MEETING DATE: 1/08/07

AGENDA ITEM: Consideration of a Request for Proposal for Third Party Claims Administration, Medical Bill Review Services, and Utilization Review Services for the Workers' Compensation Program.

ATTACHMENTS

	Pages
1. RFP for Workers' Comp TPA, Medical Bill Review & Bill Review Svcs	1 - 25
2. List of Firms to receive the RFP	26

REQUEST FOR PROPOSAL

WORKERS' COMPENSATION CLAIMS ADMINISTRATION, UTILIZATION REVIEW, AND MEDICAL BILL REVIEW SERVICES

RETURN PROPOSAL TO:

City of Culver City
ATTN: Ela Valladares, Deputy City Clerk
9770 Culver Blvd
Culver City, CA 90232
(310) 253-5851
(310) 253-5830 (Fax)

DEADLINE FOR FILING:

3:00 p.m., Thursday, February 15, 2007

NOTICE INVITING BIDS

Request for Proposal

Provide Claims Administration, Utilization Review, and Medical Bill Review Services

for

City of Culver City

Bid Number ____

Notice is hereby given that sealed bids will be received by the City of Culver City, California, for furnishing the following:

Workers' Compensation Claims Administration; Utilization Review; and Medical Bill Review Services

To provide third party claims administration services, utilization review, and medical bill review services for workers' compensation.

In strict accordance with the Specifications on file in the office of the CITY PURCHASING OFFICER, 4343 Duquesne Avenue, Culver City, California, 90232. Copies of specifications and bid documents may be obtained from the PURCHASING OFFICE at that address, telephone number (310) 253-6550.

One (1) original and three (3) copies of the bid must be filed with the CITY CLERK in CITY HALL, 9770 Culver Boulevard, Culver City, California, 90232, not later than **3:00 p.m.** on **Thursday, February 15, 2007**, at which time they will be publicly opened in the Council Chambers on the first floor of City Hall. Facsimile bids will not be accepted. Any bidder may withdraw his bid, without obligation, at any time prior to the scheduled closing time for receipt of bids. A withdrawal will not be effective unless made personally or by telephonic notification received prior to the close of bids. Bids may later be referred to the City Council for appropriate action. The City reserves the right to reject any or all bids as the best interests of the City may dictate.

By: _____
Ela Valladares, Deputy City Clerk

Published in **The Culver City News** on **January 11, 2007**

REQUEST FOR PROPOSAL

WORKERS' COMPENSATION CLAIMS ADMINISTRATION AND MANAGED CARE SERVICES

TABLE OF CONTENTS

I. BACKGROUND

The City of Culver City, California, hereinafter referred to as "City", was incorporated in 1917. The City charter was originally adopted in 1947 as a City Council/Administrator form of government. In April 2006, Measure V was passed by voters, which amended the Charter and officially changed Culver City to a Council/City Manager form of government. The five-member Council is elected at-large. The City is located on the Westside of Los Angeles County, generally situated north of LAX, southeast of Santa Monica, south of Beverly Hills and southwest of West Hollywood. The City is 5 square miles with a residential population slightly over 41,000. The daytime population is approximately 250,000. Culver City is a full-service city with its own Police Department, Fire Department, Sanitation Division, Municipal Bus Line, and Public Works Division. The City has approximately 690 employees.

II. INTRODUCTION

Culver City, through its Risk Management Division, is seeking written proposals for claims administration, bill review, utilization review, and case management services for workers' compensation. The City would like to partner with a "Best-in-Class" firm that can provide workers' compensation claims administration and managed care services, capitalizing on a best practices model. The City is looking for a firm who demonstrates a creative and effective claims management process that is streamlined and user-friendly, has a strong customer service focus, solid reporting capabilities, effective technological capabilities, proactive and consistent management of employee occupational absences, competitive rates and fees, and a willingness to comply with the City's performance standards.

Interested and qualified Firms who have experience in providing the required services are invited to submit a proposal in accordance with the instructions indicated in Section III of this document.

Firms are welcome to respond to the entire RFP, or may respond only to the claims administration, bill review, or utilization review portion of the RFP.

III. REQUEST FOR SERVICES

CLAIMS ADMINISTRATION

A. Scope of Services – Claims Administration

Culver City is interested in obtaining a TPA who will be able to favorably respond to the following performance objectives and be contractually committed to comply with, but not limited to, the following performance standards:

Caseload: Each examiner shall have an average caseload not to exceed 150 open indemnity claims. Open indemnity claims include future medical claims. Each claims assistant shall have a caseload not to exceed 150 open medical only claims. The supervisor shall have a caseload not to exceed 30 open indemnity claims. The TPA shall provide a computer generated monthly caseload report for all examiners handling the City's claims. The report shall be provided electronically within five (5) business days of closure of the previous month.

Forms: The TPA shall provide all forms necessary for the processing of benefits or claims information including the Employer's Report of Injury, DWC Form 1, return to work slips, vouchers, checks, and other related forms. These forms shall be provided electronically if requested. The cost of providing these forms shall be included within the contract price.

