

DRAFT

EXHIBIT A
REQUIREMENTS

HIDALGO COUNTY
REQUEST FOR PROPOSALS

**"Quality Claims Administration Services For
Workers' Compensation"**

OVERVIEW:

Hidalgo County is requesting Proposals from qualified "Quality Claims Administration Proposer(s)" for "Workers' Compensation." Hidalgo County is seeking to enter into a "Quality Claims Administration Services Contract(s) with a state-registered "Quality Claims Administration Proposer(s)." Hidalgo County Purchasing Department will receive sealed envelopes for the provision of "**Quality Claims Administration Services For Workers' Compensation"- Request for Proposals** as specified herein. Statements of qualifications will be accepted until **9:30 A.M., Wednesday, October 27, 2010.** **ANY RFP RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

Deliver Submittal to:

RFP NO: 2010-266-10-27-OTM
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

The Submittal Envelope Must Show the RFP/Q Number, Name and Acceptance Date.

The following outlines the Request For Proposals

SECTION I- GENERAL TERMS AND CONDITIONS

ADDITIONAL INFORMATION:

Hidalgo County is requesting that statements of qualifications be routed to Martha L. Salazar, CPPB, Purchasing Agent, at 2812 S. Hwy. 281, Hidalgo County New Administration Building, Edinburg, Texas 78539. **WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMILE BY NO LATER THAN Wednesday, October 13, 2010 at 5:00 P.M. at (956) 292-7612.** Responses will be sent to all applicants via facsimile by **Friday, October 15, 2010.** **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

PROPOSER'S AFFIDAVIT:

Respondents to this RFP/Q must submit a signed Proposer's Affidavit (attached herein in Exhibit "D") certifying that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit; (2) that the Respondent does not have a Conflict of Interest as described in the Proposer's Affidavit; or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

DISCLOSURE OF CONFLICT OF INTEREST:

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the CIQ") attached as **Exhibit D,** vendor, person, consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the

successful participant fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse. **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROPESECTIVE BIDDER.**

NON-DISCRIMINATION:

Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

PROCESSING TIME FOR PAYMENT:

Submitters are advised that a minimum of thirty (30) days is required to process invoices for payment.

ELECTRONIC TRANSMISSION OF BIDS:

Hidalgo County's Purchasing Department will not accept telegraphic or electronically transmitted submissions.

PROOF OF FINANCIAL AND BUSINESS CAPABILITY:

Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

SUBMITTER DEFAULT:

Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:

It is the responsibility of the submitter to review the Request for Proposals/Qualifications (RFP/Q) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or bidding procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

RFP/Q DELIVERY:

Hidalgo County requires submitters, when hand delivering qualifications, to have a Purchasing Department representative time/date stamp and initial the envelope when dropping RFP off.

SIGNING OF QUALIFICATIONS:

In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES:

Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING:

The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

CONTRACT TERM:

- a) **Initial Term:** Effective date is from **January 1, 2011 to December 31, 2013;**
- b) **Renewals & Extensions:** It shall be at the County's sole discretion to renew and extend for an additional two (2), one (1) year renewals/extensions are to be provided to Hidalgo County for consideration by no later than, **October 1, 2011** for the first renewal/extension and no later than **October 9, 2012** for the second renewal/extension.

DAVIS BACON ACT:

All selected and awarded Proposers are required to include the Davis-Bacon Act when advertising and developing specifications. (if applicable)

SECTION II-RFP -REQUIREMENTS

REQUEST FOR PROPOSALS/QUALIFICATIONS:

The required contents and limitations for the preparation of the RFP are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFP. A total of **one (1) original and ten (10) copies** of the RFP shall be submitted to the address on the cover letter.

CONTENTS:

The required contents for the RFP are presented below in the order they should be incorporated into the submitted document.

UNDERSTANDING OF THE PROJECT:

This section should demonstrate the submitter's understanding of the project needs, the work required, and any local issues or concerns. This description should be concise, candid, and limited to 3 pages in length.

PROPOSER QUALIFICATIONS:

- Hidalgo County is soliciting to contract with qualified Proposers(s) to perform professional quality claims administration for Hidalgo County's Self-Funded Workers' Compensation Program. Please refer to, and fill out, RFP Form, Attachment "A" (Pages 8-13) for qualifications information.

