assist the Finance Department in establishing banking arrangements and escrow funding requirements

- meet any requirements of Town auditors regarding the financial balancing and documentation of the programs.
- report claims to CMS for those claims that are Medicare eligible and follow other CMS regulations
- Provide any reports necessary to meet annual OSHA and workers' compensation commission regulations.

IF THE RESPONDER IS TAKING EXCEPTION TO ANY OF THE SCOPE OF SERVICES, IT MUST BE SPECIFICALLY HIGHLIGHTED IN YOUR RESPONSE TO THIS PROPOSAL.

3. INSURANCE REQUIREMENTS

Respondent shall submit an insurance certificate evidencing the following:

One million per occurrence limit/two million aggregate limit – Commercial General Liability

One million per occurrence limit – Automobile Liability (to include hired and non-owned vehicles)

One million per occurrence limit – Professional Liability

Statutory Workers' Compensation coverage (\$100,000 each accident/\$500,000 each disease/\$100,000 disease each employee)

The Town of East Hartford, the East Hartford Public Schools, including its agents, employees, boards and commissions shall be named and endorsed on the general liability policy as an additional insured's.

SECTION III

SUBMISSION OF PROPOSAL

1. TIMELINE

February 4, 2014

March 21, 2014

- Bids due by 11:00 A.M.

- Award made - all bidders notified

All bidders are required to submit one (1) original and three (4) copies of their proposal to Michelle Enman, Purchasing Agent, 740 Main Street, East Hartford, CT 06108 by 11:00 A.M. Tuesday, February 4, 2014.

The information shall be organized and assembled in the order noted to assist the Town in their review.

- a. Table of Contents
- b. A Letter of Transmittal indicating the firm's interest in providing the service and any other information that would assist the Town in making a selection. This letter must be signed by a person legally authorized to bind the firm to a contract.
- c. A Statement demonstrating your understanding and capability of providing the services of each section of the "Scope of Services".
- d. Completion of the Questionnaire/Fee Proposal
- e. A Certificate of Insurance evidencing coverage as required in Section II (3).

SECTION IV

FEE PROPOSAL/QUESTIONNAIRE

Please answer in the order requested and number your responses.

1. Branch office address and phone number, which would provide service to the Town. If not a local call, would you provide a toll-free number?
2. Furnish an organizational chart indicating the positions of the claims management unit that would be handling the Towns' claims.
3. Describe the firm's claim handling experience, particularly with CT self-insured municipalities.

4. Indicate the personnel (including a designated adjuster, and supervisor) who would be assigned to administer the Town's program and give details regarding job title, CT self-insured public entity and other experience, education and length of time employed by your firm. Indicate whether the Town would have a say in the assigned personnel.
5. Would the personnel assigned to the Town also be assigned to other accounts? What is the anticipated case load of open files that would be managed by the assigned adjusters? How do you keep track of the number of files handled by that adjuster?
6. List three references, at least two being CT municipalities for who you service claims (name, address, and current phone number) and a brief description of services provided.
7. Describe the claim administrators' various investigative techniques and general claim handling philosophies addressing method of explaining claimant's right, when in-person investigations would be used, when statements would be taken, method of denying claim payments, etc.
8. Attach copies of all standard forms and letters used in your claim administration process.
9. Provide procedures and timetable for initial set-up and the implementation of the Town's account into your system.
10. Describe your firm's philosophy and procedures for the establishment of case reserves. What about revisions?
11. Provide a description of the quality controls currently in place. The description should include the approach to and frequency of internal claims audits as well as ways of catching duplicate payments etc.
12. Give a brief description of your information system including how long it has been used.
13. Can you provide on-line access and is there a charge for this?
14. Identify any outside firms used by your firm for special investigations, hospital bill audits etc. and the fee charged by these agencies.
15. Explain any "continuing education" training that your firm uses to keep employees current in their field.
16. Describe in detail, the workers' compensation managed care services that would be part of our program. Would you provide all brochures, booklets, forms, directories etc. as part of your quoted fee? Please include any provider education programs you have as well as any claimant service questionnaires you may use.

If you use nurses, are they your employees or considered an outside vendor. What is their role, what cases are they put on, and can the Town specify they would like a nurse on the file? Is there a separate charge or is this part of your managed care fee? Do you track surgical success rates for doctors performing surgeries?

17. Please advise if your firm captures information as required in the OSHA Record Keeping Standard and if the annual reports can be produced and sent to the Town by January 15th of each

calendar year.

18. Please advise how and when you file electronic first reports of injury with the Workers' Compensation Commission.
19. Describe in detail your approved medical network and advise if East Hartford can tailor by adding or deleting providers. Also advise your initial credentialing process for these providers and if you re-credential and when.
20. Describe in detail your safety and loss prevention programs and what is included in the fee or what is outside the fee. Please include if you have a safety video library and if it is digital.
21. Please advise if you would be willing to email FROI's to a variety of departments.
22. Please advise the percent off you get from the state fee schedule from your network medical providers and the discounts you get from hospitals/surgical centers pharmacies.
23. Are there any other fees for services to be provided as outlined in the "Scope of Services"? For instance, charges for subrogation etc.
 - a) Proposals shall be submitted on a fixed all inclusive annual fee for each year of the three year contract. Identify any additional fees that would apply for ancillary services.
24. Describe any unique approaches to the cost of your services, which may minimize the Town's costs.

PLEASE NOTE – ALL FEES MUST BE INCLUDED IN THE PROPOSAL. NO ADDITIONAL FEES FOR SERVICES WILL BE ACCEPTED IF NOT INCLUDED IN THE RESPONSE TO THIS PROPOSAL.

SECTION V
ATTACHMENTS

1. Claim Information

ATTACHMENT 1.

WORKERS' COMPENSATION CLAIM INFORMATION

As of December 2013

| FISCAL YEAR | CLAIM TYPE | | #OPEN | TOTAL INCURRED (includes recoveries) |
|---------------------|--------------|-----|-------|---|
| July 09 –10 | Incident | 0 | 3 | 836,629 |
| | Medical Only | 155 | | |
| | Indemnity | 160 | | |
| July 10-11 | Incident | 0 | 7 | 1,089,660 |
| | Medical Only | 137 | | |
| | Indemnity | 143 | | |
| July 11–12 | Incident | 0 | 82 | 3,981,344 |
| | Medical Only | 133 | | |
| | Indemnity | 158 | | |
| July 12-13 | Incident | 59 | 109 | 1,045,314 |
| | Medical Only | 108 | | |
| | Indemnity | 70 | | |
| July 13- Dec. 13 | Incident | 30 | 88 | 375,565 |
| | Medical Only | 62 | | |
| | Indemnity | 17 | | |

Note-Incident reports not automated prior to July 2012-coded as 0

HEART AND HYPERTENSION CLAIM INFORMATION

As of December 2013

71 claims on file-19 claims open (Loss dates range from 1977 through current)
 Total incurred for open 5,615,620 (Paid-4,237,145, Reserved -1,423,727)