Claim File Set Up and Diary Review: Upon receipt of the Employer's Report of Injury, the TPA will prepare an individual claim file within two (2) working days for each claim. Preparation of the claim file shall include entering each new claim into the computer system and establishing appropriate reserves. All claim files shall be reviewed at least every forty-five (45) calendar days for active claims and at least every six (6) months for claims that have settled but are open for future medical care. The examiner shall distinguish the regular diary review from routine file documentation in the computer notepad. A plan of action will be included and separately labeled in the file notes during a diary review. The supervisor shall monitor the diary reviews by printing a "No Activity" report each month to identify any files that have fallen off the diary system.

Future Medical Claims: Future medical claims shall remain open for two (2) years from the last payment of benefit. Reviews shall be documented in the claim notes to include settlement information, future medical care outline, last date and type of treatment, name of excess carrier, excess carrier reporting level, and excess carrier reporting history.

Employer Contact: The TPA shall contact the City within one (1) working day of receipt of notice of a lost time claim from any source. Such contact shall be documented in the computer notepad after the claim has been created in the system.

The TPA shall request the Employer's Report of Injury form when or if notification of an injury or incident from any source is received first (i.e., Application of Adjudication, notice of legal representation, Doctor's First Report of Injury, etc.).

The TPA will confirm the DWC Form 1 was given to the employee within one (1) working day of knowledge of the injury. If there is no evidence the form was provided, the TPA will provide the form with the initial contact letter to the employee within three (3) business days of receiving the claim.

When a claim reaches or exceeds one half of the City's SIR in total incurred value, the TPA shall report the status of the claim every ninety (90) days. Such information shall be reported on the City's approved Status Report form and include the examiner's plan of action for the future handling of the claim.

The examiner will provide on-site file reviews quarterly if requested. Other periodic on-site file reviews will be scheduled based upon the needs of the City.

Employee Contact: In all non-litigated, lost time cases where the employee has not returned to work, telephone or personal contact will be established with the injured employee within one (1) working day of receipt of notice of claim. Such contact will continue as often as necessary, but at least monthly until the employee returns to work. Such contact with the employee shall be documented in the computer notepad.

Return phone calls to employees will be accomplished within one (1) working day.

All correspondence from employees will be responded to within five (5) days of receipt.

Reserves: Reserves shall be established based upon the ultimate probable cost of each claim. All reserve categories shall be reviewed on a regular basis but at least every ninety (90) days. Such review shall be indicated in the computer notepad. Any changes to reserves shall include an explanation for the change.

A claims assistant shall have authority to establish reserves not to exceed $3,000. An examiner shall have authority to establish reserves not to exceed $50,000. A senior examiner shall have authority to establish reserves not to exceed $75,000. The supervisor shall have authority to establish reserves not to exceed $150,000. A claims manager, vice president, or president of the TPA shall review and approve all reserves in excess of $150,000.

Payments: The City has established a positive pay sweep account, which shall at all times contain sufficient funds to enable the TPA to make timely payments of claims, allocated loss expenses, and other amounts the TPA is authorized or required to make on behalf of COCC. The TPA shall electronically submit the

information required by the City's financial institution on a daily, weekly, or monthly basis. The submissions will be at no additional cost to the City.

Medical Administration: Physician's offices will be contacted within five (5) days of notice of all new indemnity claims. Such contact will continue as needed during the continuation of temporary disability to assure that treatment is related to a compensable injury or illness. All contact shall be documented in the computer notepad.

The TPA shall maintain contact with treating physicians to ensure employees receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

The TPA shall maintain direct contact with medical service providers to ensure their reports are received in a timely manner.

The TPA shall arrange medical evaluations when needed, reasonable, and/or requested in compliance with the current Labor Code.

The TPA shall ensure that medical bills are reduced to the recommended rates established by the Administrative Director of Workers' Compensation. The use of a service contractor must be approved by the City. The City shall pay for the use and benefits of the services provided.

The TPA shall ensure that utilization review and/or professional managed care services will be provided on an as-needed basis to injured employees by providers approved by the City.

Medical Payments: Medical bills will be reviewed for correctness, approved for payment, and paid within time limits established by Labor Code section 4603.2. If all or part of the bill is being disputed, the TPA will notify the medical provider, on the appropriate form letter, within time limits established by Labor Code 4603.2.

Plan of Action: Each claim file shall contain the examiner's plan of action for the future handling of that claim. Such plan of action shall be clearly stated including the reasoning for the plan. The plan of action will be updated at least every forty-five (45) calendar days and clearly identified in the computer notepad.

Investigation: The TPA shall promptly initiate investigation of issues identified as material to potential litigation. The City shall be alerted to the need for an outside investigation as soon as possible and the examiner shall appoint an investigator who is acceptable to the City and be kept informed on the scope and results of all investigations.

The TPA shall subscribe to the Index Bureau. Costs to subscribe to this Index Bureau shall be included in proposed pricing structure. The examiner shall

request a report from the Index Bureau on all new indemnity claims. Subsequent requests should be made every six (6) to twelve (12) months thereafter on all active indemnity claims.

