



REPRESENTING
CHIEF FINANCIAL OFFICER
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STATE OF FLORIDA

**DFS (RM) RFP 12/13-09
Workers' Compensation Claims
Addendum 2**

**Addendum 2 - PART 1 - Questions and Responses Related to DFS (RM) RFP 12/13-09,
Workers' Compensation Claims**

Question 1: What will be the effective date of the contract?

Response 1: The contract is anticipated to be in effect in early May 2013.

Question 2: How do the claim assignments get sent to the contractor?

Response 2: The department currently issues claim assignments to the contractor via email, and this process is anticipated to continue with the contract resulting from the RFP, as specified throughout Section 2.4 of the RFP.

Question 3: Does email constitute written notice for acknowledgement of assignments?

Response 3: Yes

Question 4: In what form of media does the State want the Type I & IV reports/summaries/video submitted?

Response 4: Reports, summaries, photos and other such documents shall be submitted to the department via email in MS Word. Videos shall be emailed to the department or submitted via Compact Disk (CD). Specifications for the submission of all documents as specified throughout Section 2.4 of this RFP, and as required in the contract resulting from the RFP may be modified after contract execution upon prior written department approval or request.

Question 5: Type I – What expenses other than hourly are reimbursable? If so, at what limits?

Response 5: Section 2.12 B of the RFP provides specifications for contractor reimbursement of travel and non-travel related expenses by the department, and includes examples of the types of non-travel related expenses that might be incurred by the contractor for which reimbursement by the Department may be made if approved in advance by the Division.

Question 6: How will the adjusters interact with the STARS system?

Response 6: There is no remote access to the Division's current Risk Management Information System (STARS), so only on-site temporary adjusters will have access to the system. If assigned by the department, the contractor's temporary, on-site

adjuster(s) shall be trained in the use of STARS after they are deployed and report to the Division. The contractor's temporary, on-site adjuster(s) shall use STARS to complete the functions of their assigned claims as a department adjuster would.

Question 7: Who gets access to the STARS system?

Response 7: The contractor's department-approved, temporary, on-site adjusters.

Question 8: What would be the anticipated maximum caseload per adjuster?

Response 8: If temporary adjuster services are requested by the department, the per-adjuster caseload will vary, and will depend on the assignment. The department anticipates no more than 200 liability and property-related claims and no more than 250 workers' compensation-related claims, per temporary adjuster at one time. Liability and property-related claims and workers' compensation-related claims will not be concurrently assigned to the same adjuster.

Question 9: What would be the anticipated number of new cases per month?

Response 9: If temporary adjuster services are requested by the department to fill in for a department adjuster vacancy, the contractor's temporary adjuster shall assume all current cases of that department adjuster, and any new cases that may be assigned. The anticipated number of new cases per month is unknown.

Question 10: Will the 3 temporary adjusters from the 3 categories (Workers' Compensation, Property, Liability) be required to work in-house within the division?

Response 10: Yes, unless otherwise instructed by the department as provided in section 2.4.3 of the RFP.

Question 11: Does the State of Florida Risk Management Program established under Chapter 284, F.S. statutorily subject to F.S. 626.9891?

Response 11: In accordance with section 284.30, F.S., the State of Florida Risk Management Program (Program) is self-insured. Although the Program follows the provisions of F.S. 626.9891, it is not subject to its requirements. (Please see modification in PART 2 of this addendum.)

Question 12: If Question #11 is yes, does the State handle the following basic administrative and SIU program management responsibilities:

- a. Filing state fraud plan (one-time)
- b. Filing annual Workers' Compensation Annual Anti-Fraud (WCAF) report
- c. Proving yearly approved anti-fraud training to underwriting & claims personnel
- d. Facilitate and manage a public anti-fraud awareness program
- e. Division of Insurance Fraud (DIF) TIP tracking
- f. Rule 69-D compliance
- g. State Attorney & Assistant State Attorney liaison responsibilities
- h. Restitution management

Response 12: The incumbent contractor currently performs these functions, and the department anticipates these functions to be performed by the new contractor under the contract resulting from the RFP.

Question 13: If Question #11 is subject to F.S. 626.9891 who is the SUI Program Manager?

Response 13: The SIU program managers will be the Bureau Chief for State Liability & Property Claims and the Bureau Chief for Workers' Compensation Claims within the department's Division of Risk Management.

Question 14: Would the State of Florida be willing to split Investigative Services and Claims Administration into two contracts, thus allowing a provider to bid solely on one specific set of services?

