



Department of Buildings and General Services
BGS Financial Operations
Office of Purchasing & Contracting
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<http://bgs.vermont.gov/purchasing>

Agency of Administration

**SEALED BID
REQUEST FOR PROPOSAL**

Workers' Compensation and Liability Third Party Administration Services

ISSUE DATE: January 8, 2016
BIDDERS' CONFERENCE: None scheduled
QUESTIONS DUE BY: February 10, 2016 @ 4:30 pm (EST)
DUE DATE and TIME: February 26, 2016 @ 3:00 pm (EST)
LOCATION OF BID OPENING: 10 Baldwin St, Montpelier

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND AMENDMENTS ASSOCIATED WITH THIS RFP WILL BE POSTED AT:

<http://bgs.vermont.gov/purchasing/bids>

THE STATE WILL MAKE NO ATTEMPT TO CONTACT VENDORS WITH UPDATED INFORMATION. IT IS THE RESPONSIBILITY OF EACH VENDOR TO PERIODICALLY CHECK <http://bgs.vermont.gov/purchasing/bids> FOR ANY AND ALL NOTIFICATIONS, RELEASES AND AMENDMENTS ASSOCIATED WITH THE RFP.

PURCHASING AGENT: Deborah Damore
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E-MAIL: deborah.damore@vermont.gov
FAX: (802) 828-2222

1. **OVERVIEW:**

- 1.1. **SCOPE AND BACKGROUND:** The Office of Purchasing & Contracting is seeking to establish purchasing agreements with one or more companies that can provide Workers' Compensation and Liability Third Party Administration Services and provide loss control and safety services.
- 1.2. **CONTRACT PERIOD:** Contracts arising from this request for proposal will be for a period of **twenty-four months** with an option to renew for two additional twelve-**month** periods. Proposed start date will be July 1, 2016.
- 1.3. **SINGLE POINT OF CONTACT:** All communications concerning this Request for Proposal (RFP) are to be addressed in writing to the attention of: **Deborah Damore**, State of Vermont, Office of Purchasing & Contracting, 10 Baldwin St - Montpelier, Montpelier, VT 05633-7501. **Deborah Damore** is the sole contact for this proposal. Actual contact with any other party or attempts by bidders to contact any other party could result in the rejection of their proposal.
- 1.4. **BIDDERS' CONFERENCE:** A bidders' conference will not be held.
- 1.5. **QUESTION AND ANSWER PERIOD:** Any vendor requiring clarification of any section of this proposal or wishing to comment or take exception to any requirements or other portion of the RFP must submit specific questions in writing no later than **4:30 PM February 10, 2016**. Questions may be e-mailed to Deborah.damore@vermont.gov. Any objection to the RFP, or to any provision of the RFP, that is not raised in writing on or before the last day of the question period is waived. At the close of the question period a copy of all questions or comments and the State's responses will be posted on the State's web site <http://bgs.vermont.gov/purchasing/bids>. Every effort will be made to have these available as soon after the question period ends, contingent on the number and complexity of the questions.
- 1.6. **INSTRUCTIONS FOR BIDDERS:** see sections 8 and 9.

2. **PURPOSE:**

- 2.1. In light of the State of Vermont's (the "State") continued budget challenges and need to secure efficiencies and cost savings, the State is exploring the possibility of contracting with a Third Party Administrator ("TPA") to control workers' compensation and liability claim costs while providing enhanced claims management and safety services.
- 2.2. With a TPA providing claims administration, the State will focus on containing the total cost of risk management on a strategic level, so State employees and Vermont taxpayers at large will benefit from outstanding risk management services and improved workplace safety.

3. **LIABILITY:**

- 3.1. Respondents are advised that the State will not pay for any information or administrative costs incurred in response to this RFP. All costs associated with responding to this RFP will be solely at the interested party's expense. The State shall not be held liable for any costs incurred by respondents in the preparation of submissions. In addition, it is the responsibility of the potential offerors to monitor this site for additional information and updates.

4. **BACKGROUND INFORMATION:**

- 4.1. The Office of Purchasing & Contracting on behalf of the Agency of Administration Office of Risk Management ("ORM") issued a Request for Information ("RFI") in June 2015 to determine whether a TPA would be able to provide improved services plus cost savings and performance efficiencies. The informational responses received by vendors indicate that the State could obtain increased services with a significant cost reduction.
- 4.2. **The ORM's website links** are: <http://aoa.vermont.gov/wcp> and <http://aoa.vermont.gov/risk>
- 4.3. **The statutory authority** is: 29 V.S.A. § 1406 and 29 V.S.A. § 1408. Also see: Vermont State Employee's Guide to Workers' Compensation and Injury Prevention in Appendix B of this RFP. The regulatory agency is The Vermont Department of Labor. See: <http://labor.vermont.gov/workers-compensation/>

5. **CURRENT STATE:**

- 5.1. The ORM administers the State of Vermont's liability, Workers' Compensation and workplace safety programs and the State currently self-insures and self-administers its workers compensation and liability claims. The ORM staff consists of four licensed medical case manager positions and four licensed workers compensation claim adjuster positions that manage workers' compensation claims and one licensed liability claim adjuster position that manages the liability claims. The other positions in ORM are a director of risk management operations, a director of policy and mediation and an administrative support position.
- 5.2. **Liability:** ORM adjusts general liability, automobile liability and property claims filed against the State. From Fiscal Year (FY) 2012 through FY 2015, reported annual general liability and property claim count has ranged from 171 to 570. From Fiscal Year (FY) 2012 through FY 2015, reported annual automobile liability claim count has ranged from 73 to 338.
- 5.3. **Workers' Compensation:** Vermont State Government employees who are injured on the job are covered under the State's workers' compensation self-insurance program. All executive, legislative and judicial branch employees are covered by workers' compensation plus some quasi-state entities such as the Vermont Housing Financing Authority, Green Mountain Care Board and select Court diversion programs. Please see State of Vermont website for listing of agencies: <http://www.vermont.gov>. Workers' compensation claims filed by injured State-workers are processed by the ORM. ORM assigns a Claims Adjuster (Adjuster) and a Medical Case Manager (MCM) to each claim. From Fiscal Year (FY) 2012 through FY 2015, reported annual claim count has ranged from 1,075 to 1,300.
- 5.4. **Workplace Safety:** The ORM's workplace safety program is comprised of employee training, workplace evaluations, hazard analysis and ergonomic assessments. The ORM employs one workplace safety coordinator.
- 5.5. **Safety Training:** The ORM, in partnership with the Department of Human Resources offers online, web-based health & safety trainings.
- 5.6. **Risk Management Information System (RMIS):** The ORM currently utilizes a RMIS called iVOS, which is owned by Ventiv Technology, Inc. The system currently includes or will include the following modules: Accounts Payable Interface; Vendor Interface; Claim Search Interface; Disability Guidelines Reserve Analysis and medical bill review services.
- 5.7. **Other vendor services:** Center for Medicare Services reporting, Medicare Section 111 reporting and Medicare Set-Aside and Conditional Payment/Lien Resolution Services, Pharmacy Discounts, Investigative Services and Vocational Rehabilitation are currently handled by third party vendors. The State may elect to have the vendor awarded a contract pursuant to this RFP absorb these services.
- 5.8. **Legal defense:** Defense of claims and lawsuits are handled by the State's Attorney General's office and other contracted legal firms. The State does not intend for a vendor responding to this RFP to absorb those tasks.
- 5.9. **Insurance coverage:** The State does not presently carry excess workers' compensation insurance coverage. The State's general liability insurance limits are as follows: For claims subject to the Vermont Tort Claims Act (12 V.S.A. §5601), \$1.5M excess of the \$500k Self Insured Retention subject to a \$500k per person sublimit. For claims not subject to the Vermont Tort Claims Act, \$10M excess of the \$500k Self Insured Retention. The State's automobile liability insurance limits are as follows: For claims subject to the Vermont Tort Claims Act, \$1.5M excess of the \$500k Self Insured Retention subject to a \$500k per person sublimit. For claims not subject to the Vermont Tort Claims Act, \$10M per occurrence, \$500k Uninsured and Underinsured Motorist, \$50k Medical Payments.
- 5.10. The total number of State employees is approximately 8,189. The State currently owns approximately 1,860 vehicles.
- 5.11. Historical claim data is only available from the Office of Purchasing and Contracting by emailing Deborah Damore at Deborah.damore@vermont.gov .

6. GENERAL REQUIREMENTS:

6.1. Business Requirements

A. STAFFING

The vendor shall, at its own expense, provide all personnel, materials and resources necessary to perform the services described in this RFP. The vendor shall assign a designated team of experienced claim professionals with sufficient resources to service the State account within the standards described in this RFP. The team shall include a client services manager, claims supervisor, claims adjuster(s), medical case manager (s) and quality assurance specialist(s). Caseloads shall be reasonably set to allow staff to dedicate adequate time and attention to each claim in a timely manner. All adjusters must have the required Vermont State licenses through the Department of Financial Regulation, e.g. a workers’ compensation license and/or a liability adjuster’s license. All medical case managers shall have current medical licenses.

Vendor’s staff shall have a strong dedication to customer service in all aspects of its dealings with the State. Vendor’s staff shall return telephone calls within twenty-four hours, be professional and maintain confidentiality.

The vendor shall designate an individual to serve as the client services manager to:

- Serve as primary contact and the single-point of accountability and responsibility for the provision of services, with the information, authority and resources available to properly discharge the responsibilities required hereunder;
- Have day-to-day responsibility for, and authority to manage, customer satisfaction; and
- Devote dedicated efforts to managing and coordinating the account.

All vendor personnel shall be required to comply with all applicable federal and state laws pertaining to security and confidentiality as well as any requirements issued by the State and ORM. The State may require background checks.

The vendor must provide written certification of compliance with the equal pay provisions of 21 V.S.A. § 495 (a) (7).

B. CLAIMS HANDLING GUIDELINES:

The vendor shall follow the State’s customized claims handling guidelines. The guidelines shall be distributed to vendor’s claims personnel. The guidelines shall be reviewed and updated annually and/or as necessary by ORM in conjunction with the vendor’s client services manager. The guidelines shall include specific instructions listing the standard of claims handling expected by the State.

