Attachment A

The scope of work shall consist of providing risk management services in support of the Director of Risk Management or his/her designee, through the provision of qualified staff to assist in all aspects of workers' compensation claims. Of primary importance to the District is a quality third party delivery program that will control and direct claims and to ensure consistently good relations with the District's many stakeholders while containing total program costs. The successful firm will possess a thorough understanding of strategies to control claims costs and to facilitate an employee's return to work as soon as feasible. The District needs to be certain in quantifiable terms that your firm shares our goals and fully understands the importance of resolving claims quickly and cost effectively, while maintaining the highest levels of customer service to a variety of interest.

General and Background Information

The District's insurance programs incorporate self-insurance and excess insurance at various levels. APS self-insures Workers' Compensation for the first $650,000 of each occurrence. Statutory Excess Insurance is maintained.

Workers' Compensation Claim History:

- Average annual claim count: 532 claims / 80% Medical only and 18% Indemnity and 2% Incident only
- Current open claim volume: 322 claims as of 6/30/2022.

An incoming TPA would be responsible for assuming management of the current open claim files.

The current provider is Cannon Cochran Management and has been providing services since January 1, 2017. The contract is terming and the State of New Mexico procurement code requires a re-issue of Request of Proposal to start a new contract term.

The current system to handle claims is:

APS System is: Claim Pilot and CCMS is ICE.

The medical bill breakdown over the last 5 years (2017-2021) is as follows:

§ 2017: 6,837 bills reviewed.

§ 2018: 6,914 bills reviewed.

§ 2019: 7,498 bills reviewed.

§ 2020: 5,193 bills reviewed.

§ 2021: 5,020 bills reviewed.

Average billed dollar amount for a bill? $500.80.

- The breakdown for the billed dollar amount over the last 5 years (2017-2021) is as follows:
  - § 2017: $423.
  - § 2018: $497.
  - § 2019: $539.
  - § 2020: $527.
  - § 2021: $518.

· Total charges over this 5 year period: $15,649,569.23.

· Average bill review savings annually: Approximately 38.96%.

· Gross Medical charges annually: Average paid medical: $3,129,913.85.

· Reductions (PPO), annually: APS receives approximately 39% in fee schedule, bill review, and PPO reductions.

· Specialty Review Reductions: Approximately $4,057 was paid for outside bill review fees/hospital bill review, and had savings of 20.32% of billed charges.

SCOPE OF SERVICES:

This scope of work shall include the following Areas of Work:

a. Workers' Compensation Third Party Claim Administration Services
b. Workers' Compensation Managed Care Services
c. Return-to-Work Coordination Services
d. Workers' Compensation Medical Bill Review Services
e. Workers' Compensation Pharmacy Network
f. OSHA reporting

As for the work associated with each of these areas as described in (a. through e.) above, award of separate services are not allowed under this RFP.

The awarded contractor will administer all workers' compensation claims promptly upon receipt of notice of injury. This includes "First Aid" claims for the district which allows them to be paid by the TPA and tracked as a "First Aid" claim in the TPA claims system. The "First Aid" claims are not to be included in any claims data reported for the purpose of actuarial studies or claims severity calculations.

Investigate all claims for compensability and monitor all claims for potential fraud. Evaluate each claim for potential subrogation and contact the District's Director of Risk Management if any questions regarding liability arise before pursuing subrogation.

Pay all benefits allowed by law on the claim and in accordance with State law. Avoid duplicate payments, but if they occur, actively collect any overpayment of benefits.

Return all phone calls within one working day.

Maintain all files on a diary to review at a maximum of every six months and a minimum of every forty-five days to ensure pro-active claims management and timely closures.

Report claims to the appropriate excess carriers as required. Ensure all reporting is in accordance with the specification of the excess carrier and that all subsequent reports are completed timely. Ensure all settlement authority is obtained in accordance with the carriers and the District's specifications. All reported excess claims must be maintained on a supervisor's diary for monitoring of appropriate reporting and handling.

The selected administrator will be expected to bear the cost of:

1. Installing any necessary automated claims administration systems and all hardware upgrades necessary to access the system.

2. Installing/converting historical data, including claim, payment and reserve information and transferring paper files and electronic files from the District.

3. Transferring records and systems to the succeeding TPA at the transition of the contract (if a different TPA is selected) with no additional cost or fee required.

