



ADDENDUM NO. I

DATE: September 20, 2022
TO: All Potential Proposers
FROM: James McKeehan, Assistant Purchasing Agent, City of Knoxville
SUBJECT: Addendum No. I to RFP- Casualty Claims Third Party Administration
PROPOSALS TO BE OPENED: September 26, 2022

This addendum is being published to provide clarification regarding the above referenced ITB. This addendum becomes a part of the contract documents and modifies the original specifications as follows:

Item 1: Why are you going out to bid?

Response: The city is currently self-administered. Finding staff that is uniquely skilled in this area is a challenge and we believe we may have better outcomes with a TPA.

Item 2: Who is your broker?

Response: WTW

Item 3: Do we need to have an office in the City?

Response: No

Item 4: On call?

Response: Normal business hours would suffice, 8am-4:30pm ET

Item 5: Who are the City's current subcontractors related to property and casualty claims? Such as, does the City utilize any preferred physical therapy providers, bill review, surveillance company, pharmacy, etc. in conjunction with the current TPA?

Response: Please refer to the RFP for mandatory arrangements, specifically Section V.

Item 6: Does the City prefer a "Per Claim" or "Flat Annual Fee" pricing arrangement? Reading the RFP, it references the need for both a "Dedicated" and "Designated" claim team. If the claim volume does not warrant a wholly dedicated group of adjusters, it may be more cost effective for the City to have a hybrid team of dedicated adjusters with some who are designated. Would this be acceptable to the City?

Response: The City is open to suggestions on the team and how it is formulated. Please note we need to be able to make comparisons in cost so any deviation from what is requested needs to be noted for scoring purposes.



Item 7: Will the selected TPA continue to handle claims that pierce the City’s self-insured retention, or will the respective excess carrier(s) assume claim handling? If different by line of business, please advise which ones the TPA would continue handling.

Response: The TPA will be expected to handle in coordination with the City and its excess carrier, pursuant to carrier handling requirements.

Item 8: What are the full names of “Princeton Excess” and “Liberty Mutual Fire”?

Response: The Princeton Excess and Surplus Lines Insurance Company, Liberty Mutual Fire Insurance Company

Item 9: Please provide the following data for each of the past three (3) completed fiscal years and the current FY (2022, 2021, 2020 & 2019):

Response:
Amount of Medical billed by providers to the City of Knoxville in each FY
Not Available
Amount of Medical paid by City of Knoxville in each FY
Not Available
Amount saved on Medical bills submitted in each FY.
Not available
Number of Medical bills received in each FY.
CY 2018: 2,817
CY 2019: 2,178
CY 2020: 2,333
CY 2021: 2,326
1/1/2022 – 6/30/2022: 1,150

Item 10: Page 4 states “the selected TPA must also agree to unbundle certain medical cost containment services”. Please specify all services which need to be unbundled and to whom? (Pharmacy, PT, etc.) Can you please elaborate on the customized solutions needed for pharmacy, PT, diagnostics, etc.?

Response: The City utilizes The Center for physical therapy and would prefer treatment here when reasonable. The City also has a contact with MyMatrixx for WC PBM.

Item 11: Page 7 5.1 a. External Claim Audit. For the annual claim audit, does the 50 claims include all lines of business or 50 from each line of business?

Response: 50 from each line of business

Item 12: Page 7 5.1 b. Claim Review Please elaborate on the monthly claim reviews that are required. Telephonic or in person? How many claims are expected to be reviewed in each meeting? Which lines of business will be reviewed in each meeting? Are separate meetings held for Workers’ Comp and Liability claims each month?



Response:

Telephonic or in person? Virtual

Who participates? City Team and TPA

How many claims are expected to be reviewed in each meeting? A number is unknown at this time. The purpose would be to discuss any complex claims, return to work updates for any one with loss time, upcoming surgeries where loss time may be necessary, FCEs requested, etc.

Which lines of business will be reviewed in each meeting? All

Are separate meetings held for Workers' Comp and Liability claims each month? No, but could be considered

Item 13: Page 8 g. Caseload: Are there any limits on Medical Only adjusters assigned to the City's program?

Response: The City seeks a dedicated/designated role for Medical Only claims handling. Staffing proposed should be consolidated to as few adjusters as necessary to effectively manage the stated open and new arising inventory.

Item 14: 5-year minimum experience for AI/GL claims. Does this apply to minor property damage claims?

Response: 3 years of experience is acceptable for minor PD claims.