In addition, the vendor shall prepare a settlement matrix for quarterly review with ORM to settle large claims.

The vendor shall conduct quarterly claim reviews with ORM and department heads.

C. CLAIMS ADMINISTRATION:

At a minimum, the TPA services shall include:

- Administration of all reported workers’ compensation and liability claims beginning on the contract start date and continuing thereafter until each claim is closed (“qualified claims”).
- Administration of all open and re-opened claims which have been administered by the ORM prior to the inception of a TPA agreement with a vendor (“takeover claims”).
- Provision of customary and appropriate workers’ compensation and liability claims handling services for all qualified claims and takeover claims.

- Workers' compensation claims administration including, but not limited to:
 - Claims adjusting services including compensability investigation;
 - Adjusting or settling all claims subject to the discretionary authority limit or with the state's approval if outside the discretionary authority limit;
 - Investigation and pursuit of subrogation on behalf of the state;
 - Setting appropriate claims reserves;
 - Conducting quarterly claims reviews;
 - Medical case management;
 - Fraud prevention, risk management information services and loss control services.
- Liability claims (for general liability, automobile and property coverages) administration includes, but is not limited to:
 - Claims adjusting services including compensability investigation;
 - Adjusting or settling all claims subject to the discretionary authority limit or with the state's approval if outside the discretionary authority limit;
 - Investigation and pursuit of subrogation on behalf of the state;
 - Setting appropriate claims reserves;
 - Conducting quarterly claims reviews;
 - Fraud prevention, risk management information services and loss control services.

Compliance: The TPA shall ensure the State is in compliance with all applicable statutes, rules and regulations governing its workers' compensation and liability programs including claim filing deadlines, form submissions, bill payment deadlines and medical fee schedules for the Vermont Department of Labor, Vermont Department of Financial Regulations and Vermont Occupational Safety and Health Administration (VOSHA) as well as CMS Section 111 reporting.

Implementation: Implementation shall begin upon execution of the contract. The vendor's implementation plan shall include the following:

- Implementation meeting(s) to be held for the ORM and any State agency personnel responsible for managing workers' compensation and liability claims. The meeting(s) shall be held at one or two central locations in Montpelier Vermont State buildings within thirty days of contract start date. The meeting(s) shall consist of the following: Prepare and distribute Workers' Compensation brochures, applicable forms and communication materials to State employees which cover workers' compensation and liability claim filings and procedures, medical case management, the medical provider network, loss prevention services and risk management information systems. Materials must be reviewed and approved by ORM prior to the implementation meetings.
- Provide each State agency with a VDOL workers' compensation Notice of Compliance poster.
- Vendor's risk management information system shall be available to the State users. During the first thirty days of the contract start date and later in the contract term, upon request of the State, the vendor will hold orientation meetings to train the ORM and selected agency personnel in the event of any system upgrades.
- The ORM shall coordinate meetings and tours of State workplaces to assist vendor staff in becoming familiar with State operations, personnel and workplace exposures.

Claims Handling: All State employee workers' compensation and liability claims will be administered in accordance with all applicable Vermont statutes, rules and regulations. The First Report of Injury (FROI) shall be filed using a web-based automated claim reporting service. Fax or telephonic reporting shall be allowed as well. The vendor shall be responsible for filing the FROIs with the VDOL.

All claims shall be entered into the vendor's claim reporting system and assigned to an adjuster within one business day of report from the State. Please note that the day following the date of receipt, issuance, or other required action is counted as the first day. All file activity shall be fully documented either by paper or electronically, and shall include the source of information and dates of activity.

Adjusters shall initiate three points of contacts:

1. Employer – Contact with the State agency employer will be made within one business day of receipt of the claim. Additional contacts with the State will also be made when additional facts are needed or to confirm return to work status.
2. Employee or Liability Claimant – Contact will be made within one business day of receipt of claim.
3. Treating Provider (workers' compensation) – Contact will be made with the medical provider on all new claims and as required to stay informed of current medical treatment and status. Contact will be initiated and maintained to monitor medical treatment and status, prognosis, Medical End Result (MER) and return-to-work dates. The responsibility for treating provider contact may be transferred to the MCM.

The initial claim investigation shall also include coordination of any on-side investigation, obtaining police reports if applicable, indexing the claim with an organization such as the ISO, Central Index Bureau and National Insurance Crime Bureau.

During the life of the claim, the adjusters shall:

- o Identify outstanding or open issues in every claim. Action plans, including timeframes, will be developed, documented and implemented to resolve the outstanding issues and bring the claim to conclusion. The adjuster will be required to comment on the status of the claim and update the action plan as needed at each diary review or as activity and developments require. Action plan updates would be more frequent based upon criteria such as the size and complexity of the claim.
- o Maintain regular contact with the injured worker until he or she reaches medical end result (MER) and/or claim is settled or otherwise closed.
- o Maintain regular contact with the State to advise of changes in medical/work status and modified duty. Refer injured workers to vocational rehabilitation and/or occupational therapy.

Modified and alternate duty: The adjuster shall evaluate and communicate in writing any restricted work capacity such as Modified Duty or Alternate Duty Assignments with the employer. The vendor shall follow the provisions of applicable Vermont statutes and regulations as well as State policies and procedures.

Upon request by the State, the vendor's loss control department shall provide technical assistance in the development of task analysis for Modified Duty or Alternate Duty Assignments.

Utilization of diaries: Online diary function through the RMIS will be used to manage activities required to bring the claim to a proper conclusion. It will also be used to manage follow up activities conducted by the adjuster and by the supervisor.

Reserving Methodology: Reserves shall be established to reflect the ultimate probable cost to bring the claim to conclusion, based upon the most current information available. A reserve worksheet will be prepared, and the reserve will be entered into the claim system within five business days of receipt of FROI. All reserve changes will be processed with the use of an on-line reserve worksheet and must have backup including the calculation and descriptive rationale.

All files in excess of the adjuster's authority level will be reviewed by the adjuster's supervisor for quality of adjusting and appropriateness of reserving. Additionally, random files within the adjuster's authority level will be reviewed on a regular basis for quality control.

Quality Assurance Specialists: The vendor shall assign one or more quality assurance specialists to review and audit all aspects of claim handling.

Benefit Calculation: Wage statements will be requested from the State of Vermont to verify lost wages and allow for accurate benefit calculation in accordance with jurisdictional requirements and deadlines.

Vocational rehabilitation: The vendor shall provide vocational rehabilitation services as required by Vermont statute and rules.

Subrogation: The vendor shall identify, investigate, prepare, pursue and make recoveries on third party claims. The vendor will make referrals to the ORM for any cases involving formal litigation and/or settlement. In the event that a subrogation recovery is not realized due to the vendor's error or omission, the vendor shall reimburse the State for claim expenditures not recovered.

Liens will be identified, protected and clearly documented. Notices will be sent to the potential responsible party in a timely manner and recovery pursued to the extent authorized by the State.

The vendor will:

- o Identify potential subrogation cases.
- o Document origin.
- o Place responsible parties, if known, on notice.
- o Report the investigation results and recommendations for additional recovery efforts.
- o Pursue recovery on approved cases.

Fraud prevention: If fraud indicators are present, the adjuster will obtain permission from ORM prior to assigning special investigative services consisting of activity checks and/or surveillance. Special investigative services shall be conducted by the vendor or the vendor's designee. Any fraud prevention fees shall be charged to the individual claim file and not be incorporated into the TPA administration fee.

Modified and alternate duty: The adjuster shall evaluate and communicate in writing any restricted work capacity such as Modified Duty or Alternate Duty Assignments with the employer. The vendor shall follow the provisions of applicable Vermont statutes and regulations as well as State policies and procedures.

Upon request by the State, the vendor's loss control department shall provide technical assistance in the development of task analysis for Modified Duty or Alternate Duty Assignments.

Compliance with Office of Foreign Assets Control (OFAC): The vendor must cross reference the OFAC list to all payments issued to ensure that no payments are made to individuals or entities on any prohibited list.

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007: The vendor must handle all Section 111 reporting on behalf of the State. The vendor may utilize a subcontractor for this function.

D. MEDICAL CASE MANAGEMENT SERVICES (Workers' Compensation Only):

The vendor shall provide integrated medical case management (MCM) to help manage employee's return to health and minimize lost workdays while controlling health care costs. MCM involves the planning and coordination of quality health care services needed to achieve the goal of medical rehabilitation and return to work.

The vendor's medical case management shall include, but is not limited to:

- o Nurse case managers (telephonic and field)
- o Medical bill review
- o Prescription benefit management
- o Utilization management
- o Referral to Independent Medical Exams (IMEs) and Functional Capacity Evaluations (FCEs)
- o Durable Medical Equipment (DME) program
- o Provide medical data analysis to determine cost drivers, such as duplicate billing and overutilization and measure State costs against comparable benchmarks.

Any fees for managed care services shall be charged to the individual claim file and not be incorporated into the TPA administration fee.

Medical case management: Medical case managers with experience in occupational medicine shall provide telephonic case management services in order to reach treatment agreements and manage the reasonable and appropriate medical care for injured employees. Medical case managers will be expected to assess injury severity, medical treatment plans, functional abilities and physical job requirements, establishing case-specific return to work plans. The medical case manager will maintain contact with the adjuster, employer, employee and medical providers. Field case management shall be utilized for severe injuries, complex medical conditions or upon request of ORM.

Medical Bill Review: The vendor shall review, approve and pay medical bills in compliance with the current Vermont Department of Labor ("VDOL") Rule 40 Workers' Compensation Medical Fee Schedule, usual and customary limitations, treatment plans and clinical logic, as well as Vermont rules and requirements regarding medical necessity, casualty, and precertification and time period to issue payments. This includes elimination of duplicate bills, bills for non-covered services and bills disallowed through peer review. The vendor will apply Preferred Provider Organization (PPO) discounts where applicable and utilize ICD-10 and CPT validation. The vendor will perform audits of all hospital and medical bills over five thousand dollars (\$5,000).

Prescription Benefits Management Program (PBM): The vendor shall establish a PBM to monitor and manage prescription drug usage and cost while meeting the needs of injured workers. The PBM shall include 24/7 contacts for injured workers with pharmacy questions, first fill capability, narcotic monitoring and control program, quarterly reports to ORM.

