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*Agency of Administration*

## **SEALED BID REQUEST FOR INFORMATION**

### **Workers' Compensation and Liability Third Party Administration Services**

**DATE:** June 8, 2015

**QUESTIONS DUE BY:** June 25, 2015 @ 4:30 pm (EST)

**RFI RESPONSE DUE DATE:** July 9, 2015 @ 3:00 pm (EST)

**LOCATION OF RFI OPENING:** 10 Baldwin St, Montpelier

**PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND AMENDMENTS  
ASSOCIATED WITH THIS RFI 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 RFI.**

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## 1 PURPOSE

In light of the State of Vermont's (the "State") continued budget challenges and need to explore efficiencies and cost savings, the State is exploring the possibility of contracting with a Third Party Administrator ("TPA") to provide risk management services which will control workers' compensation and liability claim costs. This Request for Information ("RFI") is issued by the Office of Purchasing & Contracting on behalf of the Agency of Administration Office of Risk Management ("ORM") to gather input, obtain information and cost estimates of contracting with a TPA for the State's workers' compensation and/or general liability, automobile liability and property claims management.

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 and possibly establishing a preferred provider network;
  - Fraud prevention, risk management information services and loss control services.
- Liability claims (for general liability including EPL and § 1983 claims, 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; and
  - Provision of risk management information services.
- To 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 reporting.

The ORM intends to evaluate submissions by respondents to determine how their submissions would meet ORM's needs and understand all costs associated with proposed solutions. The ORM shall not be held liable for any costs incurred by respondents in the preparation of submissions.

### ***1.1 LIABILITY***

**THIS IS A REQUEST FOR INFORMATION (RFI) ONLY.** This RFI is issued solely for information and planning purposes – it does not constitute a Request for Proposal (RFP) or a promise to issue an RFP in the future. This request for information does not commit the State to contract for any materials or service whatsoever. Further, the State is not at this time seeking proposals and will not accept unsolicited

proposals. Respondents are advised that the State will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the interested party's expense. Not responding to this RFI does not preclude participation in any future RFP, if any is issued. If an RFP is released, it will be posted on the BGS bid opportunities web site: <http://www.bgs.state.vt.us/pca/bids/bids.php>. It is the responsibility of the potential offerors to monitor this site for additional information.

## ***1.2 CONFIDENTIALITY***

The ORM retains the right to promote transparency and to place this RFI into the public domain and to make a copy of the RFI available as a provision of the Vermont access to public records laws. Please do not include any information in your RFI response that is confidential or proprietary, as the ORM assumes no responsibility for excluding information in response to records requests. Any request for information made by a third party will be examined in light of the exemptions provided in the Vermont access to public records laws.

**The solicitation of this RFI does not commit the ORM or the State of Vermont to award a contract. This RFI is for information gathering purposes only and no vendor will be selected, pre-qualified, or exempted based upon their RFI participation.**

## **2 BACKGROUND INFORMATION**

The Office of Risk Management (ORM) administers the State of Vermont's liability, Workers' Compensation and workplace safety programs.

**Liability:** ORM adjusts liability claims filed against the State, handling approximately 400 claims per year. We also develop and assess the premiums to fund the two self-insurance funds for the State; workers' compensation and liability. ORM also manages all commercial insurance policies purchased by the State covering State operations.

**Workers' Compensation:** Vermont State Government employees who are injured on the job are covered under the State's workers' compensation self-insurance program. 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. There is an average of 1,160 claims filed annually with an average annual cost of \$5.2M.

**Workplace Safety:** The ORM assists State agencies and departments in promoting safe work environments through training, program reviews and on-site ergonomic consultations. The ORM works to improve safety in our workplace by conducting injury prevention analysis of reported incidents. Our goal is to examine the incident and conclude what can be done to prevent a similar incident from reoccurring in the future. We also monitor and evaluate statewide injury trends and exposures to determine if they are being properly addressed and make recommendations to mitigate workplace injuries.