SCOPE OF SERVICES-CLAIMS ADMINISTRATION AND SUPPORT SERVICES:

- A. Each Proposer must provide the following proposal:
 - Hidalgo County, all entities
- B. Each Proposer must supply a list of all potential servicing personnel with a current resume of each adjuster who would handle or would in any way be involved in the handling of County claims. Any additional personnel to be involved in County

claims handling at a later date must have resume submitted for prior consultation with the County, with any subsequent proposal for personnel to follow guidelines as provided herein. Resumes should include a summary of education, experience, licenses, and languages spoken/written, see Attachment A.

As part of proposal price, Hidalgo County requires the ability to view case notes and create unlimited custom reports on-line via TPA website. Training should be included in costs. However, each Proposal shall include samples of the types of statistical data and loss reports to be provided monthly, to include, but not limited to:

- a.) A monthly summary of the workers' compensation checking account (check register), listing all checks, vouchers, voided checks, in numerical sequence, stating date issued, claim number, claimant name, payee, amount, type of benefit paid, and benefit period. This report must be presented to the Employee Benefits Division no later than the 5th day of each month or as requested.
- b.) Bi-weekly Replenishment Report for funding of the Workers' Compensation payment fund.
- c.) Loss runs available by any date selection, sorted by several fields (i.e., name, date, type of injury, body part, etc.)
- d.) Proposer will prepare and submit IRS Form 1099 for all vendors and mail the forms to vendors. Proposer will prepare and submit Form 1099 data in a magnetic tape format no later than January 15th of each year to County.
- e.) Proposer will be available for claims reporting on a 24-hour basis.
- f.) Any duplicate payments or overpayments made due to Proposer's oversight or negligence shall be the responsibility of the Proposer; Proposer will reimburse County for same, within 30 days. In addition, Proposer will provide County an overpayment report by type, reason, and payee by fiscal year on a quarterly and annual basis.
- g.) Proposer will provide a captioned report to the Employee Benefits Division when reserves on any claim reach 50% of County's retention, and Proposer will notify appropriate insurance carriers.
- h.) Proposer will cooperate with any medical cost containment group, case management, Hidalgo County Employee Benefits Division, P.I. Investigation, law firm or any other organization designated by County.
 1. Proposer will meet with the County's Employee Benefits Division as follows:
 - Monthly to review the status and or handling of up to 25 claims selected by the County.
 - Quarterly to review all open claims and any other matters at the discretion of the County.
 2. Proposer will respond to any request by the County within 24 hours from time a request is made.

3. The agreement will include and indemnify provision to protect the County against errors or omissions committed by the TPA. The provision should also specify that the Proposer agrees to hold the County harmless and to indemnify the County for all arising out of any claims alleging an error or omission with respect to the services performed by the Proposer.
 4. The selected Proposer will be subject to periodic claims audits by internal County Staff and/or independent Proposer at the discretion of the County.
 5. Provide description of the on-line computer claims service and attach a sample copy of an on-line illustration or exhibit through printouts of the applicable screens County personnel would see.
- i.) County **requires** Proposer to have a local office (within 40 miles of County Administration Building, Edinburg, Texas), to administer all County claims under this contract. Proposer shall provide address of office location with Proposal submission.

PERSONNEL AND STAFFING:

The Proposer should provide an organizational chart for the project and a summary paragraph of the project work to be performed by each proposed staff member. Biographic summaries that highlight the experience relevant to the specific project responsibilities should be provided for all proposed personnel. There is a one (1) page limitation for each biographic summary provided.

REQUIRED CERTIFICATIONS AND SUBMITTAL:

This section will contain any licenses and certifications as required by the State of Texas, Hidalgo County. All qualified quality claims administrators are required to furnish a certification or acknowledgment stating that the quality claims administrator(s) is/are free from suspension or debarment pursuant to federal regulation 45CRF76. Certification form is included in this packet and must be completed and submitted as part of the response on the RFP. The quality claims administrator(s) should add copies of its/their Professional Liability Insurance as well as all other applicable insurances as required by Hidalgo County and as detailed in Exhibit "C" contained herein.

PROPOSERS ARE TO PROVIDE A FEE SCHEDULE WITH THIS SUBMITTAL:

Proposer is to provide a fee proposal based on the scope of work/services.