Utilization review protocols: The vendor shall have specific criteria for utilization review and case management based on the history of loss/occurrence and cost per claim along with consultation and assignment.

Utilization Management may be recommended for the following:

- Inpatient Admissions
- Surgical Procedures
- Chiropractic Treatment
- Physical Therapy
- Psychiatric Treatment
- Durable Medical Equipment (+\$500 in cost)
- Repeat or Multiple Diagnostic Procedures (EMGs, MRI's, CT Scans)
- Pre-surgical Admissions

Utilization of Independent Medical Examinations (IME) and Functional Capacity Evaluations (FCEs): The vendor shall comply with federal and State law including the VDOL rules and regulations regarding IMEs and FCEs. An IME may be used to provide an objective opinion regarding issues such as diagnosis/prognosis, need for further treatment, and appropriateness of certain treatment or referrals, causal relationship, disability and work issues as well as other situations.

Preferred Provider Organization: The vendor may be asked to provide access to a PPO network of primary care physicians, specialists, occupational health centers, ancillary service providers and hospitals whose participants have agreed to provide discounts in compliance with federal and State law including the VDOL Rule 40 Workers' Compensation Medical Fee Schedule. Any applicable PPO or network discount shall be applied following initial reductions of the VDOL Rule 40 fee schedule or usual and customary rates, if applicable. The PPO network shall ensure that injured employees have access to prompt, efficient and quality medical care providers and specialists. The medical providers and centers shall be currently licensed and credentialed in the states where they provide services.

Durable Medical Equipment (DME) program: The vendor shall establish a DME to provide quality, convenience and cost savings for purchase or rental of DME's and medical supplies.

E. PAYMENTS AND FISCAL ADMINISTRATION:

The payment system will contain a high level of fiscal controls and meet the standards of accountability imposed by the State. Claim payments shall be made by the vendor in accordance with Vermont statutory

provisions, rules and regulations. The vendor shall issue indemnity, mileage and settlement checks to claimants. The vendor shall issue all other payments associated with the claims. The State may continue to issue annual leave and sick leave supplemental payments to workers' compensation claimants in conjunction with the State's secure, self-service, web-based Human Resource information system, VTTHR. Additional information on VTTHR may be found at: http://humanresources.vermont.gov/vthr/resource_center.

The vendor shall obtain authority from the ORM for any proposed settlement of five thousand dollars (\$5,000) or greater.

The State fiscal year commences on July 1st and end of June 30th. The vendor's systems shall operate on the basis of the State's fiscal year.

The vendor shall bill the State on a monthly basis for TPA claims payments advanced. The vendor shall bill the State on a quarterly basis for the TPA administration fee.

Funding of Claims and Expenses: The vendor shall establish a non-interest bearing checking account in vendor's name ("Claim and Expense Payment Account") with the vendor's bank. The account is to be funded by the State but shall be administered by the vendor for the purposes of paying Qualified and/or Takeover claims and Allocated Loss and Adjustment Expenses (ALAE).

After the expiration of each calendar month, the vendor shall provide the State with a payment register and invoice detailing all payments made for Qualified and/or Takeover claims and ALAEs during the prior month. The payment register shall contain the name of the payee, date of payment, amount of payment and claim number for all funding transactions occurring during the prior month. Within 30 days of the receipt of the payment register and invoice, and upon review and audit of same, the State shall reimburse the vendor for the total amount of payments made, which reimbursement shall replenish the Claim and Expense Payment Account to its required balance.

F. LOSS CONTROL AND WORKPLACE SAFETY SERVICES:

The vendor's designated Loss Control and Workplace Safety Services personnel shall work with the ORM to enhance its loss control program. The vendor shall focus on reducing loss frequency, severity and related costs while complying with the provisions of applicable Vermont statutes and regulations, policies and procedures. The vendor shall work with the ORM to identify actual and potential sources of loss and offer tailored recommendations, information and training.

The vendor shall provide the following services:

- Safety and loss control training materials, safety literature and posters.
- A combination of on-site, telephonic and web-based safety consulting.
- Risk assessments for each agency.
- Access to webinar trainings.
- Four health and safety in person classroom based seminars shall be conducted annually by vendor for State agencies on pertinent loss control and safety topics agreed upon by vendor and the State.
- Assist the ORM and agencies with development of temporary alternative work
- Assist the ORM with development of joint loss management committees
- Assist the ORM with review and analysis of past accident experience including accident investigation to determine loss sources, causes and trends.
- Assist the ORM with review of actual and potential exposures, hazard analysis, and fact-finding, broken down by employer agencies.
- Assist ORM with annual OSHA reporting.
- Comparisons to appropriate industry benchmarks.
- Basic engineering guidelines for the design of physical safety controls
- Loss control surveys which reveal an immediate danger to employees shall be reported within twenty four (24) hours to the ORM. The vendor will work with the State to prioritize and target higher risk loss exposures and then develop targeted loss control programs.

- The vendor shall offer Certified Industrial Hygienists to provide loss control industrial hygiene services with the use of a laboratory certified by the AIHA Laboratory Accreditation Programs (AIHA-LAP), LLC to the ISO/IEC 17025:2005 international standard, *General Requirements for the Competence of Testing and Calibration Laboratories* for industrial hygiene. Standard industrial hygiene services as follows:
 - The State shall report claims or potential claims that are directly related to an occupational illness exposure or uncontrolled exposure that needs testing, such as indoor air quality, solvents and dust, noise and vibrations, water incursion into buildings and radiation.
 - The vendor shall schedule a service visit with the employer agency within ten (10) business days consisting of the hygienist going on site to collect and analyze samples.
 - After the service visit has been completed, the hygienist shall follow up with a written analysis and recommendation to the agency and ORM within fifteen (15) business days.

6.1.1. Technical Requirements

RISK MANAGEMENT INFORMATION SERVICES (RMIS)

The vendor shall provide the State with a comprehensive, flexible and user-friendly RMIS. The RMIS shall allow users to view claims, make online claim status inquiries, view real time claim file notes, run customized and standard reports, sort and trend data and create graphs with a high level of data integrity and security in accordance with vendor and the State of Vermont's Department of Information and Innovation's (DII) security requirements.

Internet accessibility shall follow State DII's standards for web interface, including web browsing standards approved and supported by the State.

See: <http://dii.vermont.gov/sites/dii/files/pdfs/Third-Party-Network-Connectivity.pdf>

The State shall have a minimum of ten users of the RMIS system with the ability to create and write reports. The users will be in the ORM and/or selected State agencies.

All agencies shall have the ability to logon to vendor's computer portal system to report claims and run basic, agency specific standard claim reports. The ORM will determine which agency personnel will be granted limited access.

The vendor shall provide up to three training sessions to the ORM and agency users during the implementation period. The training shall take place in a State office building in Montpelier, VT. The vendor shall supply ongoing support for training and new product releases or upgrades via the telephone and/or internet. Support personnel shall be fully trained and have the required expertise to respond to technical questions and perform troubleshooting and problem solving.

6.1.2. Functional Requirements:

Interface: The vendor's system shall have the capability to interface with the Vermont Department of Labor using standard International Association of Industrial Boards and Commissions (IAIABC) flat-file format for First Reports of Injury; with the State's Pharmacy Discount Program Vendor (unless that module will be provided by vendor) and the Oracle/PeopleSoft Human Capital Management (HCM) system. The bill review module shall have an integrated Vermont State Fee Schedule component in compliance with federal and State law including the VDOL Rule 40 Workers' Compensation Medical Fee Schedule.

Workers' Compensation:

- Record necessary claimant demographic data, in addition to claim numbers, type, status and representatives. It will be used to document general injury and/or illness data, in addition to cause, nature, body part, and other key reporting information.
- Employment information such as wage, benefit, employer, occupation, employment history and job duties, work status, and return to work efforts.

- Financial transactions such as the ability to set and edit reserves, record receipt and payment/denial of bills, record subrogation and recovery transactions.
- Record litigation information including tracking applicant and defense attorneys, filings, depositions, mediations and hearing outcomes.
- A notepad with diary and email functionality.
- Merge fields which interface with user definable templates automating critical claim management correspondence and forms.

Liability:

- Record insured, claimant demographic data, claim numbers, type, status and claimant representatives.
- Automobile loss information including vehicle and driver demographics, vehicle damage description and estimates, owner and passenger information, accident description, safety compliance or violations, insurance and agency report submissions, traffic and injury related documentation, and third party investigation assignments.
- Property loss information to include names, descriptions and locations, in addition to damage descriptions, estimates and owner demographics.
- Accident or loss related details include cause, nature, time and date, insurance and agency report submissions, and third party investigation assignments.
- General liability information should record a general description of loss and demand amount, in addition to accident or loss details including date and time, claimant age, safety compliance or violations, insurance and agency report submissions, third party investigation assignments, and injury related documentation and medical history.
- Financial transactions such as the ability to set and edit reserves, record receipt and payment/denial of bills, record subrogation and recovery transactions.
- Settlements with documentation of demands, evaluations, authorizations and agreements between all parties to the claim, including primary and excess insurers.
- Record litigation information including tracking claimant and defense attorneys, filings, depositions, mediations and hearing outcomes.
- A free-form notepad with diary and email functionality.
- Merge fields which interface with user definable templates automating critical claim management correspondence and forms.

6.1.3. Documentation Requirements:

1. Quarterly reports

The vendor shall provide quarterly reports to the ORM on the 10th of the month at the end of each quarter, for each year of the contract, on the following dates:

- October 10 for the first quarter from July to September.
- January 10 for the second quarter from October to December.
- April 10 for the third quarter from January to March.
- July 10 for the fourth quarter from April to June.

If requested on an as needed basis by the State, the reports shall be provided within 30 days.

- a. **Quarterly claim summary reports.** The reports, separated by workers compensation and liability claims, shall include the following:
 1. Total claim count and cost; number of open and closed claims.
 2. Distribution of claims total paid and reserve sorted by amounts: all claims with value of up to \$1,500, claims from \$1,500 to \$10,000, claims from \$10,001 to \$25,000 and claims over \$25,000.
 3. List of top 10 claims indicating claim number, name, injury date, open or closed status, total incurred, paid and on reserve.
 4. Medical savings indicating medical bills received, PPO usage, total charged, duplicates eliminated, net charged, medical dollars saved and percentage saved and net medical paid.

