



MANATEE COUNTY FLORIDA

email

February 27, 2012

TO: All Interested Proposers

SUBJECT: Request For Proposal #12-1076DC
Professional Workers Compensation Claims Administration Services

ADDENDUM #1

Proposers are hereby notified that this Addendum shall be made a part of the above named proposal. The following items are issued to add to, modify, and clarify the Proposal. These items shall have the same force and effect as the original proposal, and cost involved shall be included in the proposal prices. Proposals to be submitted on the specified due date, shall conform to the additions and revisions listed herein.

1. Time and Date Due is changed to **3:00 P.M. on March 14, 2012**, same location.
2. The current third party administrator (TPA) is Commercial Risk Management, Tampa, Florida. A copy of Manatee County's contract is attached. The TP performs all CMS inquiries and is responsible for EDI.
3. Manatee County does not have a contract for investigative services; several companies are used depending on the type of claim and location.
4. My Matrix is the County's pharmacy claims provider.
5. Medical Management Services are provided by CorVel Corporation. All bills are reviewed by them but are paid by our TPA.
6. In reference to Loss Runs - Below is a breakdown of our claims cost, type of claim for the last three years:
 - Policy year 10-1-11/9-30-12, as of 1-31-12, total medical paid was \$49,452.34
 - Policy year 10-1-10/9-30-11, as of 1-31-12, total medical paid was \$1,015,041.23
 - Policy year 10-1-09/9-30-10, as of 1-31-12, total medical paid was \$906,938.65
7. Yes, Manatee County wants bill review/containment/network access fees included in the all-inclusive cost proposal models. Manatee County paid bill review fees that include: per bill, percentage of savings, flat fee, and/or per line charges?
 - Policy year 10-1-11/9-30-12, as of 1-31-12, there were 57 medical only and 21 lost time claims
 - Policy year 10-1-10/9-30-11, as of 1-31-12, there were 126 medical only and 68 lost time claims
 - Policy year 10-1-09/9-30-10, as of 1-31-12, there were 161 medical only and 104 lost time claims

Financial Management Department * Purchasing Division
1112 Manatee Avenue West, Suite 803, Bradenton, FL 34205
deborah.carey-reed@mymanatee.org* PHONE: 941.749-3074 * FAX: 941.749-3034
WEB: www.mymanatee.org

8. The total amount billed, the total fee schedule savings, total PPO and other savings, as well as net paid per year for Manatee County for the past three (3) years:
Commercial Risk information:
 - Total paid for policy year 10-1-11/9-30-12, as of 1-31-12 was \$75,359.54
 - Total paid for policy year 10-1-10/9-30-11, as of 1-31-12 was \$1,243,794.15
 - Total paid for policy year 10-1-09/9-30-10, as of 1-31-12 was \$1,351,959.14CorVel information:
 - **Fee Schedule/U&C:** \$1.28/line, no minimum
 - **PPO:** 30% of savings
 - **RN Professional Review:** 30% of savings
9. The County expects to transfer open existing claims to the new TPA.
10. Allocated claim charges paid from the claim file (Attorneys fee, investigative expense, bill review):
Attorney fees @ \$220,000 annual estimate
Bill review @ \$30,000 annual estimate
11. The assignment for telephonic case managers to claims will be evaluated by Manatee County on an individual case basis.
12. Technology
 - What claims software do you currently use? Proprietary
 - What medical billing software do you currently use? CorVel
13. Database
 - Do you have a data dictionary? Yes.
 - Do you have a database schema? Yes.
14. File interfaces
 - What, if any, type of interface files will you require for input to your systems (billing files, FNOI, personnel records, etc)? No files are input into our systems.
15. Imaging
 - What imaging system do you currently use, if any? Proprietary
 - What format are the images currently, (JPG, TIF)? PDF
 - How many images are in the system? Over 15,000 and nearly 7.0 Gb of data
 - How many document types are being imaged, and, if so, what are they? Dozens. Medical Records, bill, legal documents, etc.
 - Do you require any electronic image files periodically transferred to your system? Yes
16. Conversion
 - How many conversions have been performed on the data previously? 4 conversions in last 8 years.
 - After awarding the contract, how long before OptaComp can be delivered sample data? 2 weeks or less
17. Financial
 - What is the name of the bank issuing checks? Bank account is TPA's, Bank of America.
 - Is "Positive Pay" required? Currently use Positive Pay; yes is it required.
 - Is EFT required? Yes
18. There is no fee associated with the transfer of electronic data.

