



Department of Administrative Services

Purchasing and Contracts

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Sabra Smith Newby, Chief Administrative Officer
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CLARK COUNTY, NEVADA

RFP NO. 603278-14

THIRD PARTY ADMINISTRATION (TPA) SERVICES FOR CLARK COUNTY WORKERS' COMPENSATION

May 9, 2014

ADDENDUM NO. 2

REQUEST FOR PROPOSAL

1. The RFP opening date of May 16, 2014 at 3:00:00 p.m. **has been changed to May 22, 2014 at 3:00:00 P.M.**

EXHIBIT

2. **Delete** original Exhibit 3 – Fee Schedule and **replace** with the attached Revised Exhibit 3 – Fee Schedule (Changes are identified in bold).

ADDITIONAL INFORMATION

3. Addendum No. 3 is forthcoming to address additional questions which were submitted.

QUESTION AND ANSWER

- Q1: Is the "Disclosure of Ownership/Principals" form the only form required for completion and signature?
A1: No. A signature is required in the Proposer's response to Item No.20, Paragraph A, subsection II.
- Q2: Regarding the 50-page maximum: (1) Does a two-sided copy count as 100 pages? (2) Do Exhibits count towards the 50-page maximum?
A2: (1) Yes. (2) Only the reports which are required to be submitted under Evaluation Criteria are exempt. All other material related to the responses within this section will be required to meet the page limit requirement.
- Q3: Will the County consider off-site services vs. on-site services?
A3: Yes, please see Q&A section of Addendum No.1.
- Q4: Will the County consider allowing the TPA to issue checks from an off-site facility directly to claimants, medical providers, legal counsel, or other service providers? Please explain why the County would like checks "mailed" from a County office
A4: Checks payable to the providers may be issued from the offsite facility. However, all indemnity checks must be made available to the employee/county by the designated due date.
- Q5: If the County requires "dedicated" on-site adjusters, will the City please provide the TPA with office space for a "designated" supervisor?
A5: Yes.
- Q6: Will the County provide Internet services for on-site staff?
A6: Yes.

- Q7: Exhibit 5: This exhibit only indicates losses from period 2011 to period ending 2013. Will the City please provide Excel loss run for all claims (open and closed) for all years as far back as there are open claims for accurate underwriting purposes? If you cannot provide excel loss runs for any reason please indicate: (a) The total (summary) number of open indemnity claims to be transferred to the new TPA indicating number of open claims from each year. (b) The total (summary) number of open medical claims to be transferred to the new TPA indicating number of open claims from each year. (c) A Claim Summary by Year report like the report in Exhibit 5 but to include all historical years in the self-insurance program
- A7: (a) 304 Open Indemnity Claims. (b) 263 Medical Claims. (c) This information is not available.
- Q8: What is the TPA staffing model currently on-site? How many indemnity adjusters? How many medical only adjusters? Are all positions on-site full time?
- A8: Two indemnity adjusters, one medical only. On hearing advocate located off site. With the conversion to a paperless system, the claims assistant is now off site.
- Q9: Are checks currently printed on-site?
- A9: No.
- Q10: Does the County require utilization of Sierra Nevada PPO?
- A10: No.
- Q11: Will the City please provide all current providers including Tax ID and Name for each provider that will require the TPA to load into their system to manage the County's provider contracts?
- A11: Yes.
- Q12: We understand the County provided a directory; however, each provider may have more than one Tax ID number to load into software for implementation. Are there multiple discounts for various providers or only one discount for all providers?
- A12: Once discount for all providers.
- Q13: Please provide the discount for each provider
- A13: Contractual information between the County and the providers will be provided to the firm selected for this RFP.
- Q14: The Bill Summary in the RFP indicates a bill count of 4,513 for "Clark County Risk Management". (a) Are these bills processed by the current TPA for the contract the County has with Sierra? (b) Does the County have any other direct contracts with medical providers other than Sierra PPO. If so, how many and with which providers?
- A14: (a) Yes. (b) Yes. Please see Addendum No. 1, Q&A No. 2.
- Q15: Who currently provides medical case management services? Will the County require the same vendor or will the County allow the TPA provide its own medical case manager(s)?
- A15: The County has a list of approved vendors for Medical Case Management. However, this RFP does not include medical case management.
- Q16: Exhibit B Fee Schedule: (a.) Item 1: The matrix seems to require a rate for 365 days from the Date of Award and four (4) renewal periods; however, the data conversion fees are a one-time charge or per claim charge. Please confirm the County actually requires a flat rate just for the initial data conversion and not the renewal periods. (b) What is the approximately number of ISO reports required each year? (c) What is the approximate number of times per year a representative is required for representation? (d) Approximately how many ad-hoc reports does the County require each year?
- A16: (a) Please see the attached Revised Fee Schedule, Exhibit 3, which addresses this issue.(b) ? ISO reports are required on all indemnity claims at case set up or conversion from medical only to loss time. (c) This information is unknown; Provider will be required on an as needed basis. (d) This information is unknown.
- Q17: Exhibit B – Fee Schedule, Is item number 3 for the same users indicated in item 4?
- A17: No. The County current requires access to six users. Three of the users have read only access and three users have the ability to enter notes into the system.