5. First report of injury with number reported within three days of injury, between four to ten days and over eleven days.
 6. Lost time cases: total count and total incurred (amount paid plus amount on reserve for future expenses) and litigated cases, indicating count and incurred.
 7. Lost time cases by employee tenure: number of cases and total incurred (amount paid plus amount on reserve for future expenses) sorted by employees who have worked for the State less than one year, more than one year, between two to four years, between five to nine years and over ten years.
 8. Disability days indicated temporary total and temporary partial.
 9. Top five causes of loss: indicating number of claims; percentage of total; total incurred
 10. Top three medical providers with total paid, number of claims and percentage of savings, and PPO inclusion
 11. A claim settlement matrix to review and strategize on large claim settlements.
- b. **Quarterly incident rate reports.** Reports shall indicate the number of injuries per 100 employees which is calculated as a number of claims times 200,000 work hours divided by actual work hours. The report will indicate a number for total claims and a number for lost time claims only.

2. Annual reports

- A. Detailed statistical plan reports including recommendations on corrective action to be taken by the State in order to realize a reduction of claim frequency, severity and cost. Recommendations shall identify the State agency involved and establish the cost to implement as well as dollars projected to be saved resulting from planned action.
- B. Service Organization Control 1 Report with independent American Institute of Certified Public Accountants (AICPA) Service auditor's report including tests performed and results thereof (SSAE 16 SOC1 Report). The report shall be provided to the State no later than September 1 of each year.
- C. Stewardship report in conjunction with annual stewardship meeting to discuss overall performance.

7. PERFORMANCE GUARANTEES: The vendor will be expected to meet the following Performance Guarantees during the contract term.

PERFORMANCE GUARANTEE CATEGORIES:

1. Claims Management (case assignment, three point contact, compensability decisions, initial reserves, settlement discussions, payment control)
2. Meetings
3. Reports

PERFORMANCE AUDIT GUIDELINES: The performance guarantees will be reviewed by the State and the vendor at the performance guarantee audit meeting. The performance guarantee audit meetings will be held within 30 days of June 1, 2017 and June 1, 2018 and evaluate performance that occurred during the prior contract term. Participants at the performance guarantee audit meeting shall include at least one representative from the State and one representative from the vendor. Audit results will be tabulated and emailed and/or mailed to the State within 30 days after the completion of the performance guarantee audit.

PERFORMANCE MEASUREMENT CRITERIA:

The measurement criteria are as follows:

Claims - For the first six performance guarantee categories, a random sample of sixty (60) workers' compensation and liability claim files, occurring within the contract effective dates, will be selected for review at the performance guarantee annual audit to evaluate the vendor's performance.

Each category shall have a minimum of forty (40) claim files that apply for the sample size to be valid. Any category that does not have the required forty (40) claim files will be eliminated from the measurement.

The State will choose thirty claims at random and the vendor will choose thirty claims at random, for a total of sixty claims. The claims will be reviewed under the following categories: case assignment, three point contact, compensability decisions, initial reserves, settlement authority and payment control. The claims will be graded pass or fail by the reviewer.

Performance audit results will be tabulated as follows:

- 1) Performance audit results will be scored by category.
- 2) The number of positive results will be divided by the number of possible results for each category. For example (using Three-point contact), if 55 of 60 files received passing scores, the results for three-point Contact would be 92% (55/60).
- 3) Claims that do not apply to a certain category are not included in the calculation of results for that particular category.

Representatives from the State and the vendor will complete the performance guarantee annual audit. Should a disagreement occur on a particular claim, the State and the vendor will make every effort to resolve it. If a resolution cannot be reached, the claim will be eliminated from the sample and another claim will be chosen at random as a substitute. Any disputed claims will be included in the performance guarantee report with an explanation of the issues however, these claims will not be included in the calculation of the vendor's performance results.

Meetings - During the performance guarantee audit, review of recorded documentation in the form of a written log input by the vendor and approved by the State that the meetings took place as scheduled.

Reports and Policy Issuance and Accuracy - During the performance guarantee annual audit, review of recorded documentation in the form of a written log input by the vendor and approved by the State that the reports were received as scheduled. Accuracy of reports will be evaluated in the performance guarantee audit.

PERFORMANCE GOALS: Performance goals are set at 95% for each category.

DAMAGES: The failure of the vendor to meet performance guarantees will cause damages to the State that are difficult to calculate. Therefore, if performance results are below any performance goal identified in the detailed performance guarantee provisions, the vendor will pay two thousand five hundred dollars (\$2,500) per failure. The maximum amount payable as damages for the failure to meet performance guarantees is twenty thousand dollars (\$20,000) annually with a total maximum of forty thousand dollars (\$40,000) for the two year contract term. Such payments do not constitute penalties but are imposed to make the State whole for losses that cannot be readily calculated.

CONDITIONS: Any damages will be paid or credited to the State's account after the audit has been completed. The vendor will issue payment or credit for any damages within thirty days receipt of the State's invoice.

The vendor will not be held to the performance standards identified in this performance guarantee in any category in which the State has not fulfilled its commitments as outlined in the specific performance guarantee provisions.

Performance results will be rounded to the nearest whole percentage point. For example, a performance result of 89.5% would be rounded up to 90%. A performance result of 89.4% would be rounded down to 89%.

Performance goals for each category can be found in the Specific Guarantee Provisions.

ACTION 1 OF 8: CASE ASSIGNMENT

THE VENDOR'S COMMITMENT: All Workers' Compensation lost time claims and liability claims will be entered into the vendor's claim reporting system and assigned to an adjuster within one business day of report from the State.

PERFORMANCE GOAL: 95%

DAMAGES: If new claims aren't assigned in accordance with the defined performance criteria, damages will be paid as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

ACTION 2 OF 8: THREE POINT CONTACT

THE VENDOR 'S COMMITMENT: For all claimants who are not represented by an attorney, the vendor will contact or make reasonable attempts to contact the following individuals:

- Contact with the injured worker or liability claimant within 1 business day of report of the claim by the State.
- For workers' compensation claims only, contact with the employer within 1 business day of report of the claim by the State.
- For workers' compensation claims only, contact with the injured worker's treating physician within 2 business days of the report of the claim by the State. This requirement is waived if there is documentation in the file such as a "Return to Work" slip from the doctor confirming the length and extent of injury.

All actual and attempted contact will be documented in the RMIS electronic claim file.

PERFORMANCE GOAL: 95%

DAMAGES: If contact is not made in accordance with the defined performance criteria, damages will be paid as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

ACTION 3 OF 8: WORKERS’ COMPENSATION COMPENSABILITY DECISIONS

THE VENDOR 'S COMMITMENT: The vendor will accept or deny a claim within twenty one (21) calendar days from the first day of disability per the VDOL rules and statutes. If the claim is denied, the vendor will mail a VDOL Form 2 and letter to the claimant and VDOL Commissioner as required per the VDOL Rules.

PERFORMANCE GOAL: 95%

DAMAGES: If compensability decisions are not made in accordance with the defined performance criteria, damages will be paid as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

ACTION 4 OF 8: INITIAL RESERVES

THE VENDOR 'S COMMITMENT: The vendor will establish initial reserves for Workers Compensation indemnity and liability claims within five business days of receipt of claim.

PERFORMANCE GOAL: 95%

DAMAGES: If initial reserves are not established in accordance with the defined performance criteria, damages will be paid as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

ACTION 5 OF 8: SETTLEMENT DISCUSSIONS

THE VENDOR 'S COMMITMENT: The vendor will contact the State's Director of Risk Management or his/her designee to request approval for all settlement amounts of \$5,000 or more.

STATE'S COMMITMENT: The State's Director of Risk Management will respond back to any attempts made by the vendor to contact him/her within two business days.

PERFORMANCE GOAL: 95%

DAMAGES: If settlement discussions aren't initiated in accordance with the defined performance criteria, damages will be paid as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

ACTION 6 OF 8: PAYMENT CONTROL

THE VENDOR 'S COMMITMENT: Medical and indemnity payments shall be made according to the timetable set forth in the State of Vermont Department of Labor regulations and the State’s guidelines.

All source documents (copies of invoices and checks) shall be available in the claim file for review at the performance guarantee annual audit, unless they are available electronically in the vendor’s RMIS.

PERFORMANCE GOAL: 95%

DAMAGES: If new claims payments aren't handled in accordance with the defined performance criteria, damages will be paid as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

ACTION 7 OF 8: MEETINGS

THE VENDOR 'S COMMITMENT: The following meetings will be scheduled and held as follows:

- a. The performance guarantee annual audit. (Weighted score= 25%)
- b. Implementation meeting(s) as indicated in section 6. C. on page 4 of this RFP. (Weighted score= 10%)
- c. Claim reviews will be held four times a year scheduled every quarter and discuss no more than twenty-five claims per session. Claims will only be reviewed if they have at least a total incurred of twenty thousand dollars (\$20,000). The State shall give the vendor a minimum of thirty (30) days’ notice comprised of a listing of which claims to review.

The vendor will prepare one to three pages written claim analysis summary for each claim. The claim analysis shall include the following information, if applicable: the claim adjuster and contact information, claimant name, date of loss, claim number, location code, agency and location. Claimant date of birth, hire date, job position, current age, average weekly wage, compensation rate, accident description, date accident reported to employer and to the vendor , medical information such as date of disability, work status, estimated further disability, attending physician, permanency rating, attorney information for claimant and employer, litigation status, recovery potential, action plan and resolution strategy, reserve details including total incurred, paid to date and reserve for medical, indemnity and expense. The formal claim summaries shall be emailed or mailed to the State at least five business days prior to the scheduled review date. Under the State’s direction, the vendor shall coordinate inviting agency representatives to the claim review and determining each agency's time slot. (Weighted score= 20%)

- d. Four loss control and workplace safety in-person classroom based seminars shall be conducted annually by the vendor for State agencies on pertinent safety topics. (Weighted score= 20%)
- e. Annual Stewardship Meeting to review the account on a global basis, discuss services and determine areas of challenge and opportunity. Discussion of account team, overview of claim outcomes, causes of loss, financials, claim review outcomes, managed medical outcomes and cost savings and a loss control/safety overview. (Weighted score= 25%)

STATE'S COMMITMENT: The State will facilitate the vendor 's access to the appropriate personnel at State agencies for the above mentioned meetings. The State will provide information to the vendor on a timely basis as needed in preparation for the above mentioned meetings.