Compensability: The compensability determination (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination will be made and clearly documented in the computer notepad within five (5) working days of the receipt of the notification of the loss. Delay or denial of benefit letters shall be mailed in compliance with the Division of Industrial Relations' guidelines. The TPA shall notify the City of delay or denial of any claim.

If there is any question regarding whether to accept, delay, or deny a claim, the TPA shall consult with the City to make a final determination.

Provision of Benefits: The TPA shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Labor Code. The TPA shall compute and pay temporary disability benefits to injured employees based upon earnings information and authorized disability periods. The TPA shall review, compute, and pay all informal ratings, death benefits, Findings and Awards, life pensions, or Compromise and Release settlements.

Initial Indemnity Payment: The initial indemnity payment or voucher will be included in the employee's regular paycheck, except for non-benefited employees, who will receive temporary total disability directly from the TPA.

Late payments must include the 10% self-imposed penalty in accordance with Labor Code section 4650. Penalties must be paid by the TPA and reported to the City.

Subsequent Indemnity Payments: All subsequent indemnity payments or vouchers will be issued by the City as follows: Safety Officers will be paid up to 365 days, in accordance with Labor Code 4850. All other employees, except non-benefited, will receive salary continuance from the City for a maximum of 183 days or, if employed less than 183 days, a period not to exceed the length of time of employment. Once an employee has reached their corresponding salary continuance limit, the TPA shall pay temporary total disability to the employee directly.

Late payments must include the 10% self-imposed penalty in accordance with Labor Code section 4650. Penalties must be paid by the TPA and reported to the City.

Return to Work: The TPA shall provide assistance to the City in returning injured employees to modified duty while recovering and prior to their return to regular duties.

The TPA shall consult frequently with the City in those cases where the injury residuals might involve permanent work restrictions and/or retirement potential.

Transportation Expense: Transportation reimbursement will be mailed within five (5) days of the receipt of the claim for reimbursement. Advance travel expense payments will be mailed to the injured employee ten (10) days prior to the anticipated date of travel.

Permanent Disability: The TPA shall explain and assist injured employees in completing the necessary forms to obtain a permanent disability rating.

The TPA shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board litigation.

All permanent disability benefit notices shall be sent to the employee as required by the Labor Code.

Litigated Cases: The City shall be alerted to the need for an outside counsel as soon as possible, and the City and the examiner shall select an attorney who is acceptable to the City. The TPA shall send a copy of the application for adjudication to the City's Risk Management Division as it is received.

When defense counsel is not necessary, the TPA shall work closely with the applicant's attorney in informal disposition of litigated cases.

Settlement proposals shall be forwarded by the TPA and the defense counsel in a concise and clear written form with a reason(s) for such recommendation.

All preparation for a trial shall involve the City so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.

The manager, supervisor, or examiner may attend Workers' Compensation Appeals Board hearings, rehabilitation hearings, meetings with defense counsel, and meetings with staff, departments, and employee groups as necessary and as requested to do so.

Wherever feasible, settlement of lien issues will be resolved by claims administrator.

Settlements: The TPA shall obtain the City's written authorization on all settlements. All requests for settlement authority shall include: a written claim summary, current financial information, estimate of permanent disability, and the defense counsel's comments and recommendations.

Subrogation: In all cases where a third party is responsible for the injury to the employee, the TPA shall contact the City indicating they will pursue subrogation unless instructed otherwise. When subrogation is to be pursued, the third party shall be contacted within ten (10) days of identification, with notification of the City's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board within six (6) months of the injury or notice of injury.

Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the City will be entitled.

If the injured worker brings a civil action against the party responsible for the injury, the TPA shall consult with the City about the value of the subrogation claim and other considerations. Upon the City's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.

Whenever practical, the TPA should take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third Party Compromise and Release. If such attempt does not succeed, then every effort should be made through the Workers' Compensation Appeals Board to offset claim expenses through a credit against the proceeds from the injured worker's civil action.

Vocational Rehabilitation: In accordance with all applicable California laws in place at the date of injury, the TPA shall:

1. Determine the Qualified Injured Worker/Non Qualified Injured Worker status;
2. Advise the injured worker of his/her right to rehabilitation benefits;
3. Provide appropriate vocational rehabilitation benefits;
4. Control rehabilitation costs; and
5. Attempt to secure the prompt conclusion of vocational rehabilitation benefits.

Claim Reconciliation: All claim files shall be reconciled to ensure all indemnity payments have been made correctly. The reconciliation should verify that payment amounts were correct, paid on the appropriate claim file, and all benefit notices were issued accordingly. The physical file should be verified with the computer information. All open claim files shall be reconciled at the time of a request for settlement authorization and at the time of submission for closure. Proof of the reconciliation should remain in the claim file.

Excess Insurance: Cases that have the potential to exceed or have reached 50% of the City's self-insured retention level should be reported. Any case that has the potential to exceed or have reached 50% of the City's self-insured retention shall be reported to the City and the excess insurer in accordance with the reporting criteria established by the excess insurer. All cases that meet the established reporting criteria are to be reported within five (5) days of the day on which it is known the criterion is met.