Response 14: No, however the prime contractor may use subcontracts to perform work under the terms of the contract resulting from the RFP upon express written, prior consent of the department's Division of Risk Management. (Please refer to Sections 1.1 and 2.9 of the RFP.)
(Please see modifications in PART 2 of this addendum.)

Question 15: Who is the incumbent Prime Contractor?

Response 15: York Risk Services Group, Inc., a.k.a., York Claims Services, Inc.

Question 16: Is there a master contract Prime Contractor supported with subcontracts for each of the individual "Service Types"?

Response 16: No. The incumbent contractor functions as the special investigations unit (SIU) for the department through a subcontract.

Question 17: Under the provisions of the Florida Sunshine Law please provide a copy of the in-force contract including pricing.

Response 17: The department's contract (Agency Assigned Contract ID: RM051), with York Risk Services Group, Inc. may be viewed on the Florida Accountability Contract Tracking System at <http://www.myfloridacfo.com/aadir/statewidecontractreporting.htm>

Question 18: Would the State consider bifurcating the Prime Contractor responsibilities?

Response 18: Please see Response 14.

Question 19: Please confirm that the targeted contract inception date is July 1, 2013.

Response 19: Please see Response 1.

Question 20: Does the State currently utilize an invoicing system they would like to continue using?

Response 20: No, the State does not require a specific invoicing system. The new contractor will be expected to utilize an invoicing system that provides all information needed for the timely processing of payments to the contractor. (Please refer to

Section 2.12 of the RFP.)

Question 21: Page 11, Section 2.4.2 Type II: External Full Handling and Processing of a Claim.

Our interpretation of this services element is:

- Vendor would perform initial investigation
- Vendor submits recommendations for compensability to the State, and subsequently, the State advises the vendor of their decision
- Vendor re-prices provider bills to FL fee schedule, and takes PPO discounts
- State controls nurse case management assignments
- State grants settlement authority, and vendor makes offer on State's behalf
- State manages all litigation (vendor closes file once claim is contested)

Response 21: The department will require the new contractor to manage all litigation, and coordinate the re-pricing of provider bills with the department's medical bill review contractor as specified in Section 2.4.2 of the RFP.
(Please see modification in PART 2 of this addendum.)

Question 22: Page 13., Section 2.4.3. In the second paragraph the State requires that temporary staff be available with five (5) days business notice. In the third paragraph the State requires all temporary adjusters to be approved in advance by the State. This is a tight timeline – is there any flexibility here regarding the coordination of these requirements?

Response 22: No, the specified requirements are critical to ensuring continuity of the adjuster functions.

Question 23: Page 19. Section 2.6. Please provide a copy of the in-force Quality Assurance Plan used by your current vendor.

Response 23: The department's current contract does not require submission of a Quality Assurance Plan from the incumbent contractor. The new contractor will be required to develop and maintain an Internal Quality Assurance Plan that meets or exceeds the specifications provided in Section 2.6 of the RFP, and as approved by the department.

Question 24: Page 32. B. Contractor Performance Reporting. Please provide a sample quarterly performance report for evaluation.

Response 24: Contractor self-reporting is not utilized in the current contract, therefore a sample quarterly performance report is not available. As specified in Section 2.11 B of the RFP, the quarterly performance report shall summarize the new contractor's adherence to each of the performance standards provided in the RFP, and shall be in a format approved by the department.

Question 25: Page 34. C. Retainer for Temporary Catastrophe Adjusters. What is the current fixed amount paid by the State to guarantee the availability of CAT personnel?

Response 25: Amendment 5 to the department's contract (Agency Assigned Contract ID: RM051), with York Risk Services Group, Inc. includes the current fixed amount paid by the State to guarantee the availability of CAT personnel, and may be

viewed on the Florida Accountability Contract Tracking System at <http://www.myfloridacfo.com/aadir/statewidecontractreporting.htm>

Question 26: Page 69. Standard Contract. Would the State be interested in having bidders present a red-lined copy of the proposed contract?

Response 26: RFP page 1 of 81 states, "Under Florida law, a Request for Proposal may not be negotiated." However, RFP section 1.6 allows the Proposers to bring any inconsistency among the provisions of the RFP and its attachments to the attention of the Purchasing Agent. The contract will be completed with the awarded proposer's information and executed following contract award.

Question 27: Please explain in more detail the requirements with regard to MyFloridaMarketPlace.

Response 27: According to PUR1000-14 and 60A-1.03, MyFloridaMarketPlace Transaction Fee, the State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system. Pursuant to section 287.057 (22), F.S., all payments shall be assessed a Transaction Fee of one percent (1.0%), which the vendor shall pay to the Florida Department of Management Services.

