



**ADDENDUM NO. 1**

**DATE:** April 7, 2017  
**REQUEST FOR PROPOSAL (RFP):** W170019180  
**DATED:** March 22, 2017  
**RECEIPT DATE:** April 18, 2017 @ 3:30 PM EST.  
**SUBJECT:** Third Party Administration of Workers Compensation and Liability Claims

Ladies/Gentlemen:

Please take note of the following:

1. Is the city of Richmond is looking for new general liability, commercial auto, and workers compensation insurance?

**No, the city is not looking for insurance, the city is looking for claims administration support from a Third Party Administration (TPA).**

2. How many open/active take-over claims are there for City (please break down lost time vs. medical only for WC and AL/GL numbers separately)?

Class Code	Total
ALBI	23
ALPD	61
AUUIM	1
EEOC	1
GLBI	7
GLPD	52
PI	11
GLRO	1
IND	303
MO	47
RO	3

510

3. Who is the incumbent TPA?

**CorVel Corporation.**

4. What is the current fee structure and rates that the City are paying for these same services WC, AL/GL Claims Administration?

**\$ 250,000 for all 3 together, and 18% of cost containment.**

5. What is the potential start date for the program?

**Estimated start date I- June 1, 2017**

6. Please confirm if the City needs 7 hard copies of the proposal, as well as 7 electronic copies.
  - a. Does the City want the electronic proposal submitted as a PDF **and** a Word document or is PDF only sufficient?

**Please provide seven (7) hard copies, and seven (7) electronic copies in PDF.**

7. Please provide the current staffing model for the City's WC and Liability program.

**The current TPA uses two (2) lost time adjusters and a medical only adjuster for WC Comp, and two (2) adjusters for liability claims. There is a supervisor and manger above them.**

8. Does the City currently have a dedicated team in place to manage the workers' compensation/GL/Auto claims program?

**Yes, CorVel Corporation.**

- b. Is it a requirement for the adjusters to handle the City of Richmond exclusively?  
**It is preferred, but not mandated. If claim counts fell, the staff could help other clients.**
  - c. Does the City require the team be located in the Richmond-area?  
**It is preferred, but not required**
9. Please provide current open claim counts by coverage type (indemnity, Medical Only, Auto BI, Auto PD, General Liability BI, and General Liability PD).

Class Code	Total
ALBI	23
ALPD	61
AUUIM	1
EEOC	1
GLBI	7
GLPD	52
PI	11
GLRO	1
IND	303
MO	47
RO	3
Total	510

10. Please also provide for the last 5 years:
- d. The number of bills processed
  - e. Total amount billed
  - f. Fee schedule savings
  - g. PPO savings
  - h. UR savings

**Please see Attachment B.**

11. In order to properly evaluate medical bill review services, please provide the following for the last 3 fiscal years (FY 2016, FY 2015, FY 2014):

**Does the City currently pay based on a % of savings or a per line/bill fee?**

**Percentage of savings 18%**

12. What are the total bill review fees paid by the City over the past 3 FY (by year)?

**2014 - \$211,966.74**

**2015 - \$279,952.72**

**2016 - \$215,145.41**

13. Total number of bills processed per FY (3 last FYs).

**2014- 5,624**

**2015- 5,035**

**2016- 4,355**

14. Total amount billed by medical providers per FY (3 last FYs).

**2014- \$8,258,169.67**

**2015- \$8,091,370.68**

**2016- \$6,626,992.57**

15. Total savings achieved by FY (3 last FYs).

**2014- \$4,331,747.70**

**2015- \$3,972,831.68**

**2016- \$3,022,461.67**

16. Does current TPA charge a fee for identifying and denying duplicate bills?

**No.**

17. What is the City's current network (preferred/panel provider) penetration rate?

**All of the City's panel providers are members of the PPO network.**

18. Does the City currently get charged an annual service fee on open claims? If so, what has the fee been over the past 3 FY?

**No, the City does not get charged an annual service fee on open claims.**

19. What has been the average turnaround time on medical bill review/payments over the past 3 FY?

**Average turnaround time on medical bills for the past 3 years has been approximately 5 days.**

20. Does the City require telephonic case management on all claims or just on claims that fall within a specific criteria?

