

REQUEST FOR PROPOSAL

RFP COVER SHEET

Administrative Information:

TITLE OF RFP:	Worker's Compensation Third Party Administration	RFP Number:	1219005003
Agency:	Department of Administrative Services		
State seeks to purchase:	Services from a contractor to manage the State's Worker's Compensation program	Available to Political Subdivisions?	No
Number of mos. or yrs. of the initial term of the contract:	2 years	Number of possible annual extensions:	4 years
Approximate Contract term beginning:	Date: Feb. 15, 2019	Ending:	Date: Feb. 14, 2021
State Issuing Officer:			
Name: Ken Discher			
Phone e-Mail and Fax: P: (515) 281-6380 email: ken.discher@iowa.gov F: (515) 725-2064			
Mailing Address: Department of Administrative Services Central Procurement and Fleet Services Enterprise Hoover Bldg – Level 3 1305 E Walnut St Des Moines, IA 50319			
PROCUREMENT TIMETABLE—Event or Action:		Date/Time (Central Time):	
State Posts Notice of RFP on TSB website		Date: Aug. 31, 2018	
State Issues RFP		Date: Sept. 4, 2018	
RFP written questions, requests for clarification, and suggested changes from Contractors due: (email questions, etc., to: Ken.Discher@iowa.gov)		Date: Sept. 27, 2018	
Agency's written response to RFP questions, requests for clarifications and suggested changes approximate posting date:		Date: Oct. 4, 2018	
Proposals Due Date:		Date: Nov. 2, 2018	
Proposals Due Time:		Time: 12 PM Noon	
Approximate Date to issue Notice of Intent to Award:		Date: Jan. 11, 2019	
Approximate Date to execute contract:		Date: Feb. 15, 2019	
Relevant Websites:	Web-address:		
Internet website where Addenda to this RFP will be posted:	http://bidopportunities.iowa.gov/		
Internet website where contract terms and conditions are posted:	http://bidopportunities.iowa.gov/		

Number of Copies of Proposals Required to be Submitted:	1 Original, 1 Digital, & 2 Copies
Firm Proposal Terms Per Section 3.2.11, the minimum Number of Days following the deadline for submitting proposals that the Contractor guarantees all proposal terms, including price, will remain firm:	180 Days

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SECTION 1 INTRODUCTION

1.1 Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals from Responsible Contractors to provide the goods and/or services identified on the RFP cover sheet and further described in Section 4 of this RFP to the Agency identified on the RFP cover sheet. The Agency intends to award a Contract(s) beginning and ending on the dates listed on the RFP cover sheet, and the Agency, in its sole discretion, may extend the Contract(s) for up to the number of annual extensions identified on the RFP cover sheet.

1.2 Definitions

For the purposes of this RFP and the resulting contract, the following terms shall mean:

“Proposal” means the Contractor’s proposal submitted in response to the RFP.

“Contract” means the contract(s) entered into with the successful Contractor(s) as described in Section 6.1.

“Contractor” means a vendor submitting a Proposal in response to this RFP.

“Agency” or “Department” means the Iowa Department of Administrative Services.

“Responsible Contractor” means a Contractor that has the capability in all material respects to perform the scope of work and specifications of the Contract. In determining whether a Contractor is a Responsible Contractor, the Agency may consider various factors including, but not limited to, the Contractor’s competence and qualifications to provide the goods or services requested, the Contractor’s integrity and reliability, the past performance of the Contractor and the best interest of the Agency and the State.

“Responsive Proposal” means a Proposal that complies with the material provisions of this RFP.

“RFP” means this Request for Proposals and any attachments, exhibits, schedules or addenda hereto.

“State” means the State of Iowa, the Agency identified on the Contract Declarations & Execution Page(s), and all state agencies, boards, and commissions, and any political subdivisions making purchases from the Contract as permitted by this RFP.

“Terms and Conditions” means the Terms and Conditions attached hereto.

1.3 Overview of the RFP Process

This RFP is designed to provide Respondents with the information necessary for the preparation of competitive Proposals. The RFP process is for the Agency’s benefit and is intended to provide the Agency with competitive information to assist in the selection process. It is not intended to be comprehensive. Each Respondent is responsible for determining all factors necessary for submission of a comprehensive Proposal.

Contractor should review Attachment 3, Form 22 Request for Confidentiality, for more information if its Proposal contains confidential information. Any Proposal marked “Confidential” or “Proprietary” on every page may be disqualified.