- Q18: Item 5: Is the County asking for a flat annual or monthly rate to include all fee schedule reductions, PPO network access, etc.?
- A18: Item No. 5-8 allows the proposer to submit their bill review bill review fees based on which ever pricing structure/model they prefer. For example, if the provider wanted to submit an annual flat rate, the proposer would only submit a response to Item No5. For Item No. 6-8, Proposer shall indicate "N/A" in the spaces provided.
- Q19: Typically is the fee for fee schedule reduction is a flat fee, percent of savings OR a per line charge. Typically, the fee for PPO Network Access savings is a percentage of incremental savings. The fees for bill review and PPO network access reductions are usually allocated to the claim file. Will the County want fees allocated to the claim file as an allocated loss adjustment expense (ALAE)?
- A19: Yes.
- Q20: Does the County also pay for nurse review of medical bills?
- A20: No.
- Q21: May the TPA propose only one recommended pricing structure with an explanation OR does the County require the TPA to proposal all the different pricing structures in addition to the recommended pricing structure?
- A21: At a minimum, Proposer shall utilize the table in Exhibit 3. Proposer may propose different pricing methods in addition to the forgoing.
- Q22: Exhibit 4 Standards and Financial Guarantees. Does the percent of the monthly administration fees only include claims administration fees or is it inclusive of Bill Review/PPO network access or medical case management fees, or any other fees collected by the TPA for TPA "owned" services?
- A22: The percentage applies to fees paid in each respective area. Area one is Claims. The second area is bill review/PPO services.
- Q23: Exhibit 4 Standards and Financial Guarantees. Item 1 A. is "claims processing turnaround time" referring to medical bills? If so, what differentiates the audit in Item 1.A and item II A?
- A23: No. It refers to all items in the special account instructions. ? II A refers to the processing of payments within 30 days from the date of the claims administrator's approval.
- Q24: Exhibit 4 Standards and Financial Guarantees. Who will perform and pay for the audit for Financial Accuracy Audited paid dollars paid accurately?
- A24: The County's workers compensation coordinator will perform all audits. If the TPA disagrees with the results of the audit, the County will pay for an independent auditor to resolve the dispute.
- Q25: Special Account Instructions; Response to all emails and phone call within 24 hours. Is within one business day acceptable unless it is a life threatening emergency?
- A25: One business day is acceptable.
- Q26: Does the County **require** work to be performed by an MBE, WBE, PBE, SBE, NBE, VET or DVET? If yes, what percentage? If yes, does the County require a vendor already certified by the County? If yes, is that a percentage of claims administration fees or does it include other ancillary services such as bill review or medical case management?
- A26: No. However, the County encourages the utilization of DBE companies if at all possible.
- Q27: The County does not currently track the number of HO hearings.
- A27: The County does not currently track the number of HO hearings.
- Q28: What are your current on-site expenses (i.e: current TPA pays for computers/phones/copiers/printers/fax cach/file cabinets/supplies)?
- A28: All copiers, printers, fax cach, file cabinets and supplies are provided by the TPA for their staff.
- Q29: For the Performance Guarantee, we have reviewed the criteria. Can you please provide the audit tool or template that will be used for the audit?
- A29: The template as not yet been completed. However, the questions will be exactly as outlined on the Special account instructions, which are identified on Exhibit 4. The answers are yes, no or N/A.

- Q30: Is there staff at the County's existing TPA that County would be interested in the proposer hiring? If so, Please share the current salary information
- A30: We don't have access to the existing vendor's employee information.
- Q31: We understand that County may be considering staff members at proposers location. If staff remains at the County's location, please specify what, if any, costs are NOT a proposer requirement (i.e. desks, phones, copiers, etc.)
- A31: The County provides desks, chairs, server access, phones, phone lines, and wall shelving for storage.
- Q32: Please provide a historical claim loss detail in excel format, showing at minimum; claim type (LT/MO), claim status, open & closed dates, total medical and indemnity incurred dollars per claim
- A32: The County has been self-insured since 1987. We do not currently have a report with this information.
- Q33: In addition to the 01/01/2013 – 12/31/2013 Bill Summary attachment, please provide medical bill results for 2010, 2011 and 2012 in the same format for review.
- A33: Please see attached.
- Q34: Exhibit 1, A, #19 states: PROVIDER'S assigned staff shall include (2) claims examiners. (1) Medical Only Examiner. (1) Claims assist and (1) Separate Hearing Advocate or (3) Claims Examiners, (1) Medical Only Examiner, Claims examiner/hearing advocate, all staff shall be located on OWNER'S premises at Clark County Risk Management. Please provide the examiner claim caseloads that represent this staffing requirement?
- A34: This structure is based on the following criteria. Indemnity adjusters caseload should not exceed 125 claims active claims, medical only caseload should not exceed 250 active claims. Perm total, death claim, exposure claims and claims open for payment of PPD count as ½ claim.
- Q35: Please confirm what RMIS system Clark County is using today? Is this the only electronic source of claims data the TPA should expect to convert data from?
- A35: The claims are current maintained on Sierra Nevada Administrator's proprietary system called NavRisk, from David Corporation.
- Q36: We have reviewed the current contract, which contains fees for the first contract year, and subsequent increases subject to 5% or CPI. What is the most recent contract years pricing for both TPA administration, and managed care fees (including bill review)?
- A36: The cost for TPA services is \$432,752.30. Bill review is currently 50% of savings for bill review and that includes access to Sierra Nevada Administrators PPO network. All Clark County network providers are reviewed at no charge to the County. Out of network vendors are reviewed and paid at 25% of savings.
- Q37: What are the County's payment terms?
- A37: The County's standard payments terms are within 30 calendar days.