19. B.04.05 HIPPA Compliant – Clarification in reference to firm being bondable: Employee bonding relating to firm's efforts to ensure that the privacy official is accountable and responsible for developing and implementing its privacy policies and procedures.
20. B.04.7 Financial Controls – Current process for managing loss fund payments: The TPA requests a funding reimbursement. The County will transfer funds to an account maintained by the TPA. This process will not change.
21. B.04.11 Automated System – In response to: Will Manatee maintain a file of vendors TPA is authorized to pay and regularly send TPA updates? We will do our utmost in working with the TPA's vendors; however, Manatee County reserves the right to disqualify any vendor that does not provide the level of service required by Manatee County.
- Should payments be withheld when vendors are not on file until such time as the vendor is added? Manatee County list is not all inclusive. We are constantly changing vendor base on performance. The County will advise the adjuster any time there is a change of vendors.
22. The County's excess insurance carrier is: Star Insurance. The SIR is \$500,000
23. The TPA will be expected to run-in open claim inventory from the current vendor.
24. To report claims, the County currently emails the claim to the TPA.
25. The County requires three (3) claim system User IDs.
26. There are 1200 law enforcement officers employed by the County.
27. The County has engaged the services of Sivers Consulting to support this RFP process. Please note: A prohibition of Lobbying is in place. Please review paragraph A.16 carefully to avoid violation and possible sanctions.
28. It is anticipated that the new contract will commence in April.
29. Staffing provided by current TPA:
One lost time and medical only adjuster.
One litigation adjuster plus support staff.
30. The Public Contracting and Environmental Crimes Certification referenced in the RFP is attached.

Proposals will be received at Manatee County Purchasing, 1112 Manatee Avenue West, Suite 803, Bradenton, Florida 34205 until **March 14, 2012 at 3:00 P.M.**

Sincerely,



Deborah Carey-Reed, CPPB
Contracts Negotiator

/dcr

Attachment

Attachment

PUBLIC CONTRACTING AND ENVIRONMENTAL CRIMES CERTIFICATION

SWORN STATEMENT PURSUANT TO ARTICLE 6, MANATEE COUNTY PURCHASING CODE

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

This sworn statement is submitted to the Manatee County Board of County Commissioners by _____
[print individual's name and title]

_____ for _____
[print name of entity submitting sworn statement]

whose business address is: _____

and (if applicable) its Federal Employer Identification Number (FEIN) is _____. If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: _____

I understand that no person or entity shall be awarded or receive a county contract for public improvements, procurement of goods or services (including professional services) or a county lease, franchise, concession or management agreement, or shall receive a grant of county monies unless such person or entity has submitted a written certification to the County that it has not:

(1) been convicted of bribery or attempting to bribe a public officer or employee of Manatee County, the State of Florida, or any other public entity, including, but not limited to the Government of the United States, any state, or any local government authority in the United States, in that officer's or employee's official capacity; or

(2) been convicted of an agreement or collusion among bidders or prospective bidders in restraint of freedom of competition, by agreement to bid a fixed price, or otherwise; or

(3) been convicted of a violation of an environmental law that, in the sole opinion of the County's Purchasing Director, reflects negatively upon the ability of the person or entity to conduct business in a responsible manner; or

(4) made an admission of guilt of such conduct described in items (1), (2) or (3) above, which is a matter of record, but has not been prosecuted for such conduct, or has made an admission of guilt of such conduct, which is a matter of record, pursuant to formal prosecution. An admission of guilt shall be construed to include a plea of nolo contendere; or

