

RFI – WORKERS’ COMPENSATION AND LIABILITY THIRD PARTY ADMINISTRATION SERVICES  
QUESTIONS/RESPONSES - JUNE 25, 2015

1. QUESTION: Will you be putting out an RFP on this. RESPONSE: see section 1.1 of RFI
  
2. QUESTION: We are very interested in working with the State; however, responding to an RFI or any RFP for that matter, utilizes our marketing, underwriting, sales, operations, executives, human resource and information technology staff resources. It is our understanding that an award could not be made from an RFI, and at this time we will respectfully decline submitting information. We would like to be involved should a RFP be issued at a later date. RESPONSE: Acceptable. See sections 1.1, 1.2 and 3.
  
3. QUESTION: How many NCM hours were applied to WC in 2014. RESPONSE: Four medical case managers working 40 hours per week annually.
  
4. QUESTION: Number of injured workers with lost-time injuries that had a Nurse Case Manager (NCM) assigned in 2014.
  - a. For injuries occurring in 2014
  - b. For injuries occurring prior to 2014RESPONSE: All injured workers are assigned NCMs.
  
5. QUESTION: Total NCM expenses for 2013 and 2014  
Separate by telephonic and onsite if possible. RESPONSE: All four NCMs are State of Vermont (SOV) employees who work in state office building and speak with injured workers and medical providers over the telephone.
  
6. QUESTION: What vendor currently provides the state with PPO re-pricing services? RESPONSE: We don’t use a PPO in Vermont. Ivos re-prices invoices through the Vermont Department of Labor Worker’ Compensation Medical Fee Schedule.
  
7. QUESTION: What vendor provides Medicare Section 111 reporting services? RESPONSE: ISO Claim Partners
  
8. QUESTION: What vendor provides Pharmacy Benefits Management services? RESPONSE: Helios/PMSI
  
9. QUESTION: What vendor provides nurse case management services? RESPONSE: In house by State of Vermont NCMs, see section 4.

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10. QUESTION: On an average, how many provider bills does the state process?  
RESPONSE: In FY 2014, approximately 6,660 medical provider bills were processed.
11. QUESTION: Total number of prescriptions filled and total cost in calendar years 2013 and 2014. RESPONSE: From April 2014 to March 2015, 1,208 prescriptions were filled for a total cost of \$264,395.
12. QUESTION: Annual pharmacy costs for top 50 injured workers in calendar year 2014 and 2013. RESPONSE: Approximate annual cost for top 20 injured workers from April 2014 to March 2015 is \$239,178.
13. QUESTION: Top 20 medical practices by dollars paid for Calendar Year 2014.  
RESPONSE: The top nine providers are as follows:
- Mt Ascutney Hospital Community Health Center
  - Vt Sports Medical Center
  - Associates in Orthopedic Surgery
  - Concentra
  - PT 360
  - Taconic Ortho
  - Rehab Gym
  - Vt Radiologist
14. QUESTION: Top 20 hospitals by dollars paid for Calendar Year 2014 RESPONSE: The top 16 are as follows:
- UVM Medical Center
  - Mary Hitchcock Medical Center
  - Dartmouth Hitchcock Medical Center
  - Northwestern Medical Center
  - Central VT Medical Center
  - Southwestern VT Medical Center
  - North Country Hospital
  - Rutland Regional Medical Center
  - Porter Hospital
  - Northeastern Vt Regional Hospital
  - Copley Hospital
  - Littleton Regional Hospital

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Gifford Medical Center  
Springfield Hospital  
Brattleboro Hospital  
Alice Peck Day Hospital

15. QUESTION: Number of IMEs scheduled and completed in calendar years 2013 and 2014. RESPONSE: 242 IMEs in CY 13 and 231 IMEs in CY 2014.
16. QUESTION: Will the successful TPA be expected to handle the open inventory of claims? RESPONSE: Yes, see section 1
17. QUESTION: What is the total number of open medical only and lost-time claims on Dec. 31, 2014 and on Dec. 31, 2013 RESPONSE: We report on a fiscal year ending 6/30. For FY 13, total open medical only is 16 and total open indemnity is 51. For FY 14, total open medical only is 162 and total open indemnity is 102.
18. QUESTION: For all open Workers’ Compensation claims in 2014
- a. Total paid medical \$8.1M
  - b. Total reserved medical payments \$12M
  - c. Total paid indemnity \$7.6M
  - d. Total reserved indemnity \$6M
19. QUESTION: What was the average duration of a lost time claim last year? RESPONSE: Approximately 8 days
20. QUESTION: How many claims were settled in 2013 and 2014? RESPONSE: 14 claims were settled in FY 2014.
21. QUESTION: Page 4 of the RFI indicates there is an average of 1,160 new workers’ compensation claims filed annually. Of the 1,160 claims, confirm how many are lost time, how many are medical only and how many are record only? RESPONSE: Indemnity 181, Medical only 421 and incident only 558.
22. QUESTION: Currently, how many workers’ compensation lost time claims are open? How many workers’ compensation medical only claims are open? RESPONSE: For FY 15, total open medical only is 205 and total open indemnity is 240.
23. QUESTION: Page 4, Section 2, Background Information. The state indicates it experiences some 1,160 workers’ compensation claims annually. Please provide a breakout between indemnity and medical only claims. RESPONSE: Indemnity 181, Medical only 421 and incident only 558.