Respondents will be required to submit their Proposals in hardcopy and on digital media (i.e. CD, USB drive, etc.). It is the Agency’s intention to evaluate Proposals from all Respondents that submit timely Responsive Proposals, and award the Contract(s) in accordance with Section 5, Evaluation and Selection.

1.4 Background Information

The Iowa Department of Administrative Services (DAS) provides Workers’ Compensation benefits to a covered population of over 70,000 active employees. This approximate number does not include populations who may be eligible for Workers’ Compensation benefits such as inmates, student workers and temporarily assigned employees. Services are currently provided by a third-party administrator. The State, through award of this Request for Proposal (RFP), plans to continue use of a third-party administrator (TPA).

The State self-funds their Workers’ Compensation Program (The Program) and determines annual premiums based on an actuarial analysis of incurred claims over a rolling five (5) year period. The DAS manages The Program on behalf of 90 State of Iowa agencies. Each of these agencies pays an annual premium into The Program based upon their claim experience. The State does not fund a reserve of future liability fund through its premium. Instead, the premium is developed annually to pay for all possible expenses anticipated in a fiscal year. The State does not utilize the services of a broker for The Program. The State does utilize a vendor for annual actuarial services.

The Program maintains the following areas of focus:

- Providing fair and timely compensation to employees
- Providing timely access to quality occupational medical care
- Reaching reasonable settlements in an effective and efficient manner
- Managing the costs and risks of the program
- Reducing litigation when possible
- Returning employees to full and productive work

Some key averages and data of The Program’s most recent three (3) year period of FY16-FY18 are:

- An average claim spend of \$26,211,266 per year including medical, indemnity and claim expenses.
- The average annual premium portion related to claims was \$26,556,008 per year.
- The average total premium over this same period of time has averaged \$29,202,366 per year. This total premium includes claim expenditures, DAS administration, legal costs and third-party administration fees.
- The average number of new medical only claims is 2,366 annually.
- The average number of new indemnity/lost time claims is 455 annually.
- The average number of new claim petitions received is 98 annually.
- The average span from open to close of a medical only claim is 33 days.

- The average span from open to close of an indemnity/lost time claim is 454 days.
- The average lag time from the date of loss to reporting to the employer is 4.6 days.
- The average lag time from reporting to the employer to reporting to the TPA is 8.5 days.

Each State agency is responsible for completing an electronic First Report of Injury (FROI) in our TPA's claim system. There is an electronic interface in place with the State's Human Resource Information Systems that allows for some pre-population of information when filing the FROI.

Each State agency is responsible for providing temporary suitable work for injured employees, pursuant to Iowa Administrative Code 59.3(5). The current TPA coordinates information directly with each State agency on their respective claims.

As of 7/1/2018 The Program had 793 open claims (177 medical only claim and 616 indemnity claims) of which 153 were litigated. A medical only claim is defined as a claim where medical costs are incurred but there are not indemnity payments/lost time. An indemnity claims is defined as a claim that incurs medical costs as well as indemnity payments/lost time. We expect any new Contractor to take over all existing claims, data management and payments.

The State does utilize Independent Medical Exams, vocational experts, surveillance and field nurse case management when appropriate. These services are coordinated by the TPA. The State does not utilize telephonic case management and does not intend to at this time. The State does not utilize outside defense counsel for The Program. All litigation defense for The Program is handled by the Special Litigation Division of the Iowa Attorney General's Office. Defense costs are accounted for in the DAS annual workers' compensation premium to State agencies. Defense costs are not paid as an allocated loss adjustment expense from the claims.

The State does not anticipate releasing further data or loss runs for this RFP.

1.5 **Scope of Work**

This RFP, combined with information provided throughout the selection process, will provide service delivery and design information sufficient for Contractors to submit proposals to assume responsibility for the following services. NOTE: The State of Iowa reserves the right to negotiate with the awarded Contractor concerning the specific services provided as part of the contract agreement.

Claims Administration. The following is a summary of claims administration services that the chosen Contractor will be responsible for performing.

- Receive all First Report of Injuries (FROI) electronically and receive hard copy supporting claims documentation and convert into a paperless environment.
- The Contractor will meet all reporting standards of DAS for management reports and for Electronic Data Interchange (EDI) with Iowa Workforce Development-Division of Workers' Compensation.
- Claims investigation.
- Claims adjudication.
- Litigation management including, but not limited to, coordination with the Iowa Attorney General's Office, arranging mediation and attendance at all mediations and hearings.