Question 28: On page 16 of 81 of the RFP document in Section 2.5, D: Line 9 indicates "Physical Therapy" for PT. Should this stand for "Permanent Total" instead?

Response 28: PT as used in the RFP refers to Physical Therapy

Addendum 2 - PART 2 - Modifications to DFS (RM) RFP 12/13-09, Workers' Compensation Claims

RFP Section 3.12, PART 1, TAB 1-A (e) 4 is deleted in its entirety and replaced with:

“The proposer:

- 1) has no existing relationship, financial interest or other activity which creates any actual or potential organizational conflicts of interest relating to the award of a contract resulting from this RFP;
- 2) will not engage any subcontractor, subsidiary or partner that has an existing relationship, financial interest or other activity which creates any actual or potential organizational conflicts of interest relating to the award of a contract resulting from this RFP; and
- 3) has included information in its Proposal to the RFP detailing the existence of any actual or potential organizational conflicts of interest as described above.”

RFP Section 3.12, PART 4, Tab 4-B is modified to add, “To the extent a subcontractor is utilized by the Contractor, but not identified in the Contractor’s Proposal, the Contractor shall provide the information listed in (a) and (b) with its request for Department approval of its subcontract.”

RFP Section 3.12, PART 4, Tab 4-G (d) is deleted in its entirety and replaced with, “(d) how new employees (including new subcontractor employees) shall be trained and oriented to the services to be provided in the Contract;”

RFP Section 3.12, PART 4, Tab 4-J (a) is deleted in its entirety and replaced with, “(a) Staff org chart(s) identifying the Proposer’s key staff by name, if known at the time of Proposal submission, and position titles; (if key staff positions are vacant, the Proposer shall identify key staff by position titles), and plan for ensuring such staff will be trained and oriented in a manner sufficient to provide services upon execution of the contract.”

RFP Section 2.4.4, first paragraph, last sentence is hereby modified to state, “The Contractor must possess expertise in the investigation of insurance claims for potential fraud, and be qualified and capable to function as the Department’s Special Investigations Unit (SIU) in accordance with section 626.9891, F.S.”

RFP Section 2.4.2 B is modified to add:

“Services required by the Contractor for assignments of this type include, are not limited to:

- a. Assessing the extent and nature of injuries or damages sustained;
- b. Investigating accident/incident factors leading to establishment of the degree of liability, if any, on the part of State government;
- c. Interviewing involved persons or witnesses;
- d. Taking photographs or statements;
- e. Obtaining accident reports, medical records, photographs, court records, and similar documents; and
- f. Conducting other claims activities, as required to bring the claim to a final conclusion with a claimant.”

Addendum 2 - PART 3 – Revised Scoring and Weights Table

“The table provided in Section 4.8, Scoring and Weights, first paragraph and the table provided in section 4.8 is hereby deleted in its entirety and replace with the following:

Evaluations and scoring of points will be based on the detailed evaluation criteria components provided in Section 4.9 of this RFP Raw points for each component will be calculated and weighted using the factors provided in the table below to arrive at the maximum points for each proposal. The maximum points available to a Proposer is 100.

Component	Maximum Raw Points Available	X	Weight Factor	=	Maximum Points Available
A. Mandatory Criteria Documentation (responsiveness (Tab 1A-C), determined according to RFP section 4.2)					
B. Past Performance					
1. Client Reference #1	45	X	.0278	=	1.25
2. Client Reference #2	45	X	.0278	=	1.25
3. Client Reference #3	45	X	.0278	=	1.25
C. Financial Information	20	X	.0625	=	1.25
D. Cost Proposal	250	X	.12	=	30
E. Technical Proposal					
1. Table of Contents					
2. Organizational Structure and History	5	X	.6	=	3
3. Proposer/Subcontractor Experience & Qualifications	25	X	.28	=	7
4. Workers' Compensation Claims	35	X	.429	=	15
5. Liability, Civil Rights, Employment Discrimination and Property Damage Claims	45	X	.333	=	15
6. Reporting	10	X	.8	=	8
7. Internal Quality Assurance	45	X	.067	=	3
8. Information Technology (IT) Requirements	15	X	.333	=	5
9. Staffing	20	X	.45	=	9
Total Maximum Points Available					100

RFP Section 4.9 E, Liability, Civil Rights, Employment Discrimination and Property Damage Claims, is hereby modified to add the following:

- “(h) The ability of the Proposer to adequately determine and document appraisals for damages to automobiles, heavy equipment, structural property and marine property; and
- (i) The adequacy and viability of the Proposer’s plan to ensure timely, qualified, temporary catastrophe adjusters are provided to the Department within the timeframes specified in RFP Section 2.4.7, when requested by the Department.”