Award Payment: Payments on awards, computations, or Compromise and Release agreements will be issued within ten (10) days or sooner if necessary to ensure payment within twenty (20) days of the Workers' Compensation Appeals Board approval date, following receipt of the appropriate document.

Penalties: Late payment of all benefits must include the self-imposed penalty in accordance with California law. The City will be provided a listing of any administrative penalties paid during the month, which were the responsibility of the TPA, and a check from the TPA payable to the City for reimbursement. The check and report shall be submitted to the City by the 20th of the following month.

Case Closure: The supervisor must review all medical only claims open beyond ninety (90) days from the date of entry by the TPA, for potential closure or conversion to indemnity claim status. Claims with $3,000 or more paid to date and any claim open beyond one hundred eighty days (180) from date of entry must be converted to indemnity status and a reasonable, precautionary indemnity reserve placed on the claim(s). All indemnity cases where permanent disability is not an issue will be closed within sixty (60) days of the final financial transaction or final correspondence to the injured worker as required by law. All indemnity claims where permanent disability is an issue will remain open for two (2) years from the last payment of benefit and then closed within sixty (60) days of that date. The TPA will monitor stipulated cases with future medical provisions. Reserves for future medical will be reviewed semi-annually and adjusted according to use.

Status Reports: Special claim status reports outside the regular ninety (90) day status reports shall be provided by the TPA within ten (10) business days. Verbal status reports requested shall be provided by the TPA within two (2) business days. Special computer generated loss data reports shall be provided within twenty (20) business days.

Loss Runs and Check Runs: The TPA shall provide the applicable computer reports by the 7th calendar day of the following month to the City. The loss runs will be provided in the approved the City format, which will be identified with the selected vendor(s).

Claims Reporting: The TPA shall maintain all loss information as required by the Workers' Compensation Insurance Rating Bureau.

The TPA shall assist in the preparation of all reports that are now, or will be required by the State of California or other government agencies with respect to self-insurance programs. The TPA will also assist in the preparation of all reports or databases required by the California Institute for Public Risk Analysis (CIPRA) or other statistical database organizations as requested by the City.

Record Retention: All claim files shall be maintained in accordance with statutory time requirements and the City shall be notified prior to any destruction of files.

Claim Supervision: The TPA shall provide supervisory staff that will regularly review the work product of the claims examiners. The supervisor shall review at least 10% of each examiner's caseload each month to ensure each examiner is following the performance standards outlined in this document. Such reviews shall be labeled as "Supervisor Review" and clearly documented in the claim notepad. In addition, the supervisor shall conduct a regular quarterly review of all open indemnity claims with reserves in excess of $100,000 and all problem or complex claims.

Availability of Personnel: The TPA shall ensure at least one (1) or more of the examiners assigned to the City are on-site and available every business day (excluding holidays) between the hours of 8:00 a.m. and 5:00 p.m. throughout the term of the approved contract between the City and the TPA. The TPA shall provide a toll free telephone number.

Examiner Training: The TPA shall annually certify to the City that each claims examiner handling the City's claims is in compliance with all legal and regulatory licensing and continuing educational requirements as presently or in the future shall be promulgated and required by the State of California. Where required by law or regulation, copies of all such certifications shall be provided at least annually by the TPA to the City.

Special Services: The TPA shall provide special training services when requested to ensure the City employees process workers' compensation claims effectively, carrying out the procedures required for a successful program. These training services will be provided at a location specified by the City.

The TPA shall require one of the dedicated unit examiners to meet with the City personnel at least once annually to review program procedures regarding workers' compensation reporting requirements and other program matters that require the timely participation of the City's personnel.

The TPA shall require an examiner to be available and readily respond to a request for assistance with problem cases, including on-site visits.

The TPA shall require the Account Manager and/or claims examiner to attend interactive ADA accommodation meetings with City personnel as requested by the City.

The TPA shall provide the City with information regarding statutes, proposed changes to statutes, and changes to the rules and regulations affecting the City and its responsibility as a legally self-insured workers' compensation entity.

Computer Access: The TPA shall provide online access at no additional charge and selected vendors providing services to the City. The TPA shall provide training for use of the computer system for select City employees.

Employee Services: As required, the TPA will develop, for review by the City, materials which will provide information and guidance to employees regarding workers' compensation and the self-insurance program.

As required, the TPA will assist injured employees in resolving problems that arise from injury or illness claims.

Conflict of Interest: The TPA shall avoid all conflicts of interest or appearance of conflicts of interest in performance of this document. If the TPA receives compensation from the City for services not included in this document, such as bill review services, managed care, or investigations, the TPA shall disclose all fees received from the City. Such disclosure shall be in the form of a letter and shall be received by the City each April 1.