4. Administrative fees should cover the cost of administrator's staff; all office space; storage space for closed files; supplies; forms/posters/pamphlets and brochures for injured employees as required by the State Labor Code and the Administrative Director; standard management reports; telephone expenses; postage; laser check stock; computer hardware/software; transcription services (if utilized for claims examiner's correspondence); and other equipment/supplies necessary for claims handling.

Monitor all re-opened claims so the District can be advised of the re-opening reason. If re-opened for bill payment, it should be placed back in closed status as soon as possible.

Manage all legal aspects of the claim. Follow the legal protocols set forth by the District. If needed and with concurrence from the District, assign defense attorneys from the District's approved legal panel. The District has separate agreements with each attorney on their panel regarding fees and level of service. Ensure attorneys are not doing tasks that should be completed by the TPA. Ensure that defense counsel copies the District on specified correspondence. Ensure that, for employees who are represented by legal counsel, their attorneys receive copies of reports and correspondence as appropriate/required. All medical reports should be served on the applicant's attorney and the defense attorney, if applicable, within 5 days of receipt of the report(s).

Provide training and orientation of the District's personnel who are directly or indirectly involved in the reporting and or processing of the claims or losses.

Maintain OSHA logs electronically and complete OSHA surveys if needed by the District.

Workers' compensation case-loads are not to exceed 120-150 indemnity claims.

The District will require an office in Albuquerque with full-time claims professionals assigned exclusively to the District's account. Claims supervisors/managers should not have caseloads but may be required to handle some large exposure or sensitive claims/cases. The company does not need to be in New Mexico to pay the bills but in Albuquerque for claims handling.

The District is to be advised immediately of any staffing changes. The TPA is required to obtain temporary help for claims desk that will be vacated for greater than two weeks. The District should also be advised of any employee who is going into a corrective action/progressive discipline process.

BANKING, TAX REPORTING AND OTHER FINANCIAL NEEDS

The Contractor must advise the financial institution that the funds being deposited are public funds and as a results a Trust Account must be established to segregate these funds from other accounts for use under this agreement.

Accumulate and provide data for the creation of required tax forms. This data must be presented in the format as prescribed by the District. Provide any required federal or state financial or tax reports. Provide appropriate information, documentation and cooperation with other agencies or auditors when requested.

Reconcile (balancing) all claim file payments at least twice per year and upon settlement and file closure. Proof of reconciliation should remain in claim file. Conduct ongoing procedures regarding outstanding checks.

All refunds and recoveries will be made payable to the District, but mailed to the TPA. After recording in the claims system they will be provided to the District weekly.

The Contractor shall deposit funds into the Trust Account and shall issue claim checks from check stock purchased by the Contractor. The District shall provide a check to the Contractor for the initial deposit into the Trust Account, upon which the Contractor shall complete and return to the District a Form "For Receipt of Trust Account Funds". The Trust Account shall be interest bearing unless otherwise agreed to or prohibited by law.

A. The District shall provide sufficient funds to the Contractor to maintain in the Trust Account in order for the Contractor to make timely payments of all claims, Allocated Loss Expenses, Medical Management Service Charges, and all other amounts which the Contractor will be authorized or required to make, pursuant to this Agreement or otherwise on behalf of the District. The District shall provide funds to the Contractor to replenish the trust Account for the Claims, Allocated Loss Expenses, and Medical Management Service Charges that were approved and actually paid. The Contractor shall deposit such reimbursement into the Trust Account and shall not use funds allocated for the Trust Account as reimbursement for any other purpose.

B. Claim payments, Allocated Loss Expenses, and Medical Management Service Charges shall be paid by the Contractor using computer generated checks which has printed the District's name on the check to personalize it. The Contractor shall:
    i. Provide APS' accounting department with a weekly check register detailing checks issued, including the check date, check number, payee name, payment method and payment amount.
    ii. If requested by APS' accounting department, a copy of each check issued on the District's behalf, monthly.

iii. Provide APS' accounting department all charges the Contractor paid from the Trust Account each month.
iv. Deposit funds provided by APS solely for the Trust Account into the Trust Account.
v. Place stop pay orders at the bank as necessary.
vi. Ensure security of all check supplies.
vii. Provide monthly reconciliation of the Trust Account, including when requested reconciliations of loss runs for amounts expended from the Trust Account and identification of the amounts paid on behalf of each APS member.