NUMBER OF COPIES TO BE SUBMITTED:

Hidalgo County requires one (1) original submittal and ten (10) copies.

PART III-SELECTION AND SCHEDULES

SELECTION/EVALUATION PROCESS:

Hidalgo County will conduct a comprehensive evaluation of all Proposal/Qualification's received in response to this RFP. Hidalgo County will establish a Scoring/Grading Committee comprised of staff members to perform such evaluation. Each RFP received will be analyzed to determine overall responsiveness and qualifications under the RFP; further, the Scoring/Grading Committee and/or Commissioners' Court may select proposing organizations for "in person" presentation, including proposed adjuster(s). Criteria to be evaluated, not necessarily in order of priority, may include the items listed below. Final approval of a selected Proposer is subject to the action of County Commissioners Court.

- A.) Economic evaluation of the Proposed Fee Schedule; rates to be submitted during negotiation's phase. **20 Points**

- B.) Responsiveness to the Request For Proposal/Qualifications **20 Points**
 - 1. Requested information included and thoroughness of response.
 - 2. Understanding and acceptance of the scope of services.
 - 3. Acceptance of the RFP and Contract Requirements.
 - 4. Clarity and conciseness of the response.

- C.) Proposer's capability to provide the services requested and information contained in Attachment "A". **60 Points**
 - 1. Background of Proposer and support personnel, including professional qualifications.
 - 2. Relevant experience of the Proposer.
 - 3. Specific experience with public entity clients.
 - 4. Other resources, including the total number of employees, number and location of offices.
 - 5. References and experience in the Texas Public Sector.

Hidalgo County may accept, within the time specified herein, any RFP in whole for in part, whether or not there are negotiations subsequent to its receipt. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFP on the part of Hidalgo County.

The Contract will be awarded to the respondent whose Proposal will be most advantageous to County, as determined by the evaluation factors listed herein and by the recommendation of the Scoring/Grading Committee with approval of Hidalgo County Commissioner's Court.

NEGOTIATION PROCESS:

The number one ranked Proposer will be contacted to submit a draft contract for negotiation. If negotiations prove unsuccessful, the next highest ranked company will be contacted. The Count of Hidalgo reserves the right to reject any and all RFP's.

TERMINATION OF SERVICES:

Any contract awarded to a successful submitter will be in effect until (a) the contract expires, (b) delivery and acceptance of the performance of services ordered, or (c) terminated by County with thirty day's written notice prior to cancellation.

RFP SUBMITTED TO: An original and ten (10) copies of RFP's should be submitted to:

Martha L. Salazar, Purchasing Agent
Hidalgo County Purchasing Department
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

RFPs must be submitted by **no later than 9:30 a.m. on Wednesday, October 27, 2010.**

ADDITIONAL SPECIFICATIONS/REQUIREMENTS

Hidalgo County, Texas

REQUEST FOR PROPOSALS/QUALIFICATIONS FOR QUALITY CLAIMS ADMINISTRATION SERVICES FOR SELF-FUNDED WORKERS' COMPENSATION

I. INTRODUCTION:

Hidalgo County (hereinafter referred to as "County") is Requesting For Proposals (RFP) from organizations (Proposers) (hereinafter referred to as "Proposers") qualified to perform professional claims administration services for Hidalgo County's Self-Funded Workers' Compensation Program. The scope of the work will encompass all aspects of County operations and requires extensive knowledge and experience with workers' compensation coverage. The information provided in the Request For Proposal (RFP) in the areas of "Quality Claims Administration Services".

II. GENERAL BACKGROUND:

Hidalgo County is seeking a new contract for its "Quality Claims Administration Services For its Workers' Compensation Program. COUNTY'S designated representative during the RFP process shall be COUNTY'S Purchasing Agent, Martha L. Salazar, Hidalgo County Purchasing Department, Edinburg, Texas.

The COUNTY'S fiscal year is from January 1 to December 31.