Fee for Service and Length of Contract: Please quote a flat annual fee and a per claim fee for each year of a five (5) year contract, considering dedicated examiners. Please give a complete explanation of your pricing stating whether the cost of handling the existing open files is included in the flat annual fee quoted. If not, the Firm shall indicate the costs for the existing open claims. Pricing should include all services as outlined in your response.

B. Instructions for Preparing Written Proposals for Claims Administration

Please provide responses to the following:

1. A brief description of the Firm including:

    a. Contact information including fax number, e-mail address, and telephone number;
    b. The names and background of principal owners, partners, or officers including a resume detailing experience;
    c. The length of time the firm has been in business of providing workers' compensation services;
    d. The office that would serve as the headquarters for contract enforcement;
    e. The number of offices and locations that would administer the City's claims; and

f. The office that would service the City for loss data, accounting, finance, or functions other than claims adjusting.

2. Advise whether there are any major changes (e.g., relocation of firm/consolidation) planned for the firm during the next twelve (12) months.

3. Provide a list of clients (include contact information) for which similar types of claims-related services are currently provided. Please include the name, title, and phone number of three (3) people, in three (3) different companies, other than Culver City, whom the City can contact to discuss the proposer's performance.

4. Provide a list of clients (include contact information) who have elected to contract with other vendors during the past twenty-four (24) months, and describe reasons for change.

5. Describe in detail the computer operating system or Risk Management Information System (RMIS) utilized to provide workers' compensation services.

6. What are the fees associated with access to your RMIS? How many concurrent City users may access your RMIS?

7. Advise if your computer system tracks reserve changes.

8. Does your RMIS have the capability to produce ad-hoc reports? Are there any additional fees associated with producing an ad-hoc report? Samples of computer-generated reports must accompany the proposal.

9. Identify the personnel (including management) who would be assigned to provide workers' compensation services to the City. In addition, provide detailed responses to the following:

   a. The position each individual occupies;
   b. The education, years, and type of experience of each individual (attach a resume or curriculum vitae);
   c. The experience each individual has servicing California public or private self-insured agency claims, and specifically safety personnel;
   d. The length of time each individual has been with the proposer;
   e. The percentage of time each individual is in the office versus the field;
   f. The job duties of each individual outside the office; and
   g. The caseload for every person assigned to service any portion of the City's claims.

10. Explain what steps the manager assigned to service the City's account will take to be proactive regarding service and administrative issues.

11. Include a statement that at least thirty (30) days prior to replacement of key employees, your company will notify the City in writing that replacement employees will possess qualifications and experience equal to or greater than individuals being replaced.

12. Describe how your company ensures compliance with workers' compensation newly enacted statutes and rules and regulations promulgated by the Department of Industrial Relations.

13. Describe in detail the training provided to your examiners in regards to recent regulations, including AMA and ACOEM.

14. Describe in detail the training to be provided to the City regarding claims procedures and other pertinent areas of workers' compensation.

15. Please identify all methods of communication available to the City for reporting claims (i.e. online, facsimile, 800 number, etc.). Are there any additional fees associated with any of the reporting methods?

16. Describe the level of access that City staff will have to claims notes and files. How will the City access claims notes (i.e. facsimile request, online, etc.)?

17. Describe in detail your process for reporting claims other than 50% incurred to excess carriers (e.g. death, cerebral injury, etc.)

18. Describe in detail your process for issuing checks and benefit payments (including settlements), proposed funding arrangements such as impress accounts, check writing vouchers, and wire transfer. Indicate the pros and cons of such arrangements. Indicate whether you can accept account-funding contributions by wire transfer. Indicate whether you require minimum funding or an initial funding deposit and if so, how much.

19. Indicate your procedures for reconciling the funding account and the information and statements that you will provide to the City and how often. Describe your procedures for reconciliation of program records.

20. Identify your firm's Medical Provider Network (MPN) options, including pricing and savings.

21. Does your firm participate in the DA Fraud Program?

22. Identify any owned ancillary services (e.g. bill review, managed care, utilization review services, etc.).

23. Managed care services, which include bill review, utilization review, and managed care, may be awarded to another vendor. Please describe in

detail how you will be able to work with an outside provider to insure effective service for the City. Is your computer system adaptable with outside vendors?

24. Should an outside managed care provider be chosen, does your organization commit to developing an Electronic Data Interface (EDI), as well as claims access for nurses, at no additional cost to the City.

25. Indicate whether the proposer can comply with the SCOPE OF SERVICES as outlined in this RFP. If the proposer is unable to comply with a specific performance objective, please indicate which objective cannot be complied with and the reason(s) the objective cannot be met.

26. Describe any services not previously covered which you believe may be of particular value to the City.

27. Please outline in detail your proposed transition plan and timeline for the transfer of services.

28. Please quote a flat annual fee and a per claim fee for each year of a three (3) year contract, considering dedicated examiners. Please give a complete explanation of your pricing stating whether the cost of handling the existing open files is included in the flat annual fee quoted. If not, the Firm shall indicate the costs for the existing open claims. Also, if your Firm has different rates for medical only and indemnity claims, please indicate those costs. Pricing should include all services as outlined in your response. The City currently has approximately 400 open claims and processes approximately 145 new claims per year.