C. Payment for Medical Management Service Charges – Contractor shall make payments for these services from the Trust Account. On a monthly basis, Contractor will provide a detailed report listing all charges detailing checks issued, including the check date, check number, payee name, payment method and payment amount.

1. Third-Party Claim Administrator (TPA) Services for Workers' Compensation.

a. The TPA shall act as a representative of APS in processing claims for monetary damages asserted by both first and third parties premised upon allegations of negligent or careless acts or omissions or conduct for which APS is legally responsible. Further, the TPA shall act as an APS representative in processing claims asserted by APS including, but not limited to, sending claims to excess carrier(s) for APS. The TPA must meet all the requirements of state and federal laws applicable to proper claims administration practices. Minimum services to be performed are outlined below. Any additional service (or services which the TPA cannot perform) must be outlined in the Proposal. APS seeks to define the obligations of both parties and to ensure timely and efficient adjustments, litigation management, and thorough investigation of all claims.

b. The TPA must administer the self-insurance and excess plan for APS in full compliance with all applicable federal and state statutes, rules, regulations, and best practices. This includes, but is not limited to, IRS statutes and immunities covering public entities, the New Mexico Tort Claims Act, GASB Statement No. 10, Labor Code, and similar. Note that APS is subject to the Tort Claims Act (Sections 41-4-1 to 41-4-27 NMSA 1978) which provides certain immunities for educational entities and prescribes damage caps. The TPA will notify the Director of Risk Management, or designee, in writing with respect to any changes or pending changes in state and federal statutes or regulations as soon as the information is available. ALL associated costs will be the responsibility of the TPA. The TPA will also inform the Director of Risk Management, or designee, as to significant case law and/or legal opinions that may relate to any aspect of a Contract entered into pursuant to this RFP including third-party tort action.

c. The TPA must timely notify the appropriate APS excess insurers of all qualified claims or losses with respect to which potential losses may exceed the District's self-insured retentions and must provide all necessary information on the current status of those claims or losses. The cost of any fines, penalties or other financial consequence arising from the TPA's failure to report (or timely report) qualified claims or losses to the excess carrier(s) shall be borne by the TPA.

d. The TPA providing Workers' Compensation Claims Administration services shall be responsible for the management of Medicare Set Asides as required by federal law. The TPA, in its capacity as Medicare Set Aside Administrator (MSA), shall hold harmless and indemnify APS from any cause of action to recover or recoup Medicare benefits or loss of Medicare benefits if the Centers for Medicare & Medicaid Services (CMS) determines that money was spent from the MSA account inappropriately.

e. The TPA shall provide either a non-exclusive license to APS for the use of the software program(s) that will be used to process and store APS' electronic claim data, or a commercially available system for APS' use. All information obtained by, created by, or utilized by the TPA for administration of APS business is the property of APS. All property of APS, including electronic records in native format, shall be transitioned to APS at the conclusion of the contractual relationship between APS and the TPA. At a minimum, an electronic copy of all electronic information that is the property of APS shall be saved on media or hardware that is provided by the TPA and is readily accessible and available to APS at the site of the APS Risk Management Department. The Risk Management Department MUST have the capability to enter claim notes and to independently run reports. The TPA must provide all information and means necessary to inform the Risk Management Department and to assist the Risk Management Department in appropriately handling claims.

f. The TPA shall <u>not</u> retain or contract for legal counsel on behalf of APS. At the present time, APS has contracts with law firms that will provide legal counsel on behalf of APS. The TPA shall not accept service for or on behalf of APS and is specifically prohibited from acceptance of service for the District. The TPA will assist the District's counsel as necessary, including but not limited to, assisting in the preparation of the defense of litigated cases, negotiation of settlements, and preparation for subrogation or contribution actions. The TPA shall not direct or control the provision of legal services for the District. The TPA shall confirm the assignment of legal counsel on behalf of APS with the Risk Management Department or its designee. The TPA shall provide to legal counsel access to all information obtained by, created by, or utilized by the TPA for administration of the claim(s) that have been assigned to legal counsel for representation of APS in an easily accessible electronic format. If necessary, TPA shall provide training to facilitate and ensure access to claim information. The TPA shall safeguard access to all information obtained by, created by, or utilized by the TPA in the administration of the claim(s) that have not been assigned to legal counsel for representation of APS. The method of access to electronic information must be available at all times, must be straightforward and easy to use, and must grant access to information about assigned claims; but must not permit

inadvertent access to other claims that have not been assigned to a particular provider of legal services. The TPA must provide all information necessary to assist the District's counsel on request, whether or not the information is available in an electronic format.