III. PROPOSER QUALIFICATIONS:

Hidalgo County is seeking to contract with a qualified Proposer(s) to perform professional claims administration for Hidalgo County's Self-Funded Workers' Compensation Program. Please refer to, and fill out, RFP Form, Attachment "A" (Pages 8-13) for qualifications information. RFP from a PROPOSER for Claims Administration Services should include the following:

- A. The location of Proposals local office(s) and hours staffed, number of professional staff members, attorneys, Claims Adjusters, etc. (Refer to FEE SCHEDULE Notes). Provide the names of principal owners, partners or officers.
- B. HIDALGO COUNTY would like RFPs to indicate who is primarily responsible for the management and supervision of the HIDALGO COUNTY account. This individual should be at least an account manager level (whose duties are primarily the supervision of claims

- files). The account manager and the names of any adjusters and/or examiners assigned to the handling of HIDALGO COUNTY files should also be included with an indication of length of service and area of expertise.
- C. Advise as to the average and maximum number of files claims adjusters and/or examining personnel must handle at the local office assigned to handle HIDALGO COUNTY'S claims.
 - D. Advise as to whether or not the designated claims personnel on HIDALGO COUNTY'S account will also be involved in on-site investigation and other outside claims adjusting functions. If so, provide some detail as to when and who would perform these outside functions and the time frame expected.
 - E. Advise how frequently your diary system allows claims supervisory personnel to review open claims.
 - F. Describe if you have a formal program for managing lawsuits and litigation expense.
 - G. Advise if you use a formal claims procedure and performance manual and, if so, provide a sample.
 - H. Advise if you use a standard form other than state forms used in PROPOSER claim process, and if so, please provide copies.
 - I. The attached FEE SCHEDULE shall be utilized, during the negotiation process, to provide a fixed cost per claim as well as a flat rate cost for Worker's Compensation, identifying separate rates for report only, medical only and indemnity. Questions found below the Fee Schedule table must be answered.
 - J. Specify whether or not fees will include your Proposer performing all of the necessary and required State filings.
 - K. Indicate the types of allocated claims expenses which are not included in your per claim cost.
 - L. Claim Payment Funding Procedure: PROPOSER prints checks on checks from SCH – ACH account and all records for IRS filings are to be maintained and issued by PROPOSER on table income.
 - M. Include a list of five (5) to seven (7) Texas public entity references, (include local entities if any). Along with your references, include a list that is representative of your clients. References will be contacted as part of the evaluation process.

VIII. PREPARATION OF RFP:

- A. PROPOSER is expected to examine this Request For Proposal/Qualifications carefully. The Proposer should understand the terms and conditions for providing the pertinent services, and respond completely. Failure to provide complete responses may result in disqualification.
- B. Failure to respond to all portions of this RFP may result in the PROPOSER'S response being deemed non-responsive. If HIDALGO COUNTY deems an RFP non-responsive, it will be disqualified. An officer or principal of the PROPOSER must sign RFPs, however, an agent may sign RFPs if the signature is accompanied by written evidence of authority.
- C. All RFPs should include the PROPOSER'S federal tax number (Refer to W-9 Form provided).

IX. SELECTION PROCESS:

Refer to PART III-SELECTION AND SCHEDULES- for the selection process.

X. TERMS AND CONDITIONS-QUESTIONS FROM PROPOSERS:

Hidalgo County believes that the data contained in this RFP document is sufficient for preparations of responses. Request for additional information should be directed in writing to:

**Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539
956-318-2626 – (Phone) 956-292-7612 – (Fax)**

SUBMISSION OF RFP'S

One (1) original and ten typed and bound copies of the Proposal/Qualifications shall be enclosed in a sealed envelope with the notation "Quality Claims Administration Services For Workers' Compensation" clearly marked on the envelope. **All Proposals/Qualifications are due at the Purchasing Department at Hidalgo County no later than 9:30 AM CST on Wednesday, October 27, 2010. Any Proposal/Qualifications received at the location below after that time shall not be considered.**

Please mail or deliver your RFP to:

Physical Address

**Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, TX 78539
(956) 318-2626**

All provisions in Proposer's Proposal/Qualifications, including any estimated or projected costs, shall remain valid for ninety (90) days following the deadline date for submissions or if an RFP is selected, throughout the entire term of the Contract.