**Safety Training:** The ORM, in partnership with the Department of Human Resources' Workforce Development Division, offers a suite of online, web-based health & safety trainings.

**The ORM's website links** are: <http://aoa.vermont.gov/wcp> and <http://aoa.vermont.gov/risk>

**The statutory authority** is: 29 V.S.A. § 1406 and 29 V.S.A. § 1408.

### 3 RFI DESCRIPTION

**The State is seeking information regarding the cost and feasibility of securing a TPA to provide risk management services including management of its workers' compensation and liability claims and providing loss control (referred to as the "Services"). Vendors may provide responses to this RFI solely concerning workers' compensation TPA services or solely concerning liability TPA services or for both services.**

**The RFI has two key objectives:**

- Provide prospective respondents with information regarding the business need, and,
- Solicit respondent information to assist the State in determining if identified requirements can be met in a cost effective manner.

The State is seeking feedback on the information in this RFI and will consider any information, including partial responses, received in response to this RFI. If the State moves forward in the development of an RFP, the RFP process will be open to all respondents regardless of their decision to participate in this RFI.

### 4 CURRENT STATE

Workers' Compensation and Liability claims are self-funded and self-administered by the State of Vermont's Agency of Administration's Office of Risk Management (ORM). The ORM currently employs a director of risk management operations, a director of policy and mediation, a senior workers' compensation claims adjuster and four workers' compensation claims adjusters, a senior medical case manager, and three medical case managers, a liability claims adjuster and two workplace safety coordinators, as well as administrative support.

The ORM currently utilizes a comprehensive risk management information system (RMIS) called iVOS through Ventiv Technology, Inc. The system will include the following modules: Accounts Payable Interface; Vendor Interface; Claim Search Interface; Disability Guidelines Reserve Analysis, Bill Review Services, and Center for Medicare and Medicaid Services Reporting Module.

**Depending on the vendor responses to this RFI and internal business needs, the ORM may discontinue its current RMIS system and utilize a vendor's system or may require a vendor to accept its data feed from its current RMIS system or undertake a similar arrangement.**

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. Depending on responses to this RFI, the State may elect to have a vendor responding to this RFI absorb those activities. Legal defense is 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 RFI to absorb those tasks.

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.

The total number of State employees is 8,189. The State currently owns 1,860 vehicles. General information concerning State agencies can be found at <http://www.vermont.gov>.

Historical claim data is only available from The Office of Purchasing and Contract by emailing Michele Snyder, at [michele.snyder@state.vt.us](mailto:michele.snyder@state.vt.us).

## **5 STATEMENT OF WORK**

### ***5.1 ANTICIPATED REQUIREMENTS***

**As outlined below in Sections 5.1.1 to 5.1.4.**

#### **5.1.1 Business Requirements**

##### **A. CONTRACT TERM**

The State typically contracts for a two year term with two one-year options for renewal. Please provide pricing for the standard term and a longer term of five, seven and ten years.

##### **B. STAFFING**

The Contractor's trained adjusters and support staff will perform as an extension of the ORM in conjunction with any requirements outlined by the ORM over the course of the contract. The vendor will assign designated staff to the State account. All vendor 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.

The vendor will designate an individual to serve as the account executive that will:

- 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 services.

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.

Vendor personnel in a position to obtain or have access to State data may be subject to background checks in accordance with vendor policies and procedures. No vendor personnel shall be placed on the project until any required investigation is complete, provided, however, that background checks on vendor personnel that otherwise comply with this section and were conducted no more than twelve (12) months prior to placement with the State shall be considered complete.

All vendor employees providing or assigned to provide services or otherwise in a position to obtain or have access to State information, shall execute a non-disclosure agreement in a form acceptable to the State. Any contractor personnel who engage in, or the State suspects is engaged in, any criminal act, act of dishonesty, or unauthorized disclosure of information in connection with these Services and this contract will be immediately removed from further participation in this contract by the contractor, and in all cases at the request of the State.