g. The TPA's computer system must capture minimum information, including but not limited to: location, cause, type, source, job classification, date of loss, date loss was reported to the TPA, time of loss, and claimant's gender. It must identify the applicable line of coverage, offer a condensed description of the incident or accident, and list payments made and the estimated future costs (reserves). The TPA computer system must also include the ability to track reserve changes, provide the claimant's name and date of birth, provide (an) employee's occupation or position with the employer, and list plaintiff and defense legal costs and any additional legal expenses. The availability of open data fields is preferred, in order to customize reports. Additionally, the system must track payments and reserves for medical-only costs, indemnity costs, rehabilitation costs, s*ub rosa* costs, and other miscellaneous expenses, and capture a condensed description of the incident/accident, the name of all medical and/or rehabilitation facility(s), and/ or the name of the physician or physician group utilized by the employee. TPA must have computerized capability to include a specific code on the loss run that will clearly display the claim as "in-suit".

h. Specified loss information reports will be provided to the Director of Risk Management within fifteen (15) days of the close of the applicable month for each line of coverage as follows:

    1. Detailed APS loss experience by line of coverage by program year, to be updated and provided to APS monthly.

    2. Each school/department's detailed loss experience by coverage, by program year; to be updated and provided to APS monthly.

    3. A summary of payments/reserves/recoveries during the month, by program year; to be updated and provided to APS monthly.

    4. Summary of claims activity during the month, by coverage, by program year; to be updated and provided to APS monthly.

    5. A list of all claims in the excess layer, by coverage, by program year; to be updated and provided to APS monthly and to include recovery information.

    6. Accident Loss Analysis Report (defined as a list of type, source, and cause of all claims), sorted by the top five (5) categories for the District and for each school/department, and contrasting the most current program year and the last program year. This report is to be updated and provided to APS monthly.

7. A detailed listing of all claims, by coverage, by program year, to be updated and provided to APS quarterly.

8. Trending Analysis Report, to be updated and provided to APS annually.

In addition, for every claim that is reserved at or over $25,000, a caption report shall be submitted to the Director of Risk Management within 10 (ten) days of receipt of verification of claim. The caption report shall be followed by a summary report every 60 days. The report should contain location, cause, type, source, job classification along with the following information:

1. Claim Number

2. Claimant's Name

3. The Age of the Claimant

4. The injury (if an injury) and/or the type of property (if property) including both APS or claimant Property

5. Cost of treatment to date, if any

6. Repair/replacement estimates, if any

7. The current condition of the claimant

8. Claimant's Attorney Name, if represented

9. Date of Loss

10. Type of Loss

11. Location of the loss

12. Summary of the facts

13. Liability percentage and how you arrived at that percentage

14. Current reserve

i. Various *ad hoc* reports are required on an as-needed basis. For example, if applicable, APS may require a report designed to track aggregate limits and aggregate coverage layers. The cost to produce such reports is part of the TPA's basic services and may <u>not</u> be separately charged to APS.

j. As noted above, APS requires real-time access to the claims system for Risk Management staff to review claims notes, run special reports, etc. However, APS Risk Management's access to the claims system shall in no way excuse TPA's non-performance should TPA fail to produce a required or requested report in a timely manner.

k. Subrogation efforts ***must*** be pursued where applicable. The TPA shall timely, promptly, and vigorously pursue subrogation for all claims where subrogation either is available or potentially could be available. Failure to properly subrogate a claim where the opportunity exists will be grounds for immediate termination of TPA with cause.

l. APS reserves the right to assign claims between and among the TPA Contractors. APS reserves the right to assign claims to legal counsel. APS reserves the right to assign any necessary emergency response or investigation of a claim, to be defined as requiring action within twenty-four (24) hours from the time the claim is assigned and then to assign the investigation and resolution of the claim to another TPA contractor or to an independent adjusting firm in its sole and absolute discretion. APS reserves the right to assign claims to an independent adjusting firm when, for example, a potential conflict of interest may exist.