PERFORMANCE GOAL: 95%

DAMAGES: If the above mentioned meetings aren't held as scheduled, damages will be paid according to the weighted averages shown above as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

ACTION 8 OF 8: REPORTS

THE VENDOR 'S COMMITMENT: The following reports will be issued as follows under the timetable indicated in the RFP:

- a. Quarterly reports per section 6.1.3, 1 a, 1 b on page 10 of this RFP. The reports will be reviewed for accuracy and timeliness at the performance guarantee annual audit. (Weighted average = 50%)
- b. Annual reports per section 6.1.3, 2 on page 11 of this RFP. The reports will be reviewed for accuracy and timeliness at the performance guarantee annual audit. (Weighted average = 50%):

PERFORMANCE GOAL: 95%

DAMAGES: If the above mentioned reports aren't issued and received by the State as scheduled, damages will be paid in accordance with the weighted average shown above as follows:

The vendor 's Performance at the Annual Audit	Damages
95% or greater	None
Less than 95%	\$2,500

8. GENERAL REQUIREMENTS:

8.1. **PRICING:** Any and all costs that you wish the state to consider must be submitted for consideration.

8.2. **WORKER’S COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT:** The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total projects costs exceeding \$250,000.00, requires bidders comply with the following provisions and requirements.

- (a) (1) Bidder is required to self report detailed information including information relating to past violations, convictions, suspensions, and any other information related to past performance and likely compliance with proper coding and classification of employees requested by the applicable agency. The bidder is required to report information on any violations that occurred in the previous 12 months.
- (a) (2) Bidder is required to provide a list of subcontractors on the job along with lists of subcontractor’s subcontractors and by whom those subcontractors are insured for workers’ compensation purposes. Include additional pages if necessary. This is not a requirement for subcontractor’s providing supplies only and no labor to the overall contract or project.

In order for a bidder's response to be considered valid bidders must complete and submit the following two (2) forms at time of bid:

- Self Reporting
- Subcontractor Reporting

8.3. **ECONOMETRIC MODELING:** The Department of Buildings and General Services in accordance with Act 112 of the Acts of 2012, "An act relating to evaluating net costs of government purchasing," requires the Secretary of Administration and the legislative economist to design and implement a pilot project to help measure the net fiscal impact to the state of certain identified purchases. In order to accomplish this goal, we are seeking data on contracts for goods and services to support the econometric evaluation. Questions have been identified that may assist the state in the data collection process which will ultimately be used for Econometric Modeling.

For bid amounts exceeding \$100,000.00 bidders are required to complete and submit the Econometric Modeling Questionnaire included as part of this RFP at time of bid.

- 8.4. **INVOICING:** All invoices are to be rendered by the Contractor on the vendor's standard billhead and forwarded directly to the institution or agency ordering materials or services and shall specify the address to which payments will be sent.
- 8.5. **CANCELLATION:** The State specifically reserves the right to cancel the contract, or any portion thereof, if, in the opinion of its Commissioner of Buildings and General Services, the services or materials supplied by the contractor are not satisfactory or are not consistent with the terms of the contract.
- 8.6. **METHOD OF AWARD:** Awards will be made in the best interest of the State. The State may award one or more contracts and reserves the right to make additional awards to other compliant bidders at any time during the first year of the contract if such award is deemed to be in the best interest of the State. All other considerations being equal, preference will be given to resident bidders of the state and/or to products raised or manufactured in the state.
- 8.6.1. The review and evaluation of responses to the RFP will be performed by the ORM and their designees. During this time, the Purchasing Agent may, at their option, initiate discussion with respondents for the purpose of clarifying aspects of their responses.
- 8.6.2. **Evaluation Criteria:** Evaluation criteria may include but are not limited to: the qualifications and experience of the vendor; conformance to requirements listed in this RFP and a demonstrated understanding of the scope of services requested; past performance and reputation of the vendor based upon references; quality of sample reports provided in RFP response; and price. The order of these criteria does not denote the relative weight which will be given as part of the evaluation.
- 8.7. **CONFIDENTIALITY:** The successful response will become part of the contract file and will become a matter of public record, as will all other responses received. If the response includes material that is considered by the bidder to be proprietary and confidential under 1 VSA, Chapter 5, the bidder shall clearly designate the material as such, explaining why such material should be considered confidential. The bidder must identify each page or section of the response that it believes is proprietary and confidential with sufficient grounds to justify each exemption from release, including the prospective harm to the competitive position of the bidder if the identified material were to be released. Under no circumstances can the entire response or price information be marked confidential. Responses so marked may not be considered.
- 8.8. **CONTRACT TERMS:** The selected vendors will sign a contract with the State to provide the items named in their responses, at the prices listed. Minimum support levels, terms, and conditions from this RFP, and the vendor's response will become part of the contract. This contract will be subject to review throughout its term. The State will consider cancellation upon discovery that a vendor is in violation of any portion of the agreement, including an inability by the vendor to provide the products, support, and/or service offered in their response.
- 8.9. **STATEMENT OF RIGHTS:** The State of Vermont reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal. Vendors may be asked to give a verbal presentation of their proposal after submission. Failure of vendor to respond to a request for additional information or

clarification could result in rejection of that vendor's proposal. To secure a project that is deemed to be in the best interest of the State, the State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause, and to waive technicalities in submissions. The State also reserves the right to make purchases outside of the awarded contracts where it is deemed in the best interest of the State.

- 8.10. **TAXES:** Most state purchases are not subject to federal or state sales or excise taxes and must be invoiced tax free. An exemption certificate will be furnished upon request covering taxable items. The contractor agrees to pay all Vermont taxes which may be due as a result of this order. If taxes are to be applied to the purchase it will be so noted in the response.
- 8.11. **ORDER OF PRECEDENCE:** The order of precedence for documentation will be the State of Vermont Standard Contract Form and attachments, the bid document and any amendments, and the vendor's response and any amendments.
- 8.12. **SPECIFICATION CHANGE:** Any changes or variations in the specifications must be received in writing from the Office of Purchasing & Contracting. Verbal instructions or written instructions from any other source are not to be considered.
- 8.13. **AMENDMENTS:** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered, and signed by the duly authorized representative of the State and Contractor.
- 8.14. **NON COLLUSION:** The State of Vermont is conscious of and concerned about collusion. It should therefore be understood by all that in signing bid and contract documents they agree that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, all bidders should understand that this paragraph might be used as a basis for litigation.
9. **VENDOR RESPONSE CONTENT AND FORMAT:** The content and format requirements listed below are the minimum required for our evaluation. They are not intended to limit the content of the proposals; vendors may include additional information or offer alternative solutions which may be considered.
- 9.1. **NUMBER OF COPIES:** RFP responses must include one (1) electronic copy on Compact Disc (CD) and four (4) Paper (hard copy) responses. Paper copies must be bound with a staple, binder or other appropriate means such that pages are not submitted loosely. Four (4) copies of the RFP must be delivered to the Purchasing Agent.
- 9.2. **The electronic response made to the narrative portion of this RFP must be in Microsoft Word version 2007 compatible format. At least one copy of the Cost Table and Business and Technical Requirements must be made in Microsoft Excel Version 2007 or higher.**
- 9.3. Each submission prepared in response to this RFP must include the elements listed below, in the order indicated. The vendor, when presenting the response, must use the following outline:
- Cover Page
 - Vendor Information (to include 3 relevant references, sample reports sections 6.1.3. 1 a, 1b, 2 A and C., resumes of key personnel, required completed documents listed in item 11)
 - Cost (Cost Estimate Worksheet)
 - Narrative description of how your firm would meet the Business, Functional, Technical and Documentation Requirements listed in the RFP.
- 9.4. **COVER PAGE:** The first page of the vendor's RFP Response must be a cover page displaying at least the following:
- Response of RFP Title
 - Vendor's Name
 - Contact Person

- Telephone Number
- Address
- Fax Number
- Email Address

All subsequent pages of the RFP Response must be numbered.

9.5. **BACKGROUND AND EXPERIENCE.** Describe the experience your organization has had in providing Workers’ Compensation and Liability Third Party Administration Services and loss control safety services. Describe your company’s organizational history and structure. Submit resumes for key personnel who would be assigned to the State’s account. Indicate your staff’s training and experience.

9.6. **REFERENCES.** Provide the names, addresses, email address and phone numbers of at least three companies with whom you have transacted similar business in the last 12 months. You must include contact names who can talk knowledgeably about performance.

9.7. **REPORTING REQUIREMENTS:** Provide a sample of your current reports similar to those indicated in sections 6.1.3. 1 a, 1b, 2 A and C.

9.8. **PRICING:** Complete the attached cost estimate worksheet.

9.9. **CERTIFICATE OF COMPLIANCE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

9.10. **WORKERS’ COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT; SELF REPORTING:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

9.11. **WORKERS’ COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT; SUBCONTRACTOR REPORTING:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

9.12. **OFFSHORE OUTSOURCING QUESTIONNAIRE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

9.13. **ECONOMETRIC MODELING QUESTIONNAIRE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

10. **SUBMISSION INSTRUCTIONS:**

10.1. **CLOSING DATE:** The closing date for the receipt of proposals is **3:00 PM on February 26, 2016.**

10.2. The bid opening will be held at 10 Baldwin St, Montpelier, VT and is open to the public.

10.3. **SEALED BID INSTRUCTIONS:** All bids must be sealed and must be addressed to the State of Vermont, Office of Purchasing & Contracting, 10 Baldwin St - Montpelier, VT 05633-7501. **BID ENVELOPES MUST BE CLEARLY MARKED ‘SEALED BID’ AND SHOW THE REQUISITION NUMBER AND/OR PROPOSAL TITLE, OPENING DATE AND NAME OF BIDDER.**

10.3.1. All bidders are hereby notified that sealed bids must be received and time stamped by the Office of Purchasing & Contracting located at 10 Baldwin St - Montpelier, VT 05633-7501 by the time of the bid opening. Bids not in possession of the Office of Purchasing & Contracting at the time of the bid opening will be returned to the vendor, and will not be considered.