**No. Telephonic case management is seldom ever used. It is only used for claims where lost time exceeding a week has been approved by the treating doctor and no projected Return to Work date was provided.**

21. How much has been spent on the following per year over the past three years for the following services:

- Telephonic case management
- Field case management
- Utilization review

	2014	2015	2016
Telephonic case management	\$0	\$578	\$12,351
Field case management	\$ 212,124	\$279,805	\$138,698
Utilization review	\$0	\$0	\$0

22. We need an excel loss run detailing all claims and status to determine the open takeover claims.

**Please see Attachment A**

23. Please provide a copy of current TPA contract.

**All City of Richmond contracts must be requested under the Freedom of Information Act (FOIA) request. Please reach out to Brittany Banks at [Brittany.banks@richmondgov.com](mailto:Brittany.banks@richmondgov.com). to request a copy of the current contract.**

24. How many users will need online access?

**No more than 20, 3 in risk, 6 safety officers in departments, 2 ADA/RTW parties in HR, 4 lawyers and 4 paralegals.**

25. With reference to the takeover/run-off claims, can you please provide us with the number of claims currently open for the City broken down by Lost Time and Medical Only?

**Lost Time - 303  
 Medical Only -47  
 Total -350**

26. Page 3 H. states that the contractor will provide status reports to the City every 30 days for all claims.

Is this for open claims only?

**Yes.**

Does the current provider do this?

**Yes.**

Is the report mailed to the Chief of Risk Management?

**Yes.**

Can it be viewed online using a risk management information system?

**Yes.**

27. Will this report suffice to meet the requirements of Paragraph I for reserves exceeding \$10,000?

**Yes.**

28. Page 4 K. Does the City prefer Telephonic or Field case management? Are either acceptable?

**Either are acceptable, but use should be approved by Risk Management**

29. Page 13 2.4 B states that “the Contractor shall use a checking account established by the City for the payment of claims”. Is the City willing to allow the contractor to establish an account on the City’s behalf which the City will fund?

**Yes. Payments would be made from the account and replenished by ACH on a daily or weekly basis.**

30. Page 17 3.8 Tab 8 notes that the information provided should include the ability to interface with electronic data feeds from the City’s payroll department. Does the current contractor provide this service?

**No it is new, and may not be achievable with our Oracle based system. We have been using excel spreadsheets to coordinate indemnity and payroll issues.**

31. Page 20 3.16 Tab 16 references OSHA tracking. Please elaborate on the services the City desires from the successful contractor.

**It would benefit the city to have an OSHA tracking system that our safety officers can edit. Some OSHA incidents are not WC claims and some WC claims are not OSHA recordable (few). If the city employees cannot edit the software, it may not be beneficial. Many providers do not want the client to edit their files so we understand this may not be achieved. It is preferred, but not required**

32. What type of OSHA services does the City receive from the current contractor?

**We do not use the current Contractors, because we can’t edit or add incidents that are first aid within the organization.**

33. Page 5 3.3 Terms states that the City shall pay the Contractor on Net 45 days basis. Will the City accept Net 30 days?

**No, the City will pay the Contractor Net 45 day's basis.**

34. Please provide the total workers' compensation medical billed and paid by fiscal years for year shown in Appendix A.

**Please see Attachment B.**

35. Can you provide complete loss runs by policy year with department names/coding for the City covering last five completed fiscal years in Excel format?

**Please see Attachment A.**

36. Can you provide open loss runs (all years) by policy year for both the City Excel format?

**Please see Attachment A.**

37. How many current open files do you have by claim type? (example: 7 Indemnity, 5 Med Only, 10 General Liability, etc.)

**See responses above to question Q. 9.**

38. What is the complete staffing structure working on the account. (example: 3 indemnity adjusters, 1 medical only adjusters, 3 tort adjusters, 1 support, 1 supervisor and a designated account manager)?

**See # 7 above.**

39. What is your current pricing structure with your current TPA, annual flat rate or per file rate?

**Annual fee**

40. How much is the City currently paying the TPA annually for their services?

**Please see the response to #4.**

41. How many medical bills are processed annually?

**Please see Attachment B.**

42. Who is doing the Medical Bill review repricing?

**CorVel.**

Vendor must take due notice and be governed accordingly. This addendum must be acknowledged and included with the proposal(s) submission as indicated in the RFP or your response may not be considered.

Sincerely,

*Tillie W. Jackson*

Tillie W. Jackson, VCO, P&C  
Contracting Officer

RESPECTFULLY SUBMITTED:

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Company

BY: \_\_\_\_\_

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Title

Date