(5) where an officer, official, agent or employee of a business entity has been convicted of or has admitted guilt to any of the crimes set forth above on behalf of such and entity and pursuant to the direction or authorization of an official thereof (including the person committing the offense, if he is an official of the business entity), the business shall be chargeable with the conduct herein above set forth. A business entity shall be chargeable with the conduct of an affiliated entity, whether wholly owned, partially owned, or one which has common ownership or a common Board of Directors. For purposes of this Form, business entities are affiliated if, directly or indirectly, one business entity controls or has the power to control another business entity, or if an individual or group of individuals controls or has the power to control both entities. Indicia of control shall include, without limitation, interlocking management or ownership, identity of interests among family members, shared organization of a business entity following the ineligibility of a business entity under this Article, or using substantially the same management, ownership or principles as the ineligible entity.

Attachment B (Cont'd.)

Any person or entity who claims that this Article is inapplicable to him/her/it because a conviction or judgment has been reversed by a court of competent jurisdiction, shall prove the same with documentation satisfactory to the County's Purchasing Director. Upon presentation of such satisfactory proof, the person or entity shall be allowed to contract with the County.

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR MANATEE COUNTY IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT ANY CONTRACT OR BUSINESS TRANSACTION SHALL PROVIDE FOR SUSPENSION OF PAYMENTS, OR TERMINATION, OR BOTH, IF THE CONTRACTING OFFICER OR THE COUNTY ADMINISTRATOR DETERMINES THAT **SUCH PERSON OR ENTITY HAS MADE FALSE CERTIFICATION.**

[Signature]

STATE OF FLORIDA
COUNTY OF _____

Sworn to and subscribed before me this ____ day of _____, 20__ by _____

Personally known _____ OR Produced identification _____
[Type of identification]

Notary Public Signature My commission expires _____

[Print, type or stamp Commissioned name of Notary Public]

Signatory Requirement - In the case of a business entity other than a partnership or a corporation, this affidavit shall be executed by an authorized agent of the entity. In the case of a partnership, this affidavit shall be executed by the general partner(s). In the case of a corporation, this affidavit shall be executed by the corporate president.

MANATEE COUNTY GOVERNMENT AGENDA MEMORANDUM

SUBJECT	Third Party Administrative Services for Workers' Compensation	TYPE AGENDA ITEM	Consent
DATE REQUESTED	July 28, 2009	DATE SUBMITTED/REVISED	July 20, 2009
BRIEFINGS? Who?	No	CONSEQUENCES IF DEFERRED	The County will need to renew the contract with the current provider
DEPARTMENT/DIVISION	County Attorney/Risk Management Division	AUTHORIZED BY TITLE	Tedd N. Williams Jr. County Attorney <i>gam</i>
CONTACT PERSON TELEPHONE/EXTENSION	Michael D. Terrell, Risk Manager Extension 3750	PRESENTER/TITLE TELEPHONE/EXTENSION	James R. Cooney, Deputy County Attorney, ext 3750 <i>JRC</i>
ADMINISTRATIVE APPROVAL			

ACTION DESIRED
INDICATE WHETHER 1) REPORT; 2) DISCUSSION; 3) FORM OF MOTION; OR 4) OTHER ACTION REQUIRED

Motion to approve the County Attorney to give 60-day notice of cancellation to Alternative Service Concepts (ASC) for third-party workers' compensation administrative services and to enter into a contract with Commercial Risk Management for third-party administrative services.

ENABLING/REGULATING AUTHORITY
Federal/State law(s), administrative ruling(s), Manatee County Comp Plan/Land Development Code, ordinances, resolutions, policy

Florida Statute 768.28 Ordinance 08-49 or Section 440 Florida Statutes

BACKGROUND/DISCUSSION

The County currently has a contract with Alternative Services Concepts (ASC) to administer the County's workers' compensation claims. This contract will expire September 30, 2009.

There are several problems with ASC that Risk Management does not see improving in the near future. The data system and vendors used by ASC are not providing acceptable service. Several meetings to address the various issues and problems, including training sessions with their staff, did not improve service. Because of the lack of improvement in service Risk Management requested proposals from three other third-party administration providers.