10.3.2. Office of Purchasing & Contracting may, for cause, change the date and/or time of bid openings or issue an addendum. If a change is made, the State will make a reasonable effort to inform all bidders by posting at: <http://bgs.vermont.gov/purchasing/bids>.

10.3.3. All bids will be publically opened. Typically, the Office of Purchasing & Contracting will open the bid, read the name and address of the bidder, and read the bid amount. However, the Office of Purchasing & Contracting reserves the right to limit the information disclosed at the bid opening to the

name and address of the bidder when, in its sole discretion, the Office of Purchasing & Contracting determines that the nature, type, or size of the bid is such that the Office of Purchasing & Contracting cannot immediately (at the opening) determine that the bids are in compliance with the RFP. As such, there will be cases in which the bid amount will not be read at the bid opening. Bid openings are open to members of the public. Bid results are a public record however, the bid results are exempt from disclosure to the public until the award has been made and the contract is executed.

10.4. DELIVERY METHODS:

- 10.4.1. U.S. MAIL: Bidders are cautioned that it is their responsibility to originate the mailing of bids in sufficient time to ensure bids are received and time stamped by the Office of Purchasing & Contracting prior to the time of the bid opening.
- 10.4.2. EXPRESS DELIVERY: If bids are being sent via an express delivery service, be certain that the RFP designation is clearly shown on the outside of the delivery envelope or box. Express delivery packages will not be considered received by the State until the express delivery package has been received and time stamped by the Office of Purchasing & Contracting.
- 10.4.3. HAND DELIVERY: Hand carried bids shall be delivered to a representative of the Division prior to the bid opening.
- 10.4.4. ELECTRONIC: Electronic bids will not be accepted.
- 10.4.5. FAX BIDS: FAXED bids will not be accepted.

11. ATTACHMENTS:

- 11.1. Attachment C: Standard State Contract Provisions (September 1, 2015)
- 11.2. Certificate of Compliance
- 11.3. Cost Estimate Worksheet (Appendix A)
- 11.4. Offshore Outsourcing Questionnaire
- 11.5. Workers' Compensation; State Contracts Compliance Requirement; Self Reporting
- 11.6. Workers' Compensation; State Contracts Compliance Requirement; Subcontractor Reporting
- 11.7. Econometric Modeling Questionnaire
- 11.8. Vermont State Employee's Guide To Workers' Compensation And Injury Prevention

ATTACHMENT C: STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

10. **Records Available for Audit:** The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the

Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

11. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
12. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
13. **Taxes Due to the State:**
 - a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
 - b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
 - c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
 - d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.
14. **Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:
 - a. is not under any obligation to pay child support; or
 - b. is under such an obligation and is in good standing with respect to that obligation; or
 - c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. **Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

16. **No Gifts or Gratuities:** Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.
17. **Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.
18. **Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at:

<http://bgs.vermont.gov/purchasing/debarment>

19. **Certification Regarding Use of State Funds:** In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.
20. **Internal Controls:** In the case that this Agreement is an award that is funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
21. **Mandatory Disclosures:** In the case that this Agreement is an award funded in whole or in part by Federal funds, in accordance with 2CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.
22. **Conflict of Interest:** Party must disclose in writing any potential conflict of interest in accordance with Uniform Guidance §200.112, Bulletin 5 Section X and Bulletin 3.5 Section IV.B.

(End of Standard Provisions)

CERTIFICATE OF COMPLIANCE

This form must be completed in its entirety and submitted as part of the response for the proposal to be considered valid.

TAXES: Pursuant to 32 V.S.A. § 3113, bidder hereby certifies, under the pains and penalties of perjury, that the company/individual is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due to the State of Vermont as of the date this statement is made. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes.

INSURANCE: Bidder certifies that the company/individual is in compliance with, or is prepared to comply with, the insurance requirements as detailed in Section 7 of Attachment C: Standard State Contract Provisions. Certificates of insurance must be provided prior to issuance of a contract and/or purchase order. If the certificate(s) of insurance is/are not received by the Office of Purchasing & Contracting within five (5) days of notification of award, the State of Vermont reserves the right to select another vendor. Please reference the RFP and/or RFQ # when submitting the certificate of insurance.

CONTRACT TERMS: The undersigned hereby acknowledges and agrees to Attachment C: Standard State Contract Provisions.

TERMS OF SALE: The undersigned agrees to furnish the products or services listed at the prices quoted. The Terms of Sales are Net 30 days from receipt of service or invoice, whichever is later. Percentage discounts may be offered for prompt payments of invoices, however such discounts must be in effect for a period of 30 days or more in order to be considered in making awards.

FORM OF PAYMENT: Would you accept the Visa Purchasing Card as a form of payment? Yes No

Insurance Certificate(s): Attached _____ Will provide upon notification of award _____

Delivery Offered: _____ days after notice of award Terms of Sale: _____
(If Discount)

Quotation Valid for: _____ days Date: _____

Name of Company: _____ Contact Name: _____

Address: _____ Fax Number: _____

_____ E-mail: _____

By: _____ Name: _____
Signature (Bid Not Valid Unless Signed) (Type or Print)

All returned quotes and related documents must be identified with our request for quote number.

7 APPENDIX A: COST ESTIMATE WORKSHEET

Include a detailed cost breakdown for each section of the RFP. Identify any additional fees that may be required. If time and expense is charged for any service, provide the hourly rate for professional and non-professional job titles.

Description of Services	RFP Reference	Rate for Years 1 & 2: fiscal year 2017 & 2018 (standard 2 year term)	Rate for Years 3 & 4: fiscal year 2019 & 2020 (2 one year renewal term)
Workers compensation TPA services (all inclusive)	RFP sections 1, 6.1.A, 6.1.B, 6.1.C, 6.1.E, 7		
Extra fees: hearing representative	RFP section 6.1.C.		
Extra fees: outside investigations	RFP section 6.1.C.		
Extra fees: Medicare Section 111 reporting, cost per claim	RFP section 6.1.C		
Workers' compensation medical case management fees for telephonic and field case management per hour	RFP section 6.1.D		
Workers' compensation medical case mgmt. fees for IMEs and FCEs	RFP section 6.1.D		
Workers' compensation medical case management fees for PBM	RFP section 6.1.D		
Workers' compensation medical case management fees for utilization review	RFP section 6.1.D		
Workers' compensation medical case management fees for DME	RFP section 6.1.D		
Workers' compensation medical case management fees for medical bill review, cost per bill	RFP section 6.1.D		
Liability TPA services (all inclusive)	RFP sections 1, 6.1.A, 6.1.B, 6.1.C, 6.1.E, 7		
Loss control fee	RFP section 6.1.1.F		
Administrative fee	N/A		
RMIS fee	RFP sections 6.1.1 and 6.1.2		
Total quotation			

WORKERS' COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT

**Self Reporting
 Form 1 of 2**

This form must be completed in its entirety and submitted as part of the response for the proposal to be considered valid.

The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total projects costs exceeding \$250,000.00, requires bidders comply with the following provisions and requirements.

Bidder is required to self report the following information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification for worker's compensation. The state is requiring information on any violations that occurred in the previous 12 months.

Summary of Detailed Information	Date of Notification	Outcome

WORKERS' COMPENSATION STATE CONTRACTS COMPLIANCE REQUIREMENT: Bidder hereby certifies that the company/individual is in compliance with the requirements as detailed in Act 54, Section 32 of the Acts of 2009.

Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Title: _____

Phone Number: _____

E-mail: _____

Fax Number: _____

By: _____

Name: _____

Signature (Bid Not Valid Unless Signed)*

(Type or Print)

*Form must be signed by individual authorized to sign on the bidder's behalf.

WORKERS' COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT

**Subcontractor Reporting
 Form 2 of 2**

This form must be completed in its entirety and submitted as part of the response for the proposal to be considered valid.

The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total projects costs exceeding \$250,000.00 requires bidders to comply with the following provisions and requirements.

Bidder is required to provide a list of subcontractors on the job along with lists of subcontractor's subcontractors and by whom those subcontractors are insured for workers' compensation purposes. Include additional pages if necessary. This is not a requirement for subcontractor's providing supplies only and no labor to the overall contract or project.

Subcontractor	Insured By		Subcontractor's Sub	Insured By

Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Title: _____

Phone Number: _____

E-mail: _____

Fax Number: _____

By: _____

Name: _____

Signature (Bid Not Valid Unless Signed)*

(Type or Print)

*Form must be signed by individual authorized to sign on the bidder's behalf.

Offshore Outsourcing Questionnaire

Vendors must indicate whether or not any services are or will be performed in a country other than the United States. Indicate N/A if not applicable.

Services:

Proposed Service to be Outsourced	Bid Total	Offshore Dollars	Represents what % of total Contract Dollars	Outsourced Work Location (Country)	Subcontractor

If any or all of the services are or will be outsourced offshore, Vendors are required to provide a cost estimate of what the cost would be to provide the same services onshore and/or in Vermont.

Proposed Service to be Outsourced	Bid Total if provided Onshore	Bid Total if provided in Vermont	Cost Impact	Onshore Work Location	Subcontractor

Name of Bidder:

Signature of Bidder:

Date

Econometric Modeling Questionnaire

For bid amounts exceeding \$100,000.00 bidders are required to respond to the questions identified below.

Act 112 of the Acts of 2012, "An act relating to evaluating net costs of government purchasing," requires the Secretary of Administration and the legislative economist to design and implement a pilot project to help measure the net fiscal impact to the state of certain identified purchases. In order to accomplish this goal, we are seeking data on contracts for goods and services to support the econometric evaluation.

Questions have been identified that may assist the state in the data collection process which will ultimately be used for Econometric Modeling. Indicate N/A if not applicable.