Item 15: Page 5 5.2 Medical Bill Review j. "must agree to work with the City of Knoxville onsite medical clinic..." Can you please elaborate on how this clinic works? Do they submit medical bills to be paid under the workers' comp program? Will the TPA be expected to pay the charges? Are charges subject to the Tennessee WC Fee Schedule and other network discounts? How many bills are expected from the clinic each year? What are the total billed and paid charges each year? Are these charges included in the amount of medical paid in FY22 that is published in the RFP?

Response:

The City contracts with Premise Health to handle a multitude of functions, including but not limited to occupational physicals. Additionally, The Center is one of the PCP panel providers.

Do they submit medical bills to be paid under the workers' comp program? No.

Will the TPA be expected to pay the charges? No.

Are charges subject to the Tennessee WC Fee Schedule and other network discounts? No.

How many bills are expected from the clinic each year? None.



What are the total billed and paid charges each year? See above. The Premise contract is a pass through contract and that staffing is included in our monthly bill for Premise

Are these charges included in the amount of medical paid in FY22 that is published in the RFP? No.

Item 16: Page 10-11 5.6 Litigation Management

What is the TPA's role when an AL/GL case is referred to the City Law Department? Will the City Attorney lead the case handling at that point or is it a collaborative effort with the TPA? Is it the same process when a case is referred to outside counsel? Yes.

Are the monthly roundtable meetings with the City Attorney's office the same as the monthly claim review meetings referenced in 5.1 b., or are the roundtables in addition to those meetings? Page 13 5.11 Cost Proposal o. Please clarify that 2-point contact is required on ALL claims, including minor Medical Only claims that are clearly compensable.

Response:

What is the TPA's role when an AL/GL case is referred to the City Law Department? Will the City Attorney lead the case handling at that point or is it a collaborative effort with the TPA? City attorney will lead.

Is it the same process when a case is referred to outside counsel? Yes.

Are the monthly roundtable meetings with the City Attorney's office the same as the monthly claim review meetings referenced in 5.1 b., or are the roundtables in addition to those meetings? These would be separate.

Page 13 5.11 Cost Proposal o. Please clarify that 2-point contact is required on ALL claims, including minor Medical Only claims that are clearly compensable. The City seeks proposals that include a 2-point contact on all claims, including medical only (plus those which are clearly compensable). 2-point contact will be a call to the injured employee and to the City designated point of contact.

Item 17: Page 4, Background. The City indicates "the selected TPA must also agree to unbundle select medical cost containment services...: Specifically, what service(s) does the City envision unbundling?

Response: Section V of the RFP discusses mandatory contracts and lists The Center, for physical therapy when reasonable as well as My Matrixx as our WC PBM.

Item 18: Page 4, General Question. What claims system does the City presently use to self-administer its claims?

Response: RiskMaster/ Assure Claims

Item 19: Page 4, General Question. Does the City currently reprice medical provider bills to the State fee schedule? If so, what vendor provides this service?



Response: Yes. Prime.

Item 20: Page 4, General Question. Does the City currently use a PPO network to achieve medical provider bill reductions post application of the fee schedule repricing? If so, what vendor provides this service?

Response: Yes. Prime.

Item 21: Page 4, General Question. Does the City currently use an RMIS? If so, what vendor provides this service?

Response: Yes. RiskMaster/ Assure Claims

Item 22: Page 4, General Question. Would the City be interested in our building a bridge to its HR system to facilitate/streamline the TTD benefits process?

Response: Yes.

Item 23: Page 4, General Question. Does the City presently have a loss control program? If so, is it centralized within employee benefits/risk management or is it decentralized and administered at the departmental level?

Response: The City doesn't have a formal program but are working to hire staff to assist with department coordination.

Item 24: General Question. Is there a collective bargaining agreement in place for sworn personnel that may impact the claim handling process (i.e., salary continuation, light duty/RTW)? If so, please provide insight.

Response: KAT does have a collective bargaining unit. The City does not.

Item 25: General Question. Would the City be interested in utilizing a nurse triage intake process for its newly arising workers' compensation claims?

Response: The City currently utilizes The Center for triage and does not see the need to absorb an additional cost for a service that is current being offered through another vendor.

Item 26: Page 7, Scope of Work. Item 5.1, b. Will these reviews be held telephonically or via Microsoft Teams?

Response: Virtual

Item 27: Page 8, Section 5.1, g. The WC Indemnity caseload caps indicated in this Section is 125, but line 26 of the Submission Form S-2 indicates at 150 max caseload. Should we use the 150 case load cap as our guidance for staffing?

Response: Use the limits found in Submission Form S-2.