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24. QUESTION: Does the state anticipate the vendor taking over open claim inventory? If so, please provide open claim counts as follows: RESPONSE:

- By line of coverage (workers’ compensation and liability)
- By claim type (indemnity and medical only; bodily injury and property damage only)
- By experience period/calendar year

Yes, the state does anticipate the vendor taking over the open claim inventory. For FY 2015, total open WC medical only is 205, total open WC indemnity is 240. For FY 2015, total open auto is 64, total open property damage is 53, total open EPL/discrimination is 113, total open personal injury is 22, total open professional liability is 7.

25. QUESTION: How many Vocational Rehab (VR) referrals were made in 2014.

RESPONSE: Approximately 45.

26. QUESTION: How much money did the SOV pay for VR services in 2014. RESPONSE: Approximately \$125,000.

27. QUESTION: Where are the majority of injuries coming from i.e. specific departments

RESPONSE: Departments of Transportation, Corrections, Human Services, Public Safety

28. QUESTION: How many of last year’s lost time claims were returned to their original job?

RESPONSE: Out of 30 referrals to a Vocational Rehab vendor in 2014, 17 returned to their original job.

29. QUESTION: How many returned to a different job within the state? RESPONSE: Out of 30 referrals to a Vocational Rehab vendor in 2014, none returned to other jobs within the State.

30. QUESTION: Page 4 of the RFI indicates there is approximately 400 liability claims filed annually. Of the 400 liability claims, confirm how many are general liability bodily injury claims, how many are general liability property damage claims, and how many are general liability record only claims? RESPONSE: Our data is not broken out by bodily injury. See response to question 24.

31. QUESTION: Currently, how many general liability bodily injury claims are open? How many general liability property damage claims are open? RESPONSE: Our data is not broken out by bodily injury. See response to question 24.

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32. QUESTION: Currently, how many property liability bodily injury claims are open? How many property liability property damage claims are open? RESPONSE: Our data is not broken out by bodily injury. See response to question 24.
33. QUESTION: Page 4 of the RFI indicates there is approximately 400 liability claims filed annually. Of the 400 liability claims, confirm how many are auto liability bodily injury claims, how many are auto liability property damage claims, how many are auto liability first party physical damage claims and how many are auto liability record only claims? RESPONSE: Our data is not broken out by bodily injury. There are 64 total open auto claims, with auto 57, auto physical damage 5 and auto UIM 2.
34. QUESTION: Currently, how many auto liability bodily injury claims are open? How many auto liability property damage claims are open? How many auto first party physical damage claims are open? RESPONSE: Our data is not broken out by bodily injury. There are 64 total open auto claims, with auto 57, auto physical damage 5 and auto UIM 2.
35. QUESTION: Page 4 of the RFI indicates there is approximately 400 liability claims filed annually. Of the 400 liability claims, confirm how many are property liability bodily injury claims, how many are property liability property damage claims, and how many are property liability record only claims? RESPONSE: Our data is not broken out by bodily injury. See response to question 24.
36. QUESTION: Currently, how many property liability bodily injury claims are open? How many property liability property damage claims are open? RESPONSE: Our data is not broken out by bodily injury. See response to question 24.
37. QUESTION: Page 4, Section 2, Background Information. The state indicates it experiences some 400 liability claims annually. Is this a mix of general and automobile liability? If so please provide a breakout between the two. Also, please provide a breakout between bodily injury and property damage only claims. RESPONSE: Our data is not broken out by bodily injury. See response to question 24.
38. QUESTION: Who handles First Party claims? RESPONSE: State of Vermont liability adjuster.
39. QUESTION: If the Office of Risk Management continues the current use of the existing RMIS system, how frequently will the selected TPA receive a data feed(s) from that RMIS system? Will it be transmitted daily, weekly or monthly? Will the selected TPA be required to transmit a feed to that RMIS system? If yes, what frequency: daily, weekly or monthly? RESPONSE: A data migration of the iVOS database to the TPA

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system database would need to be planned and executed. The frequency has not been determined at this time, although the preference would be daily or weekly. SOV is seeking vendor input. See section 7.2.