The timing for transfer, reassignment or replacement of vendor personnel will be coordinated with requirements for timing and other elements of the services so as to maintain continuity in the performance of the services and avoid interruption or disruption to the services. The vendor shall make good faith efforts to provide continuity

with project team members where possible. The vendor shall assume all costs, at no additional cost to the State, of time required by vendor personnel newly assigned to the project to become familiar with the project and the tasks and requirements described herein.

The vendor shall be responsible, at its own cost and expense, for any and all recruitment, hiring, contractor-specific training, education and orientation for all vendor personnel assigned or to be assigned to perform Services.

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

### **C. CLAIMS HANDLING GUIDELINES:**

The vendor shall follow the State's customized claims handling guidelines. The guidelines contain specific instructions including but not limited to: Medical Case Management, Medical Bill Review and Re-pricing, Claims Administration, Payments and Fiscal Administration and Risk Management Information Systems. The guidelines shall be reviewed and updated annually and/or as necessary.

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

**Please note: Some aspects of the vendor's medical bill review medical case management (MCM) services may be required by the ORM if the State decides not to remain with the current RMIS contract, which contains medical bill review and medical bill payment modules.**

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

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

- Care assessment, including one or more personal interviews with the injured employee.
- Assistance in developing, implementing and coordinating a medical care plan for the injured worker with the health care providers, the employee and his/her family.
- Evaluation of treatment results.

Experienced nurse case managers will provide both telephonic and field case management services. Telephonic case managers' primary goal is to reach treatment agreements and ongoing management or reasonable and appropriate medical care for injured employees through approved facilities. They will also interface with the State and medical practitioner to identify and coordinate light duty and return to work opportunities and interact with the adjuster to help assure that services are documented to accomplish prompt payments. Throughout the telephonic case management process, the nurse will maintain a four-point contact with the adjuster, client, employee and provider(s) of care in order to facilitate a safe and prompt return to work.

**Utilization review protocols:** The vendor will 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 will 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

**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 Vermont Department of Labor (“VDOL”) Rule 40 Workers’ Compensation Medical Fee Schedule. Any applicable PPO or network discount shall be applied following initial reductions of VT 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.

**Utilization of Independent Medical Examinations (IME) and Functional Capacity Evaluations (FCEs):** The vendor will 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.

**Medical Bill Review:** The vendor will review and adjust medical bills in compliance with the current 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. This includes adjustments negotiated with providers regarding particular charges and elimination of duplicate bills, bills for non-covered services and bills disallowed through peer review. It will also apply Preferred Provider Organization (PPO) discounts where applicable and utilize ICD-9, ICD-10 and CPT validation to correct unbundled services, upcoding and duplicate charge identification.

The vendor will 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.

## **E. PAYMENTS AND FISCAL ADMINISTRATION:**

**Please note: Vendor’s medical bill payment services may be required by the ORM if the State decides not to remain with its current RMIS contract.**

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, VTHR. Additional information on VTHR may be found at: [http://humanresources.vermont.gov/vthr/resource\\_center](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). The claim and expense payment account will initially be funded by the State in an amount to be determined equaling one and a half months of estimated claims payments and 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. CLAIMS ADMINISTRATION:**

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

- Implementation meeting(s) which shall 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 claim filings and procedures, medical case management, the medical provider network, loss prevention services, and risk management information systems.
- Provide each State agency with a VDOL workers' compensation Notice of Compliance poster.
- Vendor's computerized risk management information system shall be available to the State users. During the course of the contract term and upon request of the State, the vendor will hold orientation meetings to train the ORM and selected agency personnel when a new version of the vendor's IT claim reporting computer system is rolled out. This would only be applicable if the ORM decides not to remain with its current RMIS.
- 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 process includes the utilization of a web-based automated claim reporting service. This allows workers' compensation First Report of Injury forms to be filed with the VDOL. The vendor shall be responsible for filing claims with the VDOL. The vendor shall utilize the VDOL workers' compensation forms.