1. Vermont-based company?

Yes: _____ No _____

2. Describe your companies presence in Vermont:

Description: _____

3. Indicate number of employees residing in Vermont: _____

4. Indicate percentage (%) of employees residing in Vermont: _____(%)

5. Indicate Vermont payroll for most recent fiscal year: \$ _____

6. Indicate percent (%) of total payroll in Vermont: _____(%)

When responding to questions 7 and 8, please indicate: Yes, No, or Not known at time of bid.

7. If Out-of-State Vendor (see Question 1), do you expect to use Vermont subcontractors to fulfill any portion of the Contract? Or, will Vermont be the source of any portion of goods sold? _____

8. If Vermont Vendor (see Question 1), will out-of-state subcontractors or goods sourced outside of Vermont be used to fulfill any portion of the contract? _____

Name of Bidder: _____

Signature of Bidder: _____

Date: _____

*Vermont
State Employee's
Guide To
Workers' Compensation
And Injury Prevention*

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GENERAL INFORMATION

You are receiving this booklet to help explain workers' compensation for State of Vermont Legislative, Executive, and Judicial branch employees. *You should not use this booklet as a substitute for legal advice.* The material contained in this guide is only a reference. This booklet is meant to provide answers to the most frequently asked questions about workers' compensation.

What Is Workers' Compensation?

Workers' Compensation (WC) is "no-fault" insurance that provides medical and disability benefits for injury, illness, disability, or death that happens in the course of employment.

Who Is Eligible For This Coverage?

Employees of the Executive, Judicial, or Legislative branches of Vermont State Government are covered. Temporary employees and authorized volunteers are also eligible. Independent vendors and their employees hired by the State of Vermont for specific contracted services are not covered.

Who Provides Workers' Compensation?

The State of Vermont, Office Risk Management (ORM) administers the State of Vermont Workers' Compensation Program. ORM serves as the insurance carrier for covered employees. ORM assigns a Claims Adjuster (Adjuster) and a Medical Case Manager (MCM).

CLAIMS TEAM

What Is the Adjuster's Role?

The adjuster reviews each claim to decide if the injury/illness is compensable (eligible for benefits) according to the law.

The adjuster is responsible for:

- all of the financial, medical, and legal aspects of a workers' compensation claim
- complying with Vermont statute and the Vermont Department of Labor (VDOL) rules
- processing VDOL forms
- issuing payments to both you and your medical providers
- reviewing medical services
- coordinating the exchange of information
- helping you return to work

What is the Medical Case Manager's Role?

The medical case manager plans and coordinates health care services to support your recovery.

The medical case manager is responsible for:

- helping you return to pre-injury/illness baseline
- coordinating and monitoring medical treatment and progress
- obtaining medical documentation
- reviewing medical services and utilization
- working with the adjuster to ensure appropriate and cost effective treatment
- coordinating your release to work with your health care providers

What is the Injured Worker's Role?

Your role is to promptly report an injury, focus on your recovery, and maintain contact with the ORM team and your employer throughout the claims process.

The Injured Worker is responsible for:

- reporting the injury to the supervisor
- reporting any unsafe or unhealthy working conditions to ORM at sov.riskhelp@state.vt.us

WORKPLACE SAFETY

How Do I Report Unsafe or Unhealthy Work Conditions?

Identification and reporting of potentially unsafe or unhealthy working conditions is the responsibility of all state employees. Detection of unsafe or unhealthy working conditions at the earliest possible time and prompt correction of hazards at the lowest possible working level is critical to preventing injury.

All state employees are encouraged to report unsafe and unhealthy working conditions to their immediate supervisor who will promptly investigate the situation and take appropriate actions. You may also contact the ORM. Workplace Safety is available to assist all departments in these efforts.

What is the Ergonomic Evaluation Process?

ORM may request an ergonomic evaluation of your workstation if indicated for your injury. You would be contacted by an ergonomic specialist to schedule a meeting time. The specialist will complete a workstation evaluation and create an ergonomic report. The report may include a description of job duties, description of injury, equipment defects, corrective actions at the time of the assessment, and recommendations for additional corrective actions, equipment or additional training needs.

This report will be distributed to your WC claims team and your Human Resources Administrator.

THE FIRST TWENTY-ONE DAYS

What is included in my Initial Contact Package?

- this booklet
- a First-fill prescription card. Simply present this card to a participating pharmacy to fill prescriptions for your work related injury.
- an [ORM Claim Questionnaire Form](#),
- a [Medical Authorization](#) (VDOL Form 7)
- and a [Certificate of Dependency and Concurrent Employment](#) (VDOL Form 10).

You must complete these forms and return them to ORM as soon as possible. *Failure to sign and return the [Medical Authorization](#) (VDOL Form 7) will result in a denial of your claim.*

When Will A Decision Be Made On My Claim?

After you file a claim, the adjuster has twenty-one (21) calendar days to decide if you are entitled to benefits.

What If My Claim Is Approved?

You will receive an acceptance letter stating that you are eligible for workers' compensation benefits.

What If My Claim Is Denied?

If your claim is denied, your adjuster will notify you by telephone. You will also receive a written explanation of the decision along with notification of your right to appeal.

What If I Disagree With The Denial?

ORM may have denied your claim because information is missing. If you can provide that information, call your adjuster. The adjuster may reverse the decision based on the new information.

If the decision is not reversed and you wish to appeal, you may complete the appeal section of the Denial of Workers' Compensation Benefits (VDOL Form 2) and submit it with supporting documentation to VDOL and ORM.

VDOL may schedule an informal hearing, which is a telephone conference. During the hearing, you and the adjuster will both present information for VDOL to consider. Then the VDOL specialist will make a decision based on the evidence.

MEDICAL BENEFITS AND EXPENSES

Who Chooses The Doctor?

You have the right to seek treatment with the medical provider of your choice.

Will My Medical Expenses Be Paid?

Workers' compensation provides coverage for all reasonable and necessary medical treatment that is related to your work injury/illness. ORM will pay for this treatment once your claim is approved. You must also complete and return your Medical Authorization (VDOL Form 7) in order for your medical bills to be paid.

When you attend an appointment, you should tell the treating physician that you have filed a workers' compensation claim for your injury/illness. This will allow your physician to directly bill ORM. In the event that you do receive a bill pertaining to your workers' compensation injury/illness, forward it to ORM.

What Other Expenses Will Be Paid?

ORM will pay all allowable expenses related to a workers' compensation claim. These expenses may include prescriptions, mileage to and from medical appointments, and meals and lodging where distant travel is unavoidable.

You should submit any expense reimbursement requests to ORM. Mileage reimbursement request forms are available on the website (<http://aoa.vermont.gov/wcp/forms>) or by contacting the ORM.

TEMPORARY DISABILITY BENEFITS

What Is Temporary Disability?

Temporary Total Disability (TTD) means you have a written statement from your treating physician that you are temporarily unable to work.

Temporary Partial Disability (TPD) means you have a written statement from your treating physician that releases you to return to part-time work.

Will I Be Paid For My Absence From Work?

You may be paid for lost time (TTD or TPD Benefits) if it is related to your work injury. It will only be covered if you have a current disability note or a Work Capabilities Form (VDOL Form 20) from a medical provider.

Temporary disability benefits are paid if you are out of work for more than three (3) full calendar days or if you are restricted to part-time work for more than seven (7) calendar days.

You must send disability notes to ORM and to your department's Human Resource (HR) office immediately following each physical examination. These notes should also say what job-related activities you can perform. Your employer may be able to provide work based on this note. *It is your responsibility to provide this documentation. Failure to comply may affect your benefits.*

How Much Will I Be Paid?

Your adjuster will calculate your Average Weekly Wage (AWW) based on your gross earnings during the twenty-six weeks prior to your date of injury or date of disability. ORM will obtain this information from HR.

ORM will use your AWW to figure your Workers' Compensation Benefit Rate (WCBR). Your WCBR is the weekly amount that you will receive in your paycheck while you are completely out of work.

If you are eligible for TTD benefits, your WCBR is approximately two-thirds of your average weekly wage. You may also receive a \$10.00 weekly supplement for each dependent child. There are minimum and maximum amounts that may apply.

If you are eligible for TPD benefits, ORM will subtract the wages you earned from your AWW and pay you 2/3 of the difference. TPD benefits do not include the \$10.00 weekly supplement for each dependent child.

Workers' Compensation benefits are non-taxable.

Once your WCBR has been calculated, the adjuster will send you the Agreement for Temporary Compensation form (Form 32) showing your benefit amount

You must sign and return this form. Your adjuster will then submit the form to VDOL for approval.

What If I Have An Additional Employer?

If you worked for anyone other than the State during the twenty-six weeks prior to your date of injury or disability, you must notify your adjuster.

You are also legally obligated to promptly report any work, earnings, wages, or benefits received while collecting temporary disability payments. You must provide this information to ORM and to the VDOL. Failure to provide this information could result in legal penalties and/or discontinuance of your benefits.

How Will I Receive Temporary Disability Payments?

Temporary disability payments will be included in your regular State of Vermont paycheck.

How Do I Complete My Timesheet If I Am Unable To Work?

Your timesheet must be **completed and approved** in VTWR no later than the last Friday of the pay period or the end of your last shift worked during the pay period. *If your timesheet is not completed and approved on time, your wage replacement may be delayed.*

Use Time Reporting Code (TRC) Workers Compensation (WC) for hours you are absent from work as a result of your work-related injury/illness. You should also double-code your time with another TRC code or codes (i.e. TRC Code SICK or TRC Code ANNL) for any date that you use TRC WC. If WC doesn't authorize a payment under TRC Code WC, then the alternate leave coding will be charged. If TRC Code WC is not authorized it means that the decision of paying for lost time is either still under review or has been denied.

If you wish to receive a paycheck equal to your regular base salary, you may supplement your WCBR using available leave balances. When completing your time report online, you must state that you wish to supplement in the comment section of the TRC line. For example, "supplement with sick leave". *It is your responsibility to request a supplement each pay period.* If you have questions about the process of submitting your timesheet, contact HR.

How Do I Complete My Timesheet If I Am Back To Work But Need To Attend A Medical Appointment?

You are allowed release time from work to attend reasonable and necessary medical appointments related to your workers' compensation injury. Time for medical appointments includes reasonable travel time between the workplace and the location of the appointment.