m. The TPA will confer with the District during all stages of any legal proceedings to ensure that all facts are timely obtained and thorough investigations are promptly conducted. Investigations shall include the collection of information and data required by legal counsel to respond to interrogatories and to defend the District. The TPA shall participate in the preparation of responses to litigation discovery requests, mediation, arbitration, or settlement negotiations, and the evaluation of claims and other activities necessary to assist legal counsel.

n. The TPA must have the ability to quickly and accurately evaluate any coverage below self-insured retention(s). In addition, the TPA will develop and maintain agreements with excess carrier(s) as to how and by whom claims will be adjusted above the self-insured retention(s). The District wishes to ensure a consistent and non-interrupted adjustment once a claim falls within any excess layer.

o. The TPA must be familiar with the banking, wire transfer, funding requirements, check writing, record keeping, and security system(s) necessary to operate an effective self insurance program. TPA bidders should address such arrangements and capabilities in their proposal.

p. TPA shall maintain a blanket crime coverage in an amount no less than $3,000,000. The TPA shall provide proof of insurance indicating the limits of liability and the name of the carrier. Any employee theft or dishonesty losses resulting from the provision of services to APS shall be fully repayable to APS. It shall be the TPA's responsibility to recover these funds and to reimburse APS accordingly.

q. Professional liability/errors and omissions insurance with a minimum of $2,000,000 per occurrence.

r. Workers' Compensation insurance as required by statute.

s. Comprehensive general and automobile liability insurance with a minimum of $2,000,000 per occurrence and $4,000,000 aggregate to include premises operations; independent contractual, broad form property damage endorsement; and vehicles owned, non-owned and hired; and cyber liability/data breach coverage.

t. Faithful performance coverage with a minimum of $1,000,000 per occurrence applied exclusively to the District

u. The selected offeror will be asked to provide evidence that District's insurance requirements have been met. The District is to be named as an additional insured, an endorsement and COI to be issued in support, prior to commencement of the contract.

2. Medical Case Management Services

There are approximately 4-7 cases per month referred out to a nurse for field case management. The District currently has approximately 15 open Case Management files. The District may need nurse triage services as well as telephonic and field nurse case management. APS will also have a need for bilingual services.

a. Contractor(s) shall act as a representative of APS in medical case management. Contractor(s) must meet all the requirements of state and federal laws applicable to proper medical case management practices. Any additional service must be outlined

in the Proposal. APS seeks to define the obligations of both parties and to ensure timely and efficient medical case management. Minimum services to be performed are outlined below:

Immediate Referral:

- Amputations
- Severe eye injuries
- Thermal or chemical burns
- Multiple injuries resulting in trauma
- Crushing injury
- Multiple fractures
- Electric shock
- Spinal cord injury
- Acquired brain injury
- Infections requiring hospitalization
- Heart attacks/strokes

Referral within 30 Days of Continuous Lost Time:

- Back injuries
- Diagnosed carpal tunnel
- Diagnosed reflex sympathetic dystrophy (RSD)
- Injury with history of prior injuries
- Injury with pre-existing conditions (diabetes, hypertension)
- Osteomyelitis
- Knee injuries with suspected anterior cruciate ligament tear
- Questionable claims or claims where no return-to-work has been established

Referral within 60 Days of Continuous Lost Time:

- Soft tissue injuries
- Uncomplicated fractures

Referral within 90 Days of Continuous Lost Time:

- Joint injuries (shoulder, elbow, hip, knee, ankle)
- Job descriptions should be made available to the case manager upon assignment

On assigned cases, Medical Case Management Contractor(s) shall:

1. Make contact with the injured worker and physician to obtain current medical status and projections of future medical treatment and costs
2. Identify treatment plan options with physician
3. Attend physician appointment(s) with injured worker when appropriate
4. Coordinate discharge planning and arrange for transition to home, nursing home, or other appropriate facility

5. Determine appropriate level of nursing care needed
6. Access the medical equipment and supplies needed and make recommendations for purchase of lease options, direct billing, and bulk order discounts
7. Negotiate price discounts on all healthcare services, supplies, and facilities
8. Perform file reviews
9. Oversee continuing care and recovery to ensure optimum results
10. Document case activity, keep claim adjuster well informed
11. Send detailed report to claim adjuster after each significant activity
12. Provide cost savings information upon closure of file

b. Contractor(s) shall safeguard access to all information obtained by, created by, or utilized by Contractor(s) for medical case management. Note that various *ad hoc* reports are required as needed; the cost to produce any such reports is part of the Contractors' basic services and may <u>not</u> be separately charged to APS. APS reserves the right to assign medical case management between and among Contractors, and to an independent firm when, for example, a potential conflict of interest may exist.