All RFPs become property of COUNTY upon receipt and will not be returned. RFPs submitted will clearly identify trade secrets or information deemed confidential by the Proposer by typing the word "**CONFIDENTIAL**" in bold fourteen (14) point font on the bottom margin and indicate what information is protected. However, all PROPOSER'S are hereby notified that any RFPs submitted to COUNTY may be subject to disclosure, either in whole or part, under the Texas Public Information Act.

INDEPENDENT CONTRACTOR:

It is expressly understood and agreed that Proposer and all persons designated by it to provide services in connection with this RFP, is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions, and that COUNTY shall in no way be responsible for any acts or omissions by the Proposer. Neither party hereto has authority neither to bind the other nor to hold out to third party that it has the authority to bind the other.

XI. INSURANCE & INDEMNITY PROVISIONS:

- A. Prior to the commencement of any work under this CONTRACT, Proposer shall furnish an original completed certificate(s) of insurance to the COUNTY, which shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, and which shall furnish and contain all required information referenced or indicated thereon.
- B. The COUNTY reserves the right to review the insurance requirements of this section during the effective period of this CONTRACT and any extension or renewal hereof and to modify insurance coverage and their limits when deemed necessary and prudent by the COUNTY'S DEPARTMENT OF BUDGET & MANAGEMENT based upon changes in statutory law, court decisions, or circumstances surrounding this Contract, but in no instance will the COUNTY allow modification whereupon the COUNTY may incur increased risk.
- C. The COUNTY shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by the COUNTY, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by the COUNTY, the CONTRACTOR shall exercise reasonable efforts to accomplish such changes in policy coverage, and shall pay the cost thereof.
- D. Proposer agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain the following required provisions.
- Name the COUNTY and its directors, officers, employees, agents and elected officials as additional insured with respects to the operations and activities of, or on behalf of, the named insured performed under contract with the COUNTY, with the exception of the workers' compensation/employers' liability and the professional liability policies.
 - The Proposer's insurance shall be deemed primary with respect to any insurance or self-insurance carried by the COUNTY for liability arising out of operations under the contract with the COUNTY.
 - Provide for an endorsement that the "other insurance" clause shall not apply to the COUNTY where the COUNTY is an additional insured on the policy.
 - Workers' Compensation/Employers' liability policy will provide a waiver of Subrogation in favor of the COUNTY.
- E. Proposer shall notify the COUNTY in the event of any notice of cancellation, nonrenewal or material change in coverage and shall give such notices not less than ten (10) days prior to the change, or ten (10) days for nonpayment of premium, which notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to the COUNTY, by Certified mail, at the following address:

Hidalgo County Department Of Budget & Management
Attention: Flora Vazquez
2802 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

- F. **PROPOSER** covenants and agrees to **FULLY INDEMNIFY** and **HOLD HARMLESS**, the **COUNTY** and its elected officials, employees, officers, directors, and representatives, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the **COUNTY** directly or indirectly arising out of, resulting from or related to **PROPOSER's** activities under this **CONTRACT**, including any acts or omissions of **PROPOSER**, any agent, officer, director, representative, employee, consultant or subcontractor of **PROPOSER**, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this **CONTRACT**. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of **COUNTY**, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. **IN THE EVENT PROPOSER AND COUNTY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE COUNTY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.**
- G. The provisions of this **INDEMNIFICATION** are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.
- H. Proposer shall promptly advise the **COUNTY**, in writing of any claim or demand against the **COUNTY** or Proposer known to Proposer related to or arising out of **PROPOSER'S** activities under this **CONTRACT**.

XII. SCHEDULE OF EVENTS

RFP Mailouts	<u>Wednesday, October 06, 2010</u>
RFPs Due	<u>Wednesday, October 27, 2010-9:30 a.m.</u>
Contract Award	<u>Possible Award On: Tuesday, November 09, 2010</u>
Start Date	<u>January 1, 2011</u>

XIII. RESERVATION OF RIGHTS

COUNTY reserves the right to:

- Reject any and all RFP's received.
- Issue a subsequent RFP's.
- Cancel the entire RFP's.
- Remedy technical errors in the RFP's process.
- Negotiate with any, all or none of the respondents to the RFP's.
- Accept the written RFP's as an offer.
- Waive informalities and irregularities.
- Accept one or more RFP.

This RFP does not commit COUNTY to enter into a Contract, nor does it obligate it to pay any costs incurred in preparation and submission of the RFP or in anticipation of a Contract.