If you cannot schedule your appointments outside of normal working hours, you should schedule them to be the least disruptive to your normal work schedule. Be sure to notify your supervisor of any upcoming appointments in advance.

Use Time Reporting Code (TRC) Workers Comp Doctor (WCDR) on your time sheet to report these appointments. You will receive full salary for all hours reported with TRC WCDR, without loss of leave time.

TRC Code WCDR is authorized or denied by your supervisor, not the Office of WC. Your supervisor has the right to request documentation to support the use of this code.

What Happens To My Payroll Deductions?

Vermont Workers' Compensation payments are non-taxable income. These payments are not subject to the normal payroll deductions. The payroll division cannot make pre-tax deductions from your workers' compensation benefits. You must arrange to pay for these pre-tax deductions while receiving workers' compensation payments. In this way, you will be able to cover the amount of these pre-tax deductions.

You cannot have your medical insurance payments deducted from workers' compensation payments if the insurance is pre-taxed. If you do not elect to have your medical premium withheld on an after-tax basis, you must send the premiums to the Employee Benefit and Wellness Division to keep your coverage active. Please contact the VTWR Help Desk VTWR.Helpdesk@state.vt.us for assistance.

When Will My Temporary Disability Payments End?

Your temporary disability payments will end:

- when you have reached "Medical End Result";
- when a medical provider releases you to return to full-time work

MEDICAL END RESULT

What Is Medical End Result?

Medical End Result (MER) means you have recovered from your injury to a point where significant improvement is not expected, regardless of treatment. You may still have pain and still need occasional treatment even if you have reached MER.

The terms Medical End, Medical End Result (MER), and Maximum Medical Improvement (MMI) have the same meaning.

INDEPENDENT MEDICAL EVALUATION

What Is An Independent Medical Evaluation?

An Independent Medical Evaluation (IME) is an examination conducted by a physician selected by ORM who has not previously treated you for your workers' compensation injury/illness. The purpose of the exam may be:

- to provide clarification about the cause of your injury
- to set up proper treatment plans
- to evaluate work capacity
- to evaluate whether MER has been achieved
- to determine the extent of any permanent disability

PERMANENT DISABILITY BENEFITS

What Is Permanent Disability?

A permanent disability is a permanent impairment of function.

What Is A Permanent Impairment Rating?

A Permanent Impairment Rating (PIR) is a medical evaluation to assess permanent loss of function after you have reached MER. A physician rates your impairment using the 5th edition of the [AMA Guide to the Evaluation of Permanent Impairment](#). *Not all injuries/illnesses will result in a permanent impairment.*

What If I Disagree With The PIR?

If you did not choose the physician who did the PIR, you can request an exam with another provider.

How Are My Permanent Disability Benefits Calculated?

Your adjuster will calculate these benefits based upon your PIR and your WCBR.

How Are Permanent Disability Benefits Paid Out?

You will receive payment for a permanent disability either in a lump sum or on a bi-weekly basis. This payment is issued separate from your regular paycheck.

Does Workers' Compensation Provide Death Benefits?

Beneficiaries of an employee will receive death benefits if the death is due to a work-related injury. The employee's representative should contact ORM for more information.

RETURN TO WORK

What If I Have A Restricted Work Capacity?

Your medical provider evaluates your ability to work and will complete a Work Capabilities Form (VDOL Form 20). This form will provide the information necessary for a safe return to work. This may include a short-term change in assigned duties. This will allow you to remain a productive State employee while you are recovering.

What Is A Modified Duty Assignment?

Modified duty is a temporary change in your regular full duty job. This can consist of a change of duties or a reduction in the number of hours you work.

What Is An Alternate Duty Assignment?

Alternate duty is a temporary assignment of other duties that you are able to perform. This may or may not be in your original department.

When Will My Modified or Alternate Duty Assignment End?

Your modified or alternate duty assignment may end when:

- you are authorized to return to full duty by a medical provider
- you fail to adhere to restrictions
- circumstances require the short term job to be discontinued
- 90 days have elapsed
- you have reached MER

A modified or alternate duty assignment does not normally last for more than 90 days. In some situations, an extension beyond 90 days is possible for a defined period of time. There are situations that do not allow for a return to original employment due to permanent restrictions.

What If Permanent Work Restrictions Make Me Unable To Perform The Essential Functions of My Pre-Injury/Illness Job?

You may have some options if you reach MER and are still unable to perform the essential functions of your current position because of a work-related injury/illness. Some of these options appear below. *Contact your department's HR office for more information regarding your specific case.*

- Returning to work with a reasonable accommodation: You may request an accommodation in accordance with the State's Reasonable Accommodation policy (Policy 3.2).
- Use of Sick Leave: You may use sick leave balances as Family and Medical Leave in accordance with the law.
- Use of Annual, Personal, or Compensatory Leave: You may request use of other leave balances as Family and Medical Leave in accordance with the law.
- Request an unpaid medical leave of absence: You may request an unpaid medical leave of absence for up to six (6) months as Family and Medical Leave in accordance with the law.
- Medical Reduction in Force (RIF): You can find an explanation of the RIF process in the applicable collective bargaining agreement "Injury on the Job" Article. If you are unable to perform the essential functions of your current position after MER, your employer may begin the RIF process. The RIF process will not begin while on approved sick leave or an approved medical leave of absence.
- Retirement (disability or normal): You may wish to consider retirement if you are unable to work. Contact the Retirement Division of the state Treasurer's Office at (802) 828-2305 for more information.

VOCATIONAL REHABILITATION

Am I Entitled To Vocational Rehabilitation Benefits?

Vocational Rehabilitation helps you return to suitable employment. You may be eligible for vocational rehabilitation benefits if you are unable to return to your previous job. Not everyone is eligible for these services. A Vocational Rehabilitation Counselor determines eligibility on a case-by-case basis. Your skills, education, and work history will affect eligibility.

Your workers' compensation claims adjuster will complete a referral for a Vocational Rehabilitation Entitlement Assessment if you have lost 90 days from work due to your injury or earlier if there is a concern that you will not be able to return to your pre-injury position.

OTHER STATE EMPLOYEE BENEFITS

What Happens With My Other Benefits?

If you are a permanent employee of the State of Vermont, workers' compensation wage replacement may affect the benefits listed below. For information on your specific benefits, you should contact your department's HR office. Many of the benefits mentioned are a part of one or more of the collective bargaining agreements. Some of the benefits may not apply to you depending on your job.

- Medical and Life insurance: It is your responsibility to arrange for payment of your health and life insurance premiums if you wish to continue coverage for yourself or family members.
- Shift bidding for corrections employees: Leaves of absence or time "off payroll" do not affect your seniority for length of your "continuous departmental service". Correctional officers absent on workers compensation may be able to participate in the shift/post bidding process. You should contact your facility to ask about the detail well in advance of the shift/post bidding process.
- Holiday pay: If you are absent on an official state holiday you will receive your regular base salary without charge to your leave balance.
- Shift bidding for state police: If you are a trooper, your time out on workers' compensation does not affect shift-bidding seniority.
- Tuition reimbursement: A work-related injury/illness usually does not affect your tuition reimbursement benefit. One exception would be if you were unable to satisfactorily meet the requirements of the program.
- Snow season: If you are an Agency of Transportation employee absent during snow season because of a work-related injury/illness, you will not receive Snow Season Compensation during the time that you are not at work.
- Emergency Closing/Reduced Workforce Situations: You will receive regular workers' compensation wage replacement for that day.
- Annual and Sick Leave: In most circumstances, you will continue to earn annual and sick leave while receiving workers' compensation. *You must contact your department's HR office to verify how your annual and sick leave will accrue.*
- Personal Leave: Under certain circumstances, your personal leave accrual may be affected. *Please contact your department's HR office to verify how your accrual may be affected.*
- Under the special circumstances described below, you may also receive other special compensation:
 - The injury/illness results from an assault (physical contact by a person, or by an animal). If injuries result from an incident in which the participants are State employees and willing combatants, this Article shall not apply.
 - An Agency of Transportation employee or a state police officer injured in a highway accident. *You will not receive compensation if the Vermont Labor Relations Board (VLRB) finds that the employee's negligence was the cause of his or her injury/illness.*
 - A state police officer or a fish and wildlife warden or a motor vehicle inspector suffers an injury in hot vehicular pursuit.
 - A communications technician while climbing a free standing tower, including atop airport towers. (Not applicable to rooftops).
 - The provisions of this Article may extend to other appropriate cases as, for example, to airport firefighters involved in a conflagration.
- For an injury/illness resulting from the above referenced circumstances, you would receive the difference between your base salary and workers' compensation benefit without charge to leave accruals.
- Reduction in Force (RIF) Seniority: Time spent on unpaid medical leave of absence for workers' compensation reasons does not affect your RIF seniority.

What Happens To My Retirement?

As soon as you receive your first workers' compensation wage replacement payment, you should contact the Retirement Division at (802) 828-2305. Your service credit counted for your State of Vermont Retirement Benefits should not change.

The Retirement Division will need to know the beginning and ending dates of your injury/illness related absence. They will then restore your full salary and service credit for the period of absence. *Your retirement deductions cannot come from workers' compensation payments.*

CONTACT INFORMATION

**Agency of Administration
Office of Risk Management
Workers' Compensation Division
6 Baldwin Street
Montpelier, VT 05633-3801
Tel: (802) 828-2899
Fax: (802) 828-0410
E-mail: sov.riskhelp@state.vt.us**

Website: <http://aoa.vermont.gov/wcp>

**Department of Human Resources
Labor Relations Division
110 State Street, Drawer 20
Montpelier, VT 05620-3001
Tel: (802) 828-3454
Fax: (802) 828-3409
Website: <http://humanresources.vermont.gov/>**

**VTHR Online Resource Center
http://humanresources.vermont.gov/vthr/resource_center
Tel: (802) 828-6700
E-mail: VTHRHelpdesk@state.vt.us**

**Department of Labor
Workers' Compensation Division
5 Green Mountain Drive, PO Box 488
Montpelier, VT 05601-0488
Tel: (802) 828-2286
Fax: (802) 828-2195
Website: <http://labor.vermont.gov/workers-compensation/>**

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