

THE CITY OF WALTHAM
MASSACHUSETTS

PURCHASING DEPARTMENT

**WORKERS' COMPENSATION
AND
PUBLIC SAFETY INJURED ON DUTY SERVICES**

ADDENDUM NO. 2

July 23, 2016

CHANGES, CORRECTIONS AND CLARIFICATIONS

The attention of bidders submitting proposals for the above subject project is called to the following addendum to the specifications. The items set forth herein, whether of omission, addition, substitution or clarification are all to be included in and form a part of the proposal submitted.

THE NUMBER OF THIS ADDENDUM (NO. 2) MUST BE ACKNOWLEDGED AS RECEIVED BY THE BIDDER IN THE PRICE PROPOSAL SECTION, PAGE 21

ITEM 1: ANSWERS TO POSED QUESTIONS

1. Does this Invitation to Bid require the new TPA to manage both the claims reported after the start of the contract as well as the existing open claims?
[Yes, both the open claims and all new claims.](#)
2. If open claims are to be handled by the new TPA, can you provide the number of claims that are currently open by lost time and medical only?
[See table below. Currently the City has 5, School has 3, Police has 3 and Fire has 1 loss time claims open.](#)
3. Can you provide a breakdown by year of the number of claims reported by lost time and medical only for at least the past 5 years?
[See table below](#)
4. Will the City provide Excel loss runs to properly evaluate losses and shelf-life of claims to determine appropriate and best pricing for the City?
[See table](#)

**City of Waltham
Loss Time Claims**

Dept	2016	2015	2014	2013	2012
City	5	7	9	9	6
School	4	2	4	3	6
Fire	10	10	13	5	7
Police	6	8	18	14	9

**City of Waltham
Medical Only Claims**

Dept	2016	2015	2014	2013	2012
City	25	26	21	26	15
School	44	29	45	31	37
Fire	1	0	0	0	0
Police	3	4	9	7	19

5. Who is the current claims administration vendor?
Cook & Company Insurance Services, Inc.

6. Who is the current bill review vendor? Please provide the following information:
 - A) Total number of bill processed in 2015 – City 373, School 316, Fire 155, Police 302
 - B) Total number of lines processed in 2015
 - C) Total bill charges City – City \$463,263.08, School \$230,655.86, Fire \$96,952.39, Police \$543,183.68
 - D) Total fee schedule reductions City \$210,317.66, School \$96,263.47, Fire \$38,965.37, Police \$215,776.24
 - E) Total PPO network reductions – N/A
 - F) Total Specialty Bill Review reductions - bills are rated in house in accordance with Mass Rate Setting Commission.
 - G) Total other Reductions - Surgical procedures are negotiated
 - H) PPO Penetration Percentage – N/A
 - I) Total bill review fees paid for bills processed – included in total contract price
 - J) Total PPO network fees paid for bills processed – N/A

7. Are bill review and PPO Network access fees considered allocated loss adjustment expense (ALAE)?
N/A

8. Who is the current medical case management vendor for telephonic and field nurse case management? Cook & Co. provides service, if necessary, on a case by case basis.
No the past there has been no need for such service. However, if needed, such service is required to be provided by the vendor

9. How many City users will require access to the claim system?
4 employees

10. Approximately how many cases are referred to nurse case management per year?

2015 – 0 cases

11. How many cases are referred for utilization review per year?

2015 – 0 cases

12. Approximately how many hours were spent on telephonic case management in 2015?

0

13. Approximately how many hours were spent on field case management in 2015?

0

14. Is the City looking for a claims management firm (TPA) to take over from the City the management of the workers' compensation and public safety injured on duty claims? Or is the City looking to a vendor to work with the City's Workers' Compensation Agent and provide RMIS services along with Managed Care services?

The City is looking for a claims management firm to assist in managing all workers compensation and injured on duty claims. The City will remain the sole decision maker for all claims with input from the firm. Utilization review, bill processing, Medicare reporting must be included the total contract price. Processing paperwork with the DIA is also required. The City has attorneys to represent cases at the DIA and all other litigation.

15. Is a bid bond required?

Yes, there is a \$1,000.00 bid bond required.

16. Is there an excess WC policy in place? If so, who is the carrier? What is the SIR?

No, not currently.

17. Are Risk Control Services currently being provided to the City? By the TPA?

Yes.

End of Addendum 2