WRITTEN QUESTIONS WILL BE ACCEPTED NO LATER THAN Wednesday, October 13, 2010 at 5:00 p.m.. Responses will be sent to all respondents via facsimile by Friday, October 15, 2010. TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.

All questions must be transmitted via facsimile to:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Fax No.: 956-292-7612

ATTACHMENT A

HIDALGO COUNTY, TEXAS

RFP FORM

WORKERS' COMPENSATION CLAIMS ADMINISTRATION

Firm Name: _____

Address of Current Nearest/Local Office: _____
(County) (State) (zip)

Telephone No.: _____ Fax No.: _____

Office Hours: _____ Date Established: _____

Principal Contact for This RFP: _____

PRICING: FIRMS ARE NOT TO PROVIDE A FEE PROPOSAL WITH THIS SUBMITTAL: The fee will be negotiated in accordance with the Professional Services Procurement Act, Tex. Govt. Code Ann.2265.001, et. Seq. Once selected for negotiations, firm is to provide a fee proposal based on the Scope of Work.

During the Negotiation's Phase, Hidalgo County will request proposals with cost distributed in a "per file" set up with a maximum annual not to exceed fee for any and all workers' compensation claims. A file is to be defined as per occurrence, regardless of the number of claimants involved in the same occurrence. In the case of indemnity claims under the workers' compensation system, an indemnity file will be defined as an occurrence in which an employee has lost eight (8) calendar days. Each Firm is also requested to submit a flat annual fee for any and all claims. Each Firm will provide pricing that reflects the total bottom line fee for all claims. All claims costs and related expenses will be projected by the Firm and included in the fee quoted.

CLAIMS ADMINISTRATION

NOTE: Organization's proposed Attorney Services firm must have a minimum of 12 years experience in workers' compensation litigation.

Please answer the following questions regarding your ability to administer workers' compensation claims for Hidalgo County. Answers to all questions except item 8, should apply to the specific claims adjusting location that would actually process Hidalgo County claims should you be selected.

COMPANY QUALIFICATIONS

(Note: If a national or regional company, respond only for the local branch/office that would handle COUNTY'S account.)

1. Principal Owner/Owners/Partners and Officers _____

2. Date Founded/Opened _____
3. Total number of full time employees _____
4. Number of public entity clients: _____ % of total clientele
5. Total number of clients: _____
6. List of four (4) similar-size or larger Texas public entity clients, including address, telephone number and contact person. Please indicate length of relationship:
a. _____

b. _____

c. _____

d. _____

7. List the three (3) most recent Texas public entity clients that did not renew their contracts for your services, including address, telephone number and contact person.

a. _____

b. _____

c. _____

8. How many claims processing locations does your firm operate in Texas? _____

9. Which claims processing location will be associated with COUNTY account?

10. Please indicate the size of the claims processing location in the following terms:
Workers' Comp.

a. Number of accounts served	_____
b. Average number of claims opened each month	_____
c. Average number of claims handled by an adjuster per month	_____
d. Average number of claims processed each month	_____

11. What is your caseload for indemnity claims? _____

12. How will you handle medical claims only? _____

13. Please furnish the following information regarding the workers' compensation claims manager of the claim adjusting location from which COUNTY claims will be paid.

Name: _____
Years of employment with your firm: _____
Years of experience in insurance industry: _____
Years of experience in workers' compensation claims administration _____
Professional designations and/or degrees earned _____

14. Please furnish the following information regarding the Texas Workers' Compensation Commission hearing professional that would handle this account.

Name: _____

Years of employment with your firm: _____

Years of experience in insurance industry: _____

Years of Texas Workers' Compensation experience: _____

Years of hearing experience: _____

Professional designations and/or degrees earned: _____

15. Attach an Organizational Chart for the specified claims processing location. Please include a block for each separate function included in the operation, including, any special units that exist. Label each unit with its function, number of employees, and unit name, if it has one. If there are several claims processing units, please indicate the unit that would be involved in the COUNTY account.

16. Indicate your standards for claims assignment/workload for each adjuster.

17. Provide the following statistics regarding your operation as of January 1, 2007:

- a. Claims on hand
- b. Claims requiring medical only payments
- c. Total claims requiring compensation payments
- d. Open/active claims
- e. Number of claims opened each month
- f. Number of claims closed each month
- g. Number of TWCC hearings each month.

