



SOLICITATION ADDENDUM

Solicitation Number: RFP HR 21-016 Addendum #1 (Issued:1/14/21)
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Solicitation Due Date: January 21, 2022, 2:00 p.m. Local AZ Time

CITY OF PHOENIX
Human Resources Dept.
251 W. Washington Street
7th Floor
Phoenix, AZ 85003
Phone: (602) 206-5081

Worker's Compensation Third Party Administration (TPA) Claims Management Services

QUESTIONS AND ANSWERS

The following are questions submitted and are represented as they were received:

Item No.	Question	Answer
1	What is the estimated funding source, or budget for this project?	The budget for this contract will be determined based on the selection made by the City through this RFP process.
2	Has funding been secured, or is that expected to take place at a later date?	See RFP Section II, paragraph 18, Fiscal Year Clause. City budgets are approved annually by June 30 each fiscal year.
3	Is this a new requirement? Or is there an incumbent vendor providing these services? If so, what is the contract number, vendor name, and term of the contract?	The current contract number is 144852 with Cannon, Cochran Management Services, Inc. (CCMSI), which will expire June 30, 2022.
4	Is there a timeline for when this project must be started or awarded?	July 1, 2022. See the following RFP Sections where this information can be found: <ul style="list-style-type: none"> • Section I, Paragraph 1.1 Description – Statement of Need • Section II, Paragraph 1.1 Term of Agreement
5	In order to provide accurate pricing we ask for 5-years of detailed claims data (starting 1/1/2017) for workers' compensation (WC) in a detailed spreadsheet format. If no spreadsheet can we acquire: (5A) Starting 1/1/2017, may we have the number of claims per contract/calendar year; (i) Broken out by indemnity, future medical and medical only claims (ii) Broken out by paid, reserved and total incurred	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 3</u> Open Medical Only Claims as of 01.01.2022 <u>Report 4</u> Open LEC and SCA Claims as of 01.01.2022 <u>Report 5</u> Open Indemnity Claims as of 01.01.2022 <u>Report 7</u> All Claims 01.01.2017 – 12-31-2021 as of 01.01.2022
6	Please provide the total number of open indemnity claims effective 1/1/2022.	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 5</u> Open Indemnity Claims as of 01.01.2022
7	Does City of Phoenix Utilities have its own risk management information system? (7A) If yes to having a RMIS is it proprietary or lease?	No



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	(7B) If leased please provide the name of the RMIS vendor. (7C) If leased does City of Phoenix get daily data downloads to its RMIS?	
8	In addition to the regular quarterly claims review meetings approximately how many additional administrative meetings or other site visits were made by the incumbent TPA during calendar year 2019 (pre-pandemic)?	There were five additional meetings in 2019. Additional meetings would be scheduled on an as needed basis.
9	How many City of Phoenix employees will need access to the claims management system? (9A) How many with simple look-see capability? (9B) How many with read & write reporting capabilities?	7 employees will require access: (9A) 5 employees (9B) 2 employees At its discretion, the City will have the ability to change the number of employees and capabilities based on the City's needs.
10	May we have detailed bill review statistics, specifically aggregate annual data for the past 4-years including; number of invoices/number of lines, gross annual expense, gross savings, net savings and all related bill review vendor expenses	Bill review services are not part of this contract. The information may be available through a public records request. See response to Question 11.
11	Will all open claims be transferred to the new TPA?	Yes. See Section II, Exhibit A – Scope of Work, paragraph 9C.
12	Could City of Phoenix Utilities provide the incumbent TPA's 2020-21 fee structure for claims management and managed care services?	This request for information can be made in accordance with the City's public records procedures. Website: https://www.phoenix.gov/pio/public-records-request
13	Which defense law firm(s) did City of Phoenix Utilities utilize for during 2020 and 2021?	Lundmark, Barberich, Lamont & Slavin, P.C. and Jardine, Baker, Hickman & Houston P.L.L.C.
14	Does the city utilize the incumbent's UR services or a separate vendor?	UR services are included in a separate City contract for bill review services.
15	Does the city utilize the incumbent's nurse case managers or a separate vendor?	The City has a separate consultant for this service. All referrals require approval from the City.
16	Does the city utilize the incumbent's 24-7 nurse triage services or a separate vendor?	The City does not utilize nurse triage or have a separate contract for nurse triage services.
17	Does the city utilize the incumbent's pharmacy mgt services or a separate vendor?	The City does not have a separate contract for these services.
18	Does the city utilize the incumbent's medical bill review or a separate vendor?	The City has a separate contract for bill review services.