c. Contractor(s) must provide all necessary information on the current status of medical case management. All information obtained by, created by, or utilized by the Contractor(s) for administration of APS business is the property of APS. All property of APS, including electronic records, shall be transitioned to APS at the conclusion of the contractual relationship between APS and Contractor(s). At a minimum, an electronic copy of all electronic information that is the property of APS shall be provided by Contractor(s) to be physically located at the Risk Management Department and the information must be accessible to APS at all times.

3. Return-to-Work Coordination Services

In order to reduce claims costs, improve the chances of the employee's quick recovery, and to minimize disruption to the workplace, APS is interested in returning injured employees to work as early as possible. Contractor(s) shall act as a representative of APS in return-to-work coordination services. Contractor(s) must meet all the requirements of state and federal laws applicable to proper return-to-work coordination services. Any additional service must be outlined in the Proposal. APS seeks to define the obligations of both parties and to ensure timely and efficient return-to-work coordination services. Minimum services to be performed are outlined below:

a. To aid in facilitating the return-to-work process, APS requires Contractor assistance in providing coordination between the injured worker, the injured worker's supervisor, and APS' Human Resources department. Contractor will act on behalf of the Risk Management department to aggressively reduce costs associated with Total Temporary Disability payments to injured workers when workers can be returned to work in transitional duty assignments.

b. APS procedure requires injured workers to report to Human Resources following treatment, and further identifies transitional duty as an option that permits employees to return to the worksite during their recovery (following a work- related injury). Human Resources officials are tasked with decisions as to whether an injured employee with physical restrictions may return-to-work. Contractor is required to contact Human Resources to assist in identifying appropriate transitional duty opportunities for injured workers returned to the workplace with physical restrictions. For each employee successfully returned to work and for those unable to be placed, Contractor will produce a written report.

c. Contractor will be provided with access to all job descriptions.

d. Contractor(s) shall safeguard access to all information obtained by, created by, or utilized by Contractor(s) for return-to-work coordination services. Note that various *ad hoc* reports are required on an as-needed basis; the cost to produce any such reports is part of the Contractors' basic services and may not be separately charged to APS. APS reserves the right to assign return-to-work coordination services between and among Contractors. APS reserves the right to assign return-to-work coordination services to an independent firm where, for example, a potential conflict of interest may exist.

e. Contractor(s) must provide all necessary information on the current status of return-to-work coordination services. All information obtained by, created by, or utilized by the Contractor(s) for administration of APS business is the property of APS. All property of APS, including electronic records, shall be transitioned to APS at the conclusion of the contractual relationship between APS and Contractor(s). At a minimum, an electronic copy of all electronic information that is the property of APS shall be provided by Contractor(s) to be physically located at the Risk Management Department and the information must be accessible to APS at all times.

f. Offerors must include a description of the company's quality assurance guidelines and process for assuring that the guidelines are met.

4. Medical Bill Review Services Requirements.

a. Contractor shall act as a representative of APS in reviewing Worker's Compensation claims for which APS is financially responsible for possible billing and accounting errors and overcharges. Further, the Contractor must meet all the requirements of state and federal laws applicable to proper medical bill review practices. Minimum services to be performed are

outlined hereafter. Any additional service must be outlined in the Proposal. APS seeks to define the obligations of both parties and to ensure timely and efficient medical bill review for all claims.

b. Contractor shall review the Worker's Compensation claims, for which APS is financially responsible, for possible errors and overcharges in full compliance with all applicable federal and state statutes, rules, and regulations. The work shall involve comparing detailed invoices with medical records to identify erroneous charges and reviewing detailed invoices for duplicate charges and charges that do not match indicated reasons for treatment. Contractor shall review the CPT, HCPCS, and ICD-9 codes used in the invoices to ensure they are appropriate, based on the claimant's condition and treatment.