18. Provide information regarding any ongoing training that your employees servicing this account will be required to satisfactorily complete. Indicate if COUNTY personnel may attend this training and at what cost, if any.

19. Describe the workflow of claims presented by COUNTY for handling.

20. Describe your screening and follow-up system for the following:

- a. Review of usual, customary and reasonable medical charges: _____

b. Duplicate billings and duplicate payments: _____

c. Duplicate claims filed against employer's major medical plan or other insurance carriers: _____

d. Selection of physician for independent medical exam: _____

e. Peer review or other means of reporting suspected medical malpractice: _____

f. Overpayment of benefits: _____

21. Describe your internal audit procedures for the claims office. Include the frequency of the audits, who performs them, and what percentage of claims are audited. _____

22. How frequently does your diary system allow claims supervisory personnel to review open claims?

23. How are reserves established and monitored? _____

24. How are allocated expenses monitored and adjusted? _____

25. Will you subcontract any portion of the services you propose to furnish?
 Yes No If "yes", give full details below.

26. Does your firm or do persons within your firm currently have claims or litigation against the COUNTY? [] Yes [] No. If "yes", please explain. _____

27. Please attach a copy of all licenses and permits you are required to obtain in order to administer claims in Texas.
28. Is your firm audited by an outside independent auditor?
 ___ Yes, as an independent entity.
 ___ Yes, as a part of parent corporation.
 ___ No (if not, explain below).
29. Has Fidelity Bond or Errors & Omissions coverage ever been refused, non-renewed, or canceled?
 [] Yes [] No If "yes" please explain below.

30. Is your firm currently approved as a Third Party Administrator for any insurance carrier?
 [] Yes [] No If "yes", please furnish the information requested below:
- | <u>Name of Insurer</u> | <u>Lines of Insurance Administered</u> | <u>Amount of Authority</u> |
|------------------------|--|----------------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

ADJUSTER QUALIFICATIONS

(Complete for each adjuster and supervisor who will service COUNTY's account)

- Adjuster's Name: _____
 Address _____
 (County) (State) (Zip)
- Years of adjusting experience: _____
- Years of municipal adjusting experience: _____
- Length of adjusting service with your firm: _____
- Type of adjusting (i.e. inside/outside/public): _____
- Current number of claims handled per month by type:
 Medical only _____
 Lost time _____
 Record only _____
- List adjuster's license, include categories and expiration date: _____
- Languages spoken: _____
- Languages written: _____
- Attach adjuster's Resume.

COST CONTAINMENT

- 1) Provide a list of case managers, their addresses & phone numbers that your company assigns claims to if needed.
- 2) Describe the process by which medical cost containment staff will communicate with claims' handling staff.
- 3) Identify any specific procedures to detect medical abuse and fraud. The response should include but not limited to over utilization, duplicate billing, unbundling, irregularities surrounding in and outpatient surgical procedures and DME use and billing.
- 4) Describe the Utilization Review components and processes proposed to include but not limited to prospective, concurrent and retrospective.
- 5) Describe the system, hardware and software to be used for medical fee guide re-pricing, to include information regarding data transfer and embedded resources.
- 6) Do you have a Prescription Benefit Management Program? If so, describe. List types of reports that can be generated.
- 7) Describe your Pharmaceutical review program.
- 8) Describe your capability and process to capture and factor out medical charges on disputed claims and duplicate submissions in reporting medical cost containment savings.
- 9) Describe the proposed workflow for medical bill price review services for facility and non-facility charges.
- 10) Describe the proposed preauthorization services to include initial, follow-up and appeals.
- 11) If your firm does not offer peer review services, how do you handle these services?
- 12) Describe any procedural safeguards that address duplicate medical payments to include retrospective quality control efforts and the level and frequency of communication of findings to clients.
- 13) Specifically discuss your procedures to address utilizing the various treatment guidelines to question the medical necessity of services, upcoding of services, duplicate billing and incorrect coding.
- 14) Describe the electronic edits used to identify billing irregularities.
- 15) Describe the process of reducing payments based in your bill review and/or preauthorization process where manual decisions by auditors and reviewers have been replaced.
- 16) Do you have current affiliations with Preferred Provider Organizations, Health Maintenance Organizations, Health Care Networks or other managed care organizations? Please explain.
- 17) Describe any existing revenue sharing arrangement with Preferred Provider Organizations, Health Maintenance Organizations, Health Care Networks or other managed care organizations.
- 18) Is your company currently affiliated with any Workers' Compensation Health Care Network (HCN), and if so, answer the following question:
 - Identify the principal members of your staff who will be associated with the management and meeting the day to day operational requirements of this program. Include resume or work history and qualifications.
 - Describe the day to day operational requirements.
 - Describe how you propose to select medical providers and rank them in the order of preference.
 - How will the medical plan management address the removal of medical providers?
 - Describe how your medical plan contract will address treatment plans as a component of managing the cost of claims?
 - What will be the dispute resolution process for the medical panel?