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19	Does the city utilize the incumbent TPA's Loss Prevention – Risk Management consultation services /or/ does the city contract service from an outside vendor?	The City has loss prevention services.
20	Does the city have union-collective bargaining agreements that impact workers' compensation benefits such as salary continuation and RTW?	Yes
21	What priorities should the successful claims administrator focus on for City of Phoenix?	Customer service and communication.
22	What priority (or priorities) are most important for City of Phoenix?	Customer service and communication.
23	Are there budget constraints that we should be aware of that impact delivering services aligned with City of Phoenix? If so, please elaborate.	No
24	Are there any other issues that you would like the successful claims administrator to address on behalf of City of Phoenix and their associates?	No additional issues.
25	Can we price Pharmacy other than % of savings?	See Section IV, Submittals – Fee Schedule. This information can be added under the Additional Services section in the table.
26	Can you identify the staffing onsite? We understand one supervisor, one claims assist and adjusters can be hybrid? Or are all adj required onsite at all times?	Yes, adjusters are required to be onsite unless approved by the City. Teleworking will be considered and require approval by the City on an as-needed basis.
27	Is the account manager dedicated or designated?	Dedicated
28	Is the account manager required to be on site if dedicated?	No
29	Please provide a 5 year loss run for pricing and staffing purposes.	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 7</u> All Claims 01.01.2017–12.31.2021 as of 01.01.2022
30	Please describe in detail the current structure of the program including number of supervisors, claims examiners, claims assistants.	3 supervisors, 7 claims adjusters, 2 supportive care adjusters, 1 subrogation adjuster and 4 assistants



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31	What is the current volume for monthly intake of new claims?	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 7</u> All Claims 01.01.2017–12.31.2021 as of 01.01.2022
32	On the prebid call, it sounded like there are no medical only claims. Can you please describe why?	The City has a supplemental pay benefit. We pay for the first 1- 7 days of time loss if the time loss does not exceed 14 days.
33	Please describe the current outcomes for the performance agreement. What has been paid in penalties for lack of performance?	No penalties have been assessed for lack of performance.
34	From the described service requirements, a caseload of 150 seems too high to meet performance guarantees. Would the City agree to comparing pricing at lower caseloads?	The maximum caseload for claims is 150 to meet the performance guarantee. The pricing will be based on this amount.
35	If successful in selecting another TPA, would conversion of claims data come from more than one source? If so, how many?	No, only one source.
36	Is there currently an electronic data interface with the City's RMIS or HRIS system? If so, please describe.	No
37	Please provide loss runs for the last five years along with a loss run of all open claims. This loss run should include claim type and paid and reserve figures.	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 7</u> All Claims 01.01.2017–12.31.2021 as of 01.01.2022
38	How many open claims are supportive care?	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 4</u> Open LEC and SCA Claims as of 01.01.2022
39	How many Covid claims has the City experienced in 2020 and 2021? Please indicate how many of current open inventory of 2,200 are COVID related.	864 total Covid claims. 287 currently open
40	Can you provide a caseload count for each examiner currently on the program?	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 6</u> Claims Counts (002)
41	Does the supervisor have a caseload?	No, only as needed.



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42	Does the loss run include incident reports? If not, please provide a report identifying annual number of incidents.	We do not file incident reports. A claim is filed when the employee decides to seek treatment.
43	How many civil/criminal hearings are attended annually?	13 hearings in 2017, 10 hearings in 2018, 27 hearings in 2019, 27 hearings in 2020, and 7 hearings in 2021
44	How many new claims are received monthly?	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 7</u> All Claims 01.01.2017–12.31.2021 as of 01.01.2022 Note: This information varies from month to month.
45	How many subrogated, second injury and litigated claims occur annually?	Please see the reports referenced below and included as separate attachments with Addendum 1. <u>Report 1</u> Suits Filed by Policy Year <u>Report 2</u> Subrogation by Policy Year
46	Please provide a list of current approved ancillary service providers.	We do not have a list.
47	Is medical bill review included in this agreement?	See response to Question 10.
48	How are the 300 points allocated for pricing?	The lowest priced proposal will receive 300 points. All other Offerors are assigned points based on a formula using the lowest proposed price.
49	Would the City consider rebadging the current claims examiners on the program?	Yes, this would be considered.

The balance of the specifications and instructions remain the same. Offeror must acknowledge receipt and acceptance of this addendum by returning the entire addendum with the proposal submittal.

Name of Company: _____

Address: _____

Authorized Signature: _____

Print Name and Title: _____