40. QUESTION: Will the selected TPA be required to provide a data feed(s) to any other recipient(s)? If yes, what recipient(s)? What frequency will the data feed(s) be transmitted (daily, weekly, monthly)? RESPONSE: See sections 5.13 and 7.2.
41. QUESTION: Confirm if the Office of Risk Management will consider medical bill review services from the existing vendor and workers’ compensation claim management services from another TPA. RESPONSE: Yes, see sections 3 and 7.1.
42. QUESTION: Confirm that the Office of Risk Management is requesting pricing for the life of the claim for the new claims. RESPONSE: Yes, see sections 1 and 5.1.1.F.
43. QUESTION: Regarding the Cost Estimate Worksheet (Appendix A of the RFI), is it required to quote all of the options? RESPONSE: No, see section 3.
44. QUESTION: Regarding the Cost Estimate Worksheet (Appendix A of the RFI), Option 1 and Option 2 are qualified as “all inclusive.” Is “all inclusive” for the claim administration services only or is the total to include expenses (such medical case management services and bill review) incurred while adjusting the claims---which are typically expenses allocated to the claim after the expense? RESPONSE: All inclusive includes claim administrative services plus expenses incurred while adjusting the claims. See section D, page 8: “Any fees for managed care services shall be charged to the individual claim file and not be incorporated into the TPA administration fee.”
45. QUESTION: Is the TPA required to have an office in the State of Vermont?  
RESPONSE: No
46. QUESTION: Is the State requiring a nurse be assigned to every WC claim?  
RESPONSE: Not necessarily, see section 7.2
47. QUESTION: Does the State have a broker or consultant assisting with this process and if so who? RESPONSE: No

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48. QUESTION: To satisfy requirements of Section 5.1.1.B, should we assume that if we are able to use vendor resources for loss control services that a new background check should be completed if one has not been accomplished in the past 12 months? RESPONSE: Yes
49. QUESTION: Similarly, if we outsource any work (such as IH) to an external vendor, should we assume that the vendor will need to provide background check results for specific individuals assigned to the State’s program? RESPONSE: Yes
50. QUESTION: Does the State believe that there is sufficient loss control work annually to justify the retention of a local, full-time resource to support all or nearly all of the State’s loss control service needs? RESPONSE: Yes
51. QUESTION: The loss control requirements are varied and include such topics as training, industrial hygiene, the development of an alternative work program, analytics, engineering and targeted risks. These services may require a broader range of skill sets than is suggested by the Cost Estimate Table on Page 17, which identifies two categories (Loss Control and IH) at options 5 and 6. To reflect the different skill sets required should we provide hourly rates by specialty? For example, we might have one rate for a general safety professional and another for a RTW professional. RESPONSE: Hourly rates by specialty is fine.
52. QUESTION: Can we get additional detail on the data sources that will need to be converted? RESPONSE: See sections 4 and 5.13.
53. QUESTION: Please provide details on reporting needs and expectations. RESPONSE: Minimum needs and expectations in section 5.1.4. Per 7.2, you are welcome to provide any alternatives.
54. QUESTION: We assume that any pricing provided with respect to Section 7, Appendix A: Cost Estimate Worksheet, is non-binding. Please confirm. RESPONSE: That’s correct. See sections 1, 1.1 and 1.2.
55. QUESTION: Is the state in a position to give any indication as to a potential contract start date? RESPONSE: late fall 2015/winter 2016
56. QUESTION: What are the current caseloads for the state’s workers’ compensation adjusters? RESPONSE: average 110 per adjuster and average 66 per nurse case manager
57. QUESTION: What are the current caseloads for the state’s liability claims adjuster? RESPONSE: approximately 260

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58. QUESTION: Page 7, Section C, Claims Handling Guidelines. If possible, please provide your current customized claims handling guidelines. RESPONSE: The finalized version is not available at this time. Currently in draft form.
59. QUESTION: How many state agencies are there in the State of Vermont program? RESPONSE: All executive, legislative and judicial branch employees are covered by workers’ compensation. Please see State of Vermont website for listing of agencies. <http://www.vermont.gov>