29. Submit a cover letter that contains the name, title, address, and telephone number of the individual(s) with authority to bind the proposal during the period in which the City is evaluating the proposal. The proposer shall also identify the legal form of the firm, i.e., sole proprietor, partnership, corporation, etc. If the firm is a corporation, the cover letter shall identify the state in which the firm was incorporated. A principal of the firm or other person fully authorized to act on behalf of the firm shall sign the cover letter.

30. The proposal must be valid until at least June 30, 2007.

31. The proposal must indicate that the vendor agrees to be bound by the proposal and shall enter into a contract to provide services in a form as approved by the City.

32. Be sure to adequately address all issues outlined in the Scope of Services – Claims Administration section.

review services or systems?

9. How often is your bill review system updated with fee schedule changes?

10. Do you plan to provide courier service for the pick-up and delivery of invoices or electronic interface? If so, how often?

11. Describe how disputes by providers are resolved and include what information is sent to providers to justify your bill reduction or rejections.

12. Is your system capable of printing a user-defined explanation on the Explanation of Benefits form?

13. What review procedures do you have in place for medical bills with missing or invalid International Classification of Diseases (ICD) 9 codes and missing or invalid procedure codes?

14. Describe the mechanism for identifying inappropriate billing patterns.

15. Describe your capabilities for tracking the twenty four (24) visit capitation on physical therapy, chiropractic, and occupational therapy. Is it a manual or automated process? Does the TPA have the ability to override the process and, if so, how is this accomplished?

16. Describe in detail your scanning capabilities as well as internet access of reviewed bills.

17. Describe your implementation of your services with the claims administrator(s).

18. Describe your ability to interface with an automated claims system.

19. Does your system have the ability to monitor the following:

    - Unbundling
    - Upcoding
    - Assistant surgeon
    - Duplicate billing

20. Indicate the types of monthly reports that would be provided to the City. Please provide a description and attach samples of your reports.

21. Does your software program provide the following:

    - Ad hoc report capability?
    - Reports on percentage of network "hits"?
    - Comparison of billed costs, cost reduction, and net savings?

BILL REVIEW SERVICES

Culver City wishes to obtain competitive proposals relative to the provision of workers' compensation bill review and utilization review for its self-insured worker's compensation program. The RFP requests that specific information be provided. Proposers may expand on the information requested and/or provide other related information. However, it is important that bidders follow the directions, proposal format, and comply with all directions contained in the RFP to ensure that the proposal is considered.

A. Scope of Services – Bill Review

Provide responses to the following items in the order that they appear:

1. An estimate of the average gross percentage of savings that would occur on an annual basis.

2. Identify any Preferred Provider Organization (PPO) savings from fee schedule savings and total savings based on an estimated annual bill volume of 2,400 and estimated total line volume of 19,000.

3. Provide your price quotation for bill review services. Your proposal should include a quote for ALL of the following:
    a. Flat fee per bill;
    b. Per line quote (explain if you will accept a maximum and minimum line charge and if you will charge for headers on each review); and
    c. Percentage of savings quote, including but not limited to reviewable bills, in-patient hospital and outpatient facility bill reviews, negotiated bills, professional surgical fees, line audit bills, duplicate bills, in addition to re-evaluation/provider inquiries, expert testimony in defense of reviews, EDI (Electronic Data Interface), and on-line access to the system.

4. Do you have a guaranteed turnaround time?

5. What is your average turnaround time of your bills for the 1st, 2nd, 3rd, and 4th quarters of 2005?

6. Provide your accuracy ratio or other basis that supports the accuracy of your bill review service.

7. Indicate if your company currently subcontracts or has subsidiaries for PPO networks. If so, please provide a list or description of the PPO networks. Additionally, please provide information on the types of PPO discounts and related charges or discounts that can be expected from such services.

8. Do you lease, have an ownership interest in, or contract any of your bill

22. Should the City implement a Medical Provider Network (MPN), please describe in detail what reports you can provide to document the MPN savings. Would there be an additional charge for this service?

23. Do you have a pharmacy program? If so, please describe your pharmacy program in detail. Do you offer a mail order and card program? What are there fees associated with your pharmacy program?

24. Do you have a diagnostic service program? If so, please describe in detail your diagnostic services including average percentage savings below fee schedule.

B. Instructions for Preparing Written Proposals for Bill Review

1. State the number of years your company has provided bill review services to self-insured organizations and/or insurance carriers, specifically note public entities.

2. Provide an overview of your organization, its locations and the key staff that would be assigned to the City account. Indicate number of years experience and qualifications for each of the key staff that would be assigned to the City account.

3. Describe in detail the Account Manager's role and his/her experience and qualifications.

4. Provide the location of the office(s) that would service the City.

5. Provide the average monthly bill volume processed by the office(s).

6. Describe your staffing plan to demonstrate your capability to be adequately staffed with trained personnel to handle the City's bill review needs.

7. Provide a written statement of what distinguishes your company's approach from others.

8. List five (5) current California clients (including contact information), preferably public entities, whom the City can contact.