Item 28: Page 9, Section 5.2, l. The City indicates it “reserves the right to select a non-preferred Managed Care provider...” Specifically, what cost containment service(s) does the City envision potentially unbundling?

Response: Section V lists examples, such as The Center for Physical Therapy when reasonable as well as My Matrixx as our WC PBM and we want reserve the right for other options as well.

Item 29: Page 9, Section 5.3, m. Does the City currently utilize tele-health services to supports its workers’ compensation program? If so, what vendor does the City currently partner with for this service?

Response: The Center offers a virtual option.

Item 30: Page 10, Section 5.6, Litigation Management. How does the City envision the TPA supporting in-house and outside counsel for Professional Liability claims? Will the TPA roles be administrative, i.e., setting reserves, paying providers, etc.? Or does the City’s in-house counsel envision our investigating claims, managing defense counsel, etc.?

Response: The TPA will serve an administrative function in support of the City Attorney’s office and Risk Management (i.e., setting reserves, issuing payments, processing documents, managing appropriate filings, general claim coordination) with requirements clearly established through claim service instructions.

Item 31: Page 11, Section 5.6, g. What is entailed in “an abridged review?” Also, would these meetings be held telephonically or video conferencing?

Response: Reviewing claims, suggestions for litigation, verifying any involved third party (excess carrier) is informed of reserves and strategies.

Item 32: Page 13, Section 5.11, e. At would level would the City like to see the fee cap set?

Response: \$10,000

Item 33: Page 13, Section 5.11, o. Our definition of a Medical Only claim includes a “days open do not succeed 180 days” provision. Is the City agreeable to adopting with provision?

Response: Proposals that include a medical only definition to conversion open medical only claims to indemnity/lost time if open greater than 180 days will be reviewed and scored accordingly against all other incoming proposals.

Item 34: Page 13, Section 5.11, o. Is the 2-points of contact requirement applicable to Indemnity claims only, or is it applicable to Medical Only claims also?

Response: Medical only also.

Item 35: We understand that you have an on-site clinic, can you confirm if this is where PT is performed for your injured employees



Response: Confirmed

Item 36: In the RFP there are references to Property and Professional Liability claims, can you clarify the City's definition of these types of claims?

Response: Property claims as it pertains to third party auto and general liability exposure. Professional liability claims to include law enforcement, E&O, employment practices, and public officials.

Item 37: May we inquire about the expiration date for the Pharmacy Services contract for My Matrix?

Response: Contract terms 11/15/2023 with two additional one-year options to renew.

Item 38: Would the City entertain a Cost Proposal solely for Managed Care services?

Response: No.

Item 39: Has the City considered using Telemedicine for your injured employees?

Response: This is an option at some panel providers, including The Center.

Item 40: Does the City have current employees that they would want the successful TPA to consider onboarding for their program?

Response: The winning vendor would take over all existing claims, but would not be offered any staff in doing so.

Item 41: Who are the current vendor(s) for cost containment services (medical bill review, medical case management, etc.) and what are the fees associated with each service?

Response: The City uses Prime for medical bill review. We use several companies for UR and case management, but do not have a proprietary relationship with any of these vendors.

Item 42: Does the City currently use DBE certified vendors for this program? If so, can you provide the names and services provided? Does the City wish to continue using these service providers?

Response: It's possible we have some DBE vendors for FCEs as well as other areas and these can be discussed on a case by case basis.

Item 43: If a vendor does not provide all services listed in the RFP, will the City accept an unbundled proposal for medical cost containment services only (medical bill review, nurse case management and utilization review)?

Response: No.



Item 44: Will the city require the designated claims staff to be on-site or remote? If remote is available do the staff need to be based in the city?

Response: Remote work is acceptable and they would not need to be based in the City, although that would be preferred.

Item 45: If there is an on-site staff requirement will the current claims staff be available for consideration?

Response: N/A

Item 46: What is the timeline for the decision to be made?

Response: The intent is to award as soon as possible once all submissions are evaluated. The winner of this Request for Proposal will manage new claims effective December 1, 2022 and all legacy claims effective February 1, 2023.

Item 47: Do the responses need to be in the format provided (Questionnaire S-2) or can we use our own format?

Response: Submission forms S-2 & S-3 must be submitted in Excel format.

Item 48: We note that there are 12 claim reviews. Could you give us some details on what claims are discussed, whether those are in person or virtual, etc.?

Response: The reviews would be virtual with the main purpose to discuss any complex claims, return to work updates for any one with loss time, upcoming surgeries where loss time may be necessary, FCEs requested, etc.

END OF ADDENDUM NO. I