Risk Management received proposals from Commercial Risk Management, CorVel Corporation and F. A. Rauchard (FARA), all of which are reputable companies. However, the proposal presented by Commercial Risk Management provides the County flexibility of services for bill review and medical management that the others do not. Additionally, Commercial Risk Management provided a 5-year pricing program that is advantageous for budget purposes. After reviewing the proposals from the three providers, Risk Management recommends that the County contract with Commercial Risk Management in Tampa, Florida.

Risk Management does not foresee an improvement in the service from ASC and requests the Board approve giving 60-day notice of non-renewal of contract and approve the County Attorney, or his designee, to contract with Commercial Risk Management and execute all related documents to effect the contract.

COUNTY ATTORNEY REVIEW APPROVED IN OPEN SESSION	
Check appropriate box	JUL 28 2009
<input type="checkbox"/>	REVIEWED Written Comments: <input type="checkbox"/> Attached <input type="checkbox"/> Available from Attorney (Attorney's initials: _____)
<input type="checkbox"/>	NOT REVIEWED (No apparent legal issues.)

AGENDA MEMORANDUM (continued)

<input type="checkbox"/>	NOT REVIEWED (Utilizes exact form or procedure previously approved by CAO.)
<input checked="" type="checkbox"/>	OTHER This is a County Attorney Office item.

ATTACHMENTS: (List in order as attached)		INSTRUCTIONS TO BOARD RECORDS: <i>Mailed + Emailed</i> 	
1. Memo referencing ASC service issues 2. Two original Service Agreements with Commercial Risk Management		Please return to Risk Management one original signed copy of the Service Agreement with Commercial Risk Management, and one copy of the approved agenda item with attachments. <i>7/28/09</i>	
COST:		SOURCE (ACCT # & NAME):	
COMMENTS:		AMT./FREQ. OF RECURRING COSTS: (ATTACH FISCAL IMPACT STATEMENT)	

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement") is made and entered into by and between COMMERCIAL RISK MANAGEMENT, INC. (referred to as the "Company") and MANATEE COUNTY, FLORIDA, a political subdivision of the State of Florida (referred to herein as the "Self-Insured").

In consideration of the covenants and conditions set forth below to be performed and observed by the parties hereto, it is agreed as follows:

1. So long as this Agreement remains in effect, the Company will furnish claims handling and statistical data, including filing of all forms and reports (from data supplied by the Self-Insured) as required by the Florida Department of Financial Services, Division of Workers' Compensation. The Company will assume the handling of those claims with dates of accident between September 1, 1976 and October 1, 2009 at no additional charge.

2. The Company will handle to a conclusion all claims that occur during the period that this Agreement remains in effect. The cost of handling the tail for the initial one year term of this Agreement and for each one-year renewal of the term of this Agreement will be considered to be included in the Annual Service Fee to be paid upon each renewal of the term of this Agreement. However, in the event of any cancellation of this Agreement, the Self-Insured shall pay to the Company an administrative fee for handling the tail in an amount to be negotiated between the Company and the Self-Insured, which administrative fee shall not exceed ten percent (10%) of paid loss, and which administrative fee shall be payable on a monthly basis as invoiced by the Company.

In the event claims files and claims servicing responsibilities are transferred to a new service company, the Company will provide an accounting of all claims and claims activity to

the new service company. Upon the transfer of the files and final accounting of the claims activity, the Company shall be released from all further responsibility and liability under this Agreement. To the extent allowable under F.S. 768.28, the Self-Insured agrees to indemnify the Company with respect to all claims activity occurring on and after the date of such claims transfer.

The Company acknowledges that files containing the records of the Self-Insured's claims shall belong to the Self-Insured, provided that the Company shall have the right to retain copies of any and all such records to the extent determined appropriate by the Company.

All claim expenses commonly referred to in the insurance industry as "Allocated Claims Expenses" shall be the responsibility of, and paid by, the Self-Insured. Without limiting the generality of the immediately preceding sentence, the term "Allocated Claims Expenses" shall include such items as attorneys' fees, court costs, independent investigative claims costs, and managed care services as provided by the company of the Self-Insured's choice. The Self-Insured shall be responsible for service charges that accrue to the claims paying checking account if the account is maintained by the Company.