c. Contractor shall adjust charges made by health care providers in excess of the maximum allowable under the New Mexico Workers' Compensation Administration (NMWCA) regulations to reflect the Maximum Allowable pay. Contractor shall adjust the Preferred Provider discounts for those charges made by health care providers who are entered into their Preferred Provider network.

d. Contractor shall provide APS with an explanation of benefits report reflecting the suggested payment for each bill after it is reviewed and adjusted. Contractor shall safeguard access to all information obtained by, created by, or utilized by Contractor for medical bill review.

e. Various *ad hoc* reports are required on an as-needed basis; the costs to produce any such report(s) is part of the Contractor's basic services and may <u>not</u> be separately charged to APS. APS reserves the right to assign medical bill review to an independent adjusting firm when, for example, a potential conflict of interest may exist.

f. Contractor must provide all necessary information on the current status of medical bill review. All information obtained by, created by, or utilized by the Contractor for administration of APS business is the property of APS. All property of APS, including electronic records, shall be transitioned to APS at the conclusion of the contractual relationship between APS and Contractor. At a minimum, an electronic copy of all electronic information that is the property of APS shall be provided by Contractor to be physically located at the Risk Management Department and the information must be accessible to APS at all times.

5. Pharmacy Management Network

To ensure that injured workers obtain the appropriate amount of medicine at a fair unit price and to promote efficient and effective treatment, the Contractor shall provide a pharmacy network, medications database management, and administration of point of sale transactions of medications involving workers' compensation claims for APS employees. The total number of pharmacy bills received over the last three-years is as follows: 2013: 1,977 bill; 2014: 2061 bills; 2015: 2,194 bills. APS is interested in an electronic data feed solution (EDI). For 2015 there were 559 open pharmacy services claims. The approximate 2015 spend for pharmacy was $500,000.

a. Contractor shall provide information to identify the network plan benefits, resources, terms, conditions, quality assurance, participating pharmacies, and any other unique or advantageous aspects of the network pharmacy program.

b. Any compensation to be derived by the Offeror through the Pharmacy Management Network shall be disclosed in the Proposal.

c. Contractor(s) shall safeguard access to all information obtained by, created by, or utilized by Contractor(s) for Pharmacy Management Network services. Note that various *ad hoc* reports are required on an as-needed basis; the cost to produce any such reports is part of the Contractors' basic services and may not be separately charged to APS. APS reserves the right to assign Pharmacy Management Network services between and among Contractors and to an independent firm when, for example, a potential conflict of interest may exist.

Attachment B

COST RESPONSE FORM

WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION
AND
MEDICAL MANAGEMENT SERVICES

The Offeror listed below submits the following cost proposal not including New Mexico Gross Receipts Tax for Risk Management Claims Administration and Related Services (as stated below) to complete the requirements as outlined in this RFP for the Albuquerque Public Schools Director of Risk Management.

The Cost per Line Rate AND Hourly Rates are exclusive of applicable New Mexico gross receipts tax.

Offeror Name:_____

Signature: _____ Date_____

Name of Person Signing (typed or printed): _____

Title: _____

Third Party Claim Administration Services and/or Worker's Compensation Related Services
Services and Fee Schedule

Service		**Flat Annual Fee**
Third Party Administrator (TPA) Workers' Compensation Claims Administration Services		
Service	**Hourly Rate**	**Annual Cost**
Medical Case Management Services – Workers' Compensation: **Telephonic**		
Service	**Hourly Rate**	**Annual Cost**
Medical Case Management Services – Workers' Compensation: **Field**		
Service		**Hourly Rate**
Return to Work Coordination Services – Workers' Compensation		
Service	**Retail**	**AWP [- %]**
Pharmacy Management Network Services – Workers' Compensation	Brand	
*Generic: NPS User Mac pricing which equates to AWP - 80%	Generic*	
	Mail Order	**AWP [- %]**
	Brand	
	Generic*	
Service		**Fee Per Bill**
Medical and/or Hospital Bill Review Services		
Service		**% of Savings**
Medical Management Services: PPO Network		
Service		**Fee Per Claim**
Medical Management Services: MSAs		
Service		**Hourly Rate**
Risk Control – Ergonomic Assessment, upon request		
Service		**Fee**
All OSHA Reporting		
Service		**One-Time Fee**
Account Set-up, Data Migration and Data Feed		
Service		**Fee**
Take Over Claims		
Service		**Hourly Rate**
Property and Liability Consulting Services, upon request		