9. Provide a list of TPAs you work with to provide bill review services.

10. Be sure to provide complete answers to the questions outlined in the Bill Scope of Services – Bill Review section.

UTILIZATION REVIEW AND MEDICAL MANAGEMENT SERVICES

A. Scope of Services - Utilization Review

Provide answers in the order of the following:

1. How do you propose to charge for services? Provide flat fee and hourly rates including but not limited to screening by nurse case manager, set up, utilization review, inpatient certification, outpatient certification, peer review, and peer to peer review. Be sure to include ALL applicable fees.

2. Describe your utilization review system including interaction with workers' compensation TPA's, bill review vendors, medical and service providers, employers, and patients. What type of training do you provide to the TPA?

3. Frequency of visits and training of the TPA?

4. Specify what type of company personnel are assigned to conduct utilization reviews including nurses and Medical Director?

5. How many of your case managers have Certified Occupational Health Nurse (COHN) or Certified Case Manager (CCM) certifications? How many are bilingual? In what languages? Please provide resumes of designated case management staff.

6. Describe in detail your clerical staff function and how it relates to review of a case.

7. Describe your physician peer review programs and utilization protocols. Be sure to include Curriculum Vitae for all physicians who will be involved in the utilization review process.

8. Describe your process to guarantee compliance with the Utilization Review timelines set forth in the Labor code.

9. Provide samples of your reports that would be provided to employers and/or the TPA. Does this include hard and soft savings? Does it include turn around time of reviews?

10. Describe your recommended protocol for TPA's to use to approve medical treatment requests. When should treatment requests be sent to your firm for review?

11. Describe how your system handles requests for reconsiderations. What is the timeline for completion of medical reviews?

12. What tracking mechanisms do you have in place for Peer Reviews, Referrals, and Appeals?

13. Describe the mechanism for identifying inappropriate utilization patterns.

14. Indicate what your average turnaround time is for utilization review. How do you insure utilization reviews are completed in accordance with the California regulations regarding utilization review?

15. What review procedure is undertaken on requests for pharmacy services?

16. What method do you use to address long term medication requests to contain over use and costs?

17. Are you able to electronically invoice the claims administrator?

18. Describe any additional savings available through your organization.

B. Instructions for Preparing Written Proposals for Utilization Review

1. State the number of years your company has provided utilization review services and medical management services to self insured organizations, TPAs, and/or insurance carriers, specifically note public entities.

2. Provide an overview of the key staff who would be assigned to the City's account. How many years of experience do the key staff people have in case management and utilization review?

3. Provide the qualifications of the proposed staff including license, certifications, number of year with the company, and experience in handling California workers' compensation injured workers.

4. Indicate the proposed nurse(s) assigned and years of experience.

5. Indicate the proposed physician(s) for peer review.

6. Describe in detail the role of the proposed Account Manager and include their qualifications.

7. Indicate what educational programs you provide for your staff.

8. Include a written statement of what distinguishes your company's approach from all the others.

9. List contact information for three (3) to five (5) current California clients, preferably public entities whom the City can contact.

10. Be sure to provide complete answers to the questions outlined in the Bill Scope of Services – Bill Review section.

Selection Criteria

The selection criteria to be used to select the successful Firm for each of the requested services will include, but is not limited to, the following:

1. An established record of consistent professional service and reputation within the industry, with specific emphasis on public entities and safety personnel;

2. High quality references from clients, particularly from other self-insured entities, either public or private;

3. Staffing and experience levels;

4. Overall responses in addressing the ability to perform the scope of services; and

5. Overall cost-benefit advantages.

III. INSTRUCTIONS TO FIRMS

A. Submission of Proposals

Firms may respond with individual proposals to any section or all sections of the RFP. In addition, a response may be included for a consolidated proposal for more than one section. All proposals to the individual sections shall be submitted in separate sealed envelopes with the individual section of the proposal clearly identified on the outside of the envelope. Consolidated proposals shall all be submitted in a separate envelope.

Proposals must be delivered by 3:00 p.m. PDT, Thursday, February 15, 2007. Late proposals will automatically be rejected. Submit one (1) original, three (3) copies, and one (1) electronic copy of your proposal and any other information concerning your services.

Proposals must be delivered to:
City Clerk's Office
City of Culver City
9770 Culver Blvd
Culver City, CA 90232

Proposals should expressly state that the offer, including all pricing proposals, will remain in effect until at least June 30, 2007. In addition, all information presented in your proposal will be considered binding when a contract is

developed (unless otherwise modified and agreed to by both parties during subsequent negotiations).

All proposals whether selected or rejected shall become the property of the City. Costs of preparation of proposals will be borne solely by the proposer. Proposals may not be submitted by facsimile.

The City will review all submitted proposals and evaluate them against the selection criteria listed below. Proposals will be reviewed and considered by the City, based on a recommendation from a selection committee consisting of City staff. The City will enter into contract negotiations with the selected vendor at its sole discretion.