- How will you address out-of-plan medical providers where no coverage exists? Will there be a possibility of PPO savings on out-of-plan medical providers?
- Describe the method(s) you propose to provide employees access to a list of providers in the medical panel. (Internet look up, Online PDF, hardcopy, etc...)
- Describe your approach to treatment guidelines?
- How do you propose to provide guidance to medical providers where established treatment guidelines are silent on necessary and appropriate care?
- For Workers' Compensation Networks:
 - Provide a detailed outline of your operations and the history of your network. Include number and types of physicians and health related services provided.
 - If not already provided, provide a list of government entities or related organizations enrolled in your network.
 - Discuss any unique cost savings associated with your network.
 - Outline how Hidalgo County would integrate your network into its current program (include transitional timelines).
 - Provide any other relevant information that may distinguish your firm from your competitors.
 - In the attached Fee Guideline sheet disclose the costs associated with the use of your network.

INSURANCE

Please answer the following questions regarding your firm:

1. Employee Fidelity Bond:

Underwriter: _____
 Bond Amount: _____
 Term: From: _____ to: _____
 Policy Number: _____

2. Professional Liability Coverage:

Insurer: _____
 Liability Limit: _____
 Term: From: _____ to: _____
 Policy Number: _____

*List any claims pending against you

3. Commercial General Liability Insurance:

Liability Limit: _____
 Term: From: _____ to: _____
 Policy Number: _____

4. Business Automobile Liability:

Liability Limit: _____
 Term: From: _____ to: _____

Policy Number: _____

5. Workers' Compensation

Liability Limit: _____

Term: From: _____ to: _____

Policy Number: _____

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MICELLANEOUS:

1. Have you completed and attached Attachments [] Yes [] No

2. Federal tax ID number: _____

I affirm that the information provided herein is correct and that pricing information contained in this document shall remain a valid offer for 90 days following the deadline date for submission or if a Proposal is selected, throughout the entire term of the Contract.

By: _____
(Authorized Officer)

Type Name and Title

Date

FEE SCHEDULE

Must be completed and returned during the Negotiation Phase only. Failure to complete could result in rejection of RFP.

Services					
Claims Administration	Fee per Claim				
Workers Compensation					
-Report Only					
- Medical Only					
- Indemnity					
Administration Fee					
Other					
Annual Fixed Fee	Fee Per Claim	Flat Fee	Fee Per Hour	No Charge	Mileage
Life of File or Life of Contract Pricing					
Field Services/Investigation					
Medical Case Management					
Utilization Review*					
Medical Bill Audits*					
Use of PPO Networks*					
Use Of Rx Discount Program*					
Attorney Services**					
Attending Hearings					
Legal/File Review					
Rehabilitation Services					
Vocational Case Management					
On-Line Computer Services					
Non-legal Personnel attending TWCC Hearings					
Runoff Costs W/Comp					
RMIS System and Services- Annual Administration Fee					
Subrogation Costs					

*NOTE 1: Provide the Contracted/Sub-Contracted firms proposed as providers for these services.

**NOTE 2: Provide list of at least three (3) Attorney Services firms for selection of firm.

Are fees included in your proposed fee schedule included in the handling of the claim after suit is filed?
 YES NO

Are the fees proposed in fee schedule for life of this claim or for life of Contract pricing?

Life of the Claim Life of Contract Pricing

Explain: _____