Except as modified herein, all other Bid specifications, terms and conditions shall remain the same.

Should you have any questions, I can be reached at (702) 455-2729 or chetanc@clarkcountynv.gov.

ISSUED BY:



CHETAN CHAMPANERI
Purchasing Analyst

Attachment(s): Revised Exhibit 3 – Fee Schedule
Bill Summary 2011
Bill Summary 2012

cc: Les Lee Shell, Risk Manager
Sandra Swickard, Risk Management

REVISED EXHIBIT 3
FEE SCHEDULE

Item No.	Description of Workers' Compensation Services	Unit of Measure	365 days from the Date of Award	1st Renewal Period (365 days)	2nd Renewal Period (365 days)	3rd Renewal Period (365 days)	4th Renewal Period (365 days)
1	Data Conversion Fees	One time charge	\$	N/A	N/A	N/A	N/A
2	Claims Management Services which includes, but not limited to the following: (1)Medical Only, Indemnity, Occupational Disease or Exposure Claims; (2) ISO reports on all claims where employee is off work or placed on light duty; (3) Medicare Reporting Services; (4) Representation at the Hearing Level; (5) State Mandated Reports; and (6)Ad Hoc Reports	Annual Flat Fee	\$	\$	\$	\$	\$
3	Claims System access fees for claim note entry for three (3)users	Annual Fee	\$	\$	\$	\$	\$
4	Claims System read only access for three (3) users	Annual Fee	\$	\$	\$	\$	\$
5*	Bill Review Fee: Annual Flat Rate	Annual Fee	\$	\$	\$	\$	\$
6*	Bill Review Fee: Percentage of Savings	Monthly Flat Fee	\$	\$	\$	\$	\$
7*	Bill Review Fee: Per Bill	Monthly Flat Fee	\$	\$	\$	\$	\$
8*	Bill Review: Per Line	Monthly Flat Fee	\$	\$	\$	\$	\$

*Bill Review Fee – PROPOSER has the option to select the Bill Review Fee method based on which model they prefer, select Item No. 5,6,7,or 8.

PROPOSER may, at their discretion, propose any additional pricing models in addition to the above. If so, PROPOSER shall provide the COUNTY with a recommendation and explanation as to which pricing method best meets the overall objective in the most cost-efficient manner.

CLARK COUNTY RISK MANAGEMENT
 WORKERS' COMPENSATION PROGRAM

BILL SUMMARY
 01/01/2011 - 12/31/2011

PPO/OSR	Bill Count	Line Count	Total Charges	BR/FS/Dup Reduction	PPO Reduction	Other Reduction	Total Allowance
CLARK COUNTY RISK MANAGEMENT	5591	12799	\$ 7,161,085	\$ 4,940,173	\$ 853,154	\$ -	\$ 1,367,758
PPO Network/s	2173	4894	\$ 2,081,280	\$ 929,672	\$ 439,040	\$ -	\$ 712,568
Non PPO	1579	2313	\$ 3,808,850	\$ 2,711,031	\$ -	\$ 201,415	\$ 896,404
Total	9343	20006	\$ 13,051,215	\$ 8,580,876	\$ 1,292,194	\$ 201,415	\$ 2,976,730

CLARK COUNTY RISK MANAGEMENT
 WORKERS' COMPENSATION PROGRAM

BILL SUMMARY
 01/01/2012 - 12/31/2012

PPO/OSR	Bill Count	Line Count	Total Charges	BR/FS/Dup Reduction	PPO Reduction	Other Reduction	Total Allowance
CLARK COUNTY RISK MANAGEMENT	4685	10844	\$ 5,732,451	\$ 3,932,337	\$ 745,841	\$ -	\$ 1,054,273
PPO Network/s	2533	6191	\$ 2,896,068	\$ 1,724,982	\$ 403,218	\$ -	\$ 767,868
Non PPO	1128	1335	\$ 3,009,609	\$ 2,650,401	\$ -	\$ 51,576	\$ 307,632
Total	8346	18370	\$ 11,638,128	\$ 8,307,720	\$ 1,149,059	\$ 51,576	\$ 2,129,773