The City reserves the right to reject any and all proposals, to waive any informality, defect or irregularity in a proposal, to conduct contract negotiations with any vendor (whether or not it has submitted a proposal), to alter the selection process in any way, to postpone the selection process for its own convenience at any time, to accept or reject any individual sub-consultant that a vendor proposes to use, and/or to decide whether or not to contract with any vendor. Nothing in this RFP shall be construed to obligate the City to negotiate or enter into a contract with any particular vendor(s). This RFP shall not be deemed to be an offer to contract or to enter into a binding contract or agreement of any kind.

Questions concerning this RFP should be addressed to:

Nick Kimball
City of Culver City
Risk Management Division
9770 Culver Blvd
Culver City, CA 90232
(310) 253-6013
Email: nick.kimball@culvercity.org

B. Timeline for Vendor Selection

The City anticipates the following timeline for the selections of a Firm(s):

Release of RFP	January 11, 2007
Proposal deadline	February 15, 2007
Presentations (if necessary)	April 2007
Notification of selection	May 2007
Effective date	July 1, 2007

The City reserves the right to cancel and/or modify the above dates at any time.

C. Insurance Requirements

The proposing firm(s) must include the name of the insurance carrier, the policy coverage and limits, and expiration dates.

The chosen firm(s) shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the firm(s), his/her agents, representatives, employees, or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

a. Insurance Services Office form number GL 0002 (Ed. 1/73), covering Commercial General Liability and Insurance Services Office form number GL 0404, covering Broad Form Commercial General Liability; or Insurance Services Office Commercial General Liability coverage ("Occurrence" Form CG 0001).
b. Insurance Services Office Form Number CA 0001, covering Automobile Liability, Code 1 (any auto) or Code 8, 9 if no owned automobiles.
c. Workers' compensation insurance as required by the Labor Code of the State of California and Employer's Liability insurance.

Minimum Limits of Insurance

The vendor(s) shall maintain limits no less than:

a. General Liability: $1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract or the general aggregate limit shall be twice the required occurrence limit.
b. Automobile Liability: $1,000,000 per accident for bodily injury and property damage. If Automobile Liability Insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the vendor or the general aggregate limit shall be twice the required occurrence limit.
c. Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of California and Employer's Liability limits with a minimum of $1,000,000 per accident.
d. Errors and Omissions: $1,000,000 per occurrence and shall not be subject to a deductible and/or self-insured retention greater than $100,000. The vendor(s) shall maintain errors and omission insurance applying to all claims arising out of an occurrence or events during the term of the insurance and made during, or subsequent to, the term of an agreement.

Such insurance shall apply whether the claim arises out of the operations of the vendor(s), its officers, employees, consultants, agents, or anyone else directly or indirectly acting on behalf of any of the foregoing. Such insurance shall be severable and, except as respects the limits of liability and self-insured retention, apply to each insured as if no other insureds exist.

e. Employee Dishonesty: $1,000,000 to include comprehensive employee dishonesty, disappearance, theft, and forgery or alteration coverage in a form and issued by an insurance or bonding company or companies acceptable to Culver City.

Acceptability of Insurers

Insurance is to be placed with an insurer with a current A.M. Best's rating of no less than an A:VII.

Verification of Coverage

The vendor shall furnish the City with an original certificate and amendatory endorsements affecting coverage required by this clause. The endorsements should be provided on a form stating the endorsements or policies conform to the requirements stated in this clause. All certificates and endorsements are required to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting coverage required by these specifications at any time.

Other Insurance Provisions

a. The City, its officers, officials, employees, and volunteers are to be covered as additional insured under general liability and automobile liability policies by Endorsement CG 20 10 11 85.

b. For any claims related to this project, vendor's insurance coverage shall be primary.

c. Each insurance policy required shall be endorsed that a 30-day notice be given to the City in the event of cancellation or modification to the stipulated insurance coverage.

d. It shall be the responsibility of the vendor(s) to ensure that all subcontractors comply with the same insurance requirements that are stated in this Agreement.

END OF PROPOSAL

Workers' Compensation Claims Administration, Bill Review, and Utilization Review
RFP Vendor Mailing List

Colen and Lee
1470 S. Valley Vista Dr., Suite 230
Diamond Bar, CA 91765
909.861.0816

Hazelrigg Risk Management Services, Inc.
14275 Pipeline Ave
Chino, CA 91710
909.993.0340

Keenan and Associates
2355 Crenshaw Blvd, Suite 200
Torrance, CA 90510
310.212.3344

Sedgwick Claims Management Svcs, Inc.
P.O. Box 14213
Orange, CA 92863
714.245.7800

Southern California Risk Management
Associates (SCRMA)
313 E. Foothill Blvd
Upland, CA 91786
909.608.7171

Tristar Risk Management
P.O. Box 512028
Los Angeles, CA 90051
562.506.0300

NovaPro Risk
17862 E. 17th St., Suite 111
Tustin, CA 92781
715.544.0980

Integrated Claims Administrators (ICA)
Attn: Sandy Gutierrez
P.O. Box 3189
Torrance, CA 90510