All 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. 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 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.

During the life of the claim, the adjusters shall:

- 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.
- Maintain interaction with employee until the injured worker reaches medical end result (MER) and/or is released to work on modified or alternate duty basis.
- Maintain regular contact with the State to advise of changes in medical/work status and inquire about modified duty. When appropriate, opportunities for rehabilitation and/or occupational therapy service will be identified and referrals made per the instructions of the State.
- Conduct file reviews as per the requirements of the State.

**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:** All claims handled by the vendor will be reserved to reflect the ultimate probable cost to bring the claim to conclusion, based upon the information available through the life of the claim. A reserve worksheet establishing probable cost will be prepared, and the reserve will be entered into the claim system within five days. All reserve changes will be processed with the use of an on-line reserve worksheet. As circumstances change, reserves can be modified upward or downward as required but as little as possible. A new worksheet will be completed when information is received which increases the exposure making the case reportable. An updated worksheet will be required for any reserve change. It must provide the rationale behind the proposed increase including a review of the file and the adjuster's evaluation of the additional factors that resulted in the increased exposure.

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

**Benefit Calculation:** Wage statements will be requested from the ORM or VTHR to verify lost wages and allow for accurate benefit calculation.

**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 contractor'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:

- Identify potential subrogation cases.

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

**Fraud prevention:** If fraud indicators are present, the examiner will consult with ORM concerning the use of 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:** Any restricted work capacity such as Modified Duty or Alternate Duty Assignments shall be evaluated and discussed with the employer by vendor. All assignments shall be confirmed and detailed in written correspondence by the vendor, supplied to the physician, and copied to the employer contact. The vendor shall follow the provisions of applicable Vermont statutes and regulations, policies and procedures for temporary alternative work opportunities for State employees.

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.

## **G. LOSS CONTROL SERVICES:**

The vendor's designated Loss Control 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 recommendations, information and training to assist the State in reducing its loss frequency, severity and related costs.

When the ORM requests loss control assistance, the vendor shall schedule a service visit with the employer agency within ten (10) business days. After the service visit has been completed, the vendor shall follow up with a written report to the agency and the ORM within fifteen (15) business days.

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.
- 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 topics agreed upon by vendor and the State.
- 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.
- 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.
- 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.

### 5.1.2 Technical Requirements

#### RISK MANAGEMENT INFORMATION SERVICES (RMIS)

**Please note: Depending on the vendor responses to this RFI and internal business needs, the ORM may discontinue its current RMIS system and utilize the vendor's system or may require vendor to accept its data feed from its current RMIS system or undertake a similar arrangement.**

The vendor shall provide the State with the most robust, flexible and user-friendly technology platform in the current marketplace and will provide upgrades as necessary due to advances in technology.

The RMIS shall have the ability to make online claim status inquiries, real time claim file notes, customized and standard reporting with a high level of data integrity and security.

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

The State shall have a minimum of six users of the IT system with the ability to create and write reports. The users will be in the ORM and selected State agencies. The ORM will determine which agency personnel will be granted limited access.

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 vendor shall provide up to three training sessions to the ORM and departmental users during the implementation period. The training shall take place in a State office building in Montpelier, VT. The vendor shall supply on-going 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.

### 5.13 Functional Requirements:

**Please note: Some components of a vendor's functional requirements may be required by the ORM if the State decides not to remain with current RMIS contract. In the alternative, the ORM may require a vendor to accept its data feed from its current RMIS system or undertake a similar arrangement.**

**Interface:** The vendor's system shall 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 our Pharmacy Discount Program Vendor (unless that module will be provided by vendor), with our Oracle/PeopleSoft enterprise financial management system (VISION), and with our Oracle/PeopleSoft Human Capital Management (HCM) system. The bill review module shall have an integrated Vermont State Fee

Schedule component in 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 applicant 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.