3. The Self-Insured shall pay to the Company, for the Company's services under this Agreement, an annual Service Fee payable quarterly as invoiced by the Company. The initial Annual Service Fee shall be a minimum and deposit fee of \$125,652.00 and is flat for the contract period of 10/01/09-9/30/10.

Since this Agreement does not involve premium, an annual payroll audit will not be performed.

4. The term of this Agreement shall be one (1) year with such term being deemed to have commenced at 12:01 a.m. on October 1, 2009, and with such term to terminate at 12:01 a.m. on October 1, 2010. The Self-Insured has the option to renew this contract for up to an additional four years after the initial contract period. Options will be exercised annually and executed only

with the mutual agreement of the Self-Insured and the Company. Any renewal of the term of this Agreement shall be documented by an instrument in writing signed on behalf of both the Company and the Self-Insured.

The Company agrees to provide services for the optional four years as follows:

An annual minimum and deposit service fee of \$125,652.00 per year will apply for the contract period of 10/01/10-11 and \$131,936.00 for the contract period 10/01/11-12.

For the optional contract period 10/01/12-13, the annual minimum and deposit service fee of \$131,936.00 will apply and for the period 10/01/13-14 a minimum and deposit service fee of \$138,532.00 will apply. All service fees are flat and payable in quarterly installments.

The Service Agreement may be renewed annually after 10/01/14 subject to the terms and conditions as agreed upon by both parties.

Notwithstanding the foregoing provisions of this paragraph, either the Self-Insured or the Company shall have the right to cancel this Agreement solely by giving the other not less than sixty (60) days' advance written notice of the proposed date of cancellation. Any such cancellation of this Agreement shall be subject to all of the applicable terms and provisions of this Agreement.

5. Each notice, request, demand, consent, approval, or other communication required or permitted under this Agreement (collectively a "notice") shall be valid only if it is (a) in writing [or sent by telex, telegram, or telecopy and promptly confirmed in writing] and (b) addressed by the sender to the other party at its address and in the manner set forth below:

(a) If to the Company:

COMMERCIAL RISK MANAGEMENT, INC.
Post Office Box 18366
Tampa FL 33679-8366

(b) If to the Self-Insured:

Mr. Michael Terrell, Risk Manager
Manatee County Attorney's Office
P.O. Box 1000
Bradenton FL 34206-1000

Except as otherwise provided herein, each notice shall be effective on the earlier of its receipt, if delivered personally or by courier, or the third day after it (or the written confirmation of it) is postmarked for dispatch by first-class, postage prepaid, certified or registered, United States mail, with return receipt requested (whether or not the return receipt is subsequently received by the sender).

Any party wishing to change the person or address to which notices are to be given may do so by complying with the notice provisions of this paragraph.

6. This Agreement embodies the entire Agreement and understanding between the parties with respect to the subject matter hereof, expressly superseding all prior Agreements and understandings, whether oral or written. No amendment, modification or attempted waiver of any provisions of this Agreement shall be binding upon either party to this Agreement unless reduced to writing and signed by or on behalf of each of the parties to this Agreement. The waiver by either party of any breach of any covenant or condition of this Agreement shall not be construed as a waiver of any subsequent breach of such covenant or condition or of the breach of any other covenant or condition contained in this Agreement. Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of Florida. Venue shall be Manatee County. The provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its undersigned officers duly authorized this 17th day of July, 2009, but effective as of October 1, 2009.

COMMERCIAL RISK MANAGEMENT, INC.

By: [Signature]
Its Vice President

ATTEST:

By: [Signature]
Its President

IN WITNESS WHEREOF, the Self-Insured has caused this Agreement to be executed by its undersigned officers duly authorized this 28th day of July, 2009, but effective as of October 1, 2009.

MANATEE COUNTY, FLORIDA,
a political subdivision of the
State of Florida

By: Board of County Commissioners

By: [Signature]
Donna Hayes
Second Vice-Chairman

ATTEST:

R. B. SHORE, Clerk of the Circuit Court

By: [Signature]
Deputy Clerk