## **5.1.4 Documentation Requirements**

### **1. Quarterly reports**

The vendor shall provide quarterly reports to the ORM on the 10<sup>th</sup> 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 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

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. The vendor may have the report prepared by an outside party.

## 6 REQUESTED INFORMATION

Each submission prepared in response to this RFI 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
- Cost Estimates
- Business, Functional, Technical and Documentation Requirements

## ***6.1 COVER PAGE***

The first page of the vendor's RFI Response must be a cover page displaying at least the following:

- Response of RFI Title
- Vendor's Name
- Contact Person
- Telephone Number
- Address
- Fax Number
- Email Address

All subsequent pages of the RFI Response must be numbered.

## ***6.2 CONTACT INFORMATION***

All communications concerning this Request for Information (RFI) are to be addressed in writing to the attention of: Michele Snyder, Purchasing Agent, State of Vermont, Purchasing and Contract Administration Division, 10 Baldwin St, Montpelier VT 05633. The Purchasing Agent is the sole contact for this RFI response. Attempts by RFI responders to contact any other party could result in the rejection of their RFI response.

## ***6.3 RFI RESPONSE SUBMISSION***

**CLOSING DATE:** The closing date for the receipt of RFI Responses is **3:00 PM on July 9, 2015**.

**Responses** must be delivered To: State of Vermont, Purchasing and Contracting Department, 10 Baldwin St, Montpelier, VT 05633 prior to that time. RFI Responses or unsolicited amendments submitted after that time will not be accepted and will be returned to the vendor.

The responses will be received by purchasing at 10 Baldwin St, Montpelier, VT 05633 and will be passed on to the ORM for review.

**RFI responses must include one (1) electronic copy on Compact Disc (CD) and three (3) Paper (hard copy) responses must also be submitted. Paper copies must be bound with a staple, binder or other appropriate means such that pages are not submitted loosely. Three (3) copies of the RFI must be delivered to the Purchasing Agent.**

**The electronic response made to the narrative portion of this RFI 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.**

## **6.4 EXPLANATION OF EVENTS**

### **1. Issuance of RFI**

This RFI is being issued by the Office of Purchasing & Contract, Department of General Services. Additional copies of the RFI can be obtained from the State Purchasing division web site <http://bgs.vermont.gov/purchasing>.

## **2. 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 RFI must submit specific questions in writing no later than **June 25, 2015 at 4:30PM**. Questions may be e-mailed to Purchasing Agent, at [Michele.snyder@state.vt.us](mailto:Michele.snyder@state.vt.us) . Any objection to the RFI 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 upon the number and complexity of the questions.

## **3. Submission of Responses**

Three (3) paper copies of the RFI response and one (1) electronic copy on CD should be delivered to the purchasing agent no later than **3:00 PM Eastern Time on July 9, 2015**. Responses received after the due date and time may not be considered.

## **4. Review and Evaluation of Responses**

The review and evaluation of responses to the RFI will be performed by the ORM and their designees. The evaluation process will take place the week following the response due date. During this time, the RFI Manager or other ORM representatives may, at their option, initiate discussion with respondents for the purpose of clarifying aspects of their responses.



## 7 APPENDIX A: COST ESTIMATE WORKSHEET

**7.1: COST ESTIMATE TABLE:** Include a detailed breakdown of all services provided. 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. The State will not be responsible for the vendor's travel time or travel related costs. If your solutions are offered for a lower cost or if there are alternatives, please provide them.

<b>Option</b>	<b>Description</b>	Rate for Years 1 &2: 2015-2017	Rate for Years 3 to 5: 2017-2020	Rate for Years 5 to 7: 2020-2022	Rate for Years 7 to 10: 2022-2025
Option 1: Workers compensation TPA services (all inclusive)	Pursuant to RFI sections 1, 5.1.1B, 5.1.1C, 5.1.1D, 5.1.1E, 5.1.1F, 5.1.1.G, 5.1.2, 5.1.3, 5.1.4				
Option 2: Liability TPA services (all inclusive)	Pursuant to RFI sections 1, 5.1.1B, 5.1.1C, 5.1.1E, 5.1.1F, 5.1.2, 5.1.3, 5.1.4				
Option 3: Workers compensation TPA services (without RMIS, medical case management, loss control or industrial hygiene)	Pursuant to RFI sections 1, 5.1.1B, 5.1.1C, 5.1.1E, 5.1.1F				
Option 3: Optional quotation for RMIS system only	Pursuant to RFI sections 5.1.1 B, 5.1.1C, 5.1.1 E, 5.1.2, 5.1.3, 5.1.4 (1) and (2) (A)				
Option 4: Optional quotation for medical case management services	Pursuant to RFI sections 5.1.1 B, 5.1.1C, 5.1.1 D				
Option 5: Optional quotation for loss control services	Pursuant to RFI sections 5.1.1 B, 5.1.1 G				
Option 6: Optional quotation for Industrial Hygiene services only (within loss control)	Pursuant to RFI sections 5.1.1 B, 5.1.1 G				
Option 7: Optional quotation for additional and/or alternative services	N/A				
Total quotation					

## ***7.2 QUESTIONNAIRE AND ADDITIONAL MATERIALS***

After reviewing the minimum requirements in Section 1 Purpose, please advise what other services you offer that the State may want to consider.

The State expects a vendor to continue to bring consistency and quality to the claims adjusting process, with quarterly claim reviews involving department heads, enhanced staff training, implementation of modified duty and anti-fraud initiatives. How would your firm accomplish that? What metrics can you provide that would help us draft meaningful and enforceable performance measurements?

The State anticipates the engagement of a vendor will free up State resources to focus on containing the total cost of risk management on a strategic level, expanding its return to work program and safety services and providing oversight to a TPA and risk management program. How would your firm provide those services? What metrics would help us draft enforceable performance measurements?

The State envisions that a vendor will provide superior claims services to injured workers and persons filing liability claims against the State in a cost effective manner using industry best practices. How would you measure superior claims services, cost effectiveness and industry best practices for the State?

After reviewing the Staffing objectives in Section 5, Statement of Work, please provide any other staffing options that would be viable.

After reviewing the Claims Handling Guidelines in Section 5, Statement of Work, please provide any alternatives that would provide high-quality cost-effective claims handling.

After reviewing the Medical Case Management Services objectives in Section 5, Statement of Work, please provide any alternatives that would provide high-quality cost-effective medical case management.

After reviewing the Payment and Fiscal Administration objectives in Section 5, Statement of Work, please provide any alternatives that would provide high-quality cost-effective payment and fiscal administration.

After reviewing the Claims Administration objectives in Section 5, Statement of Work, please provide any alternatives that would provide high-quality cost-effective claims administration.

After reviewing the Loss Control Services objectives in Section 5, Statement of Work, please provide any alternatives that would provide high-quality cost-effective loss control services.

After reviewing the Risk Management Information Services objectives in Sections 5.12 and 5.13, Statement of Work, please provide any alternatives that would provide high-quality cost-effective RMIS.

After reviewing the Documentation Requirement objectives in Section 5.14, Statement of Work, please provide any alternatives that would provide high-quality cost-effective reports.

Please provide any other materials, suggestions, cost, and discussion you deem appropriate.

*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 contractors 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](mailto: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.

<b>TEMPORARY DISABILITY BENEFITS</b>
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**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 VTHR 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 VTHR Help Desk [VTHR.Helpdesk@state.vt.us](mailto:VTHR.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.

<b>RETURN TO WORK</b>
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**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](mailto: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](http://humanresources.vermont.gov/vthr/resource_center)  
Tel: (802) 828-6700  
E-mail: [VTHRHelpdesk@state.vt.us](mailto: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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