- Setting and revising reserves.
- Arranging Field Case Management by Registered Nurses which require travel and on-site meetings with claimants and providers.
- Timely and accurate claims processing by the Contractor.
- Coordination with the State's staff and agencies on the resolution of cases and return-to-work.
- Development, maintenance and steering to the occupational health and pharmacy network.
- Administration of medical provider network and monitoring its performance, as well as securing the discounts and pricing will be the responsibility of the TPA.
- Timely processing of payments of benefits to claimants, medical providers and other miscellaneous vendors according to state mandated guidelines.
- Responsible for the review of medical, pharmacy and hospital bills and applying the Iowa fee schedule as well as any network negotiated discounts.

Data Management. DAS is expecting the chosen Contractor to be the manager and data processor of all workers' compensation information and data. All workers' compensation data will reside with the Contractor. The following is a summary of data management services that the chosen Contractor will be responsible for performing.

- Acting as a repository for claim data and information;
- Overseeing data integrity;
- Maintaining required system and personnel security levels and utilizing proper security procedures, back-up procedures, and disaster recovery;
- Allowing authorized DAS/State agency representatives to enter data system to retrieve claim data and history information as well as standard and ad hoc reports;
- Ensuring seamless coordination with outside vendors when interfacing to transfer and receive data from external providers and vendors; and
- Performing and ensuring compliance with all Electronic Data Interchange (EDI) with Iowa Workforce Development-Division of Workers' Compensation.
- Performing and ensuring compliance with filings to Center for Medicare Services (CMS).
- Managing all of DAS's workers' compensation data on the Contractor's own system(s) and then providing data back to numerous DAS and agency users.
- Providing significant historical data annually for State's use in actuarial process.

SECTION 2 ADMINISTRATIVE INFORMATION
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2.1 Issuing Officer

The Issuing Officer identified in the RFP cover sheet is the sole point of contact regarding the RFP from the date of issuance until a Notice of Intent to Award the Contract is issued.

2.2 Restriction on Communication

From the issue date of this RFP until a Notice of Intent to Award the Contract is issued, Contractors may contact only the Issuing Officer. The Issuing Officer will respond only to written questions regarding the procurement process. Questions related to the interpretation of this RFP must be submitted as provided in Section 2. Oral questions related to the interpretation of this RFP will not be accepted. Contractors may be disqualified if they contact any State employee other than the Issuing Officer about the RFP except that Contractors may contact the State Targeted Small Business Office on issues related to the preference for Targeted Small Businesses.

This section shall not be construed as restricting communications related to the administration of any contract currently in effect between a Contractor and the State.

2.3 Downloading the RFP from the Internet

The RFP document and any addenda to the RFP will be posted at <http://bidopportunities.iowa.gov/>. The Contractor is advised to check the website periodically for Addenda to this RFP, particularly if the Contractor downloaded the RFP from the Internet as the Contractor may not automatically receive addenda. It is the Contractor's sole responsibility to check daily for addenda to posted documents.

2.4 Procurement Timetable

The dates provided in the procurement timetable on the RFP cover sheet are provided for informational and planning purposes. The Agency reserves the right to change the dates. If the Agency changes any of the deadlines for Contractor submissions, the Agency will issue an addendum to the RFP.

2.5 Questions, Requests for Clarification, and Suggested Changes

Contractors are invited to submit written questions and requests for clarifications regarding the RFP. Contractors may also submit suggestions for changes to the specifications of this RFP. The questions, requests for clarifications, or suggestions must be in writing and received by the Issuing Officer on or before the date and time listed on the RFP cover sheet. Oral questions will not be permitted. If the questions, requests for clarifications, or suggestions pertain to a specific section of the RFP, Contractor shall reference the page and section number(s). The Agency will send written responses to questions, requests for clarifications, or suggestions received from Contractors on before the date listed on the RFP cover sheet. The Agency's written responses will become an addendum to the RFP. If the Agency decides to adopt a suggestion that modifies the RFP, the Agency will issue an addendum to the RFP.

The Agency assumes no responsibility for oral representations made by its officers or employees unless such representations are confirmed in writing and incorporated into the RFP through an addendum.

2.6 Amendment to the RFP

The Agency reserves the right to amend the RFP at any time using an addendum. The Contractor shall acknowledge receipt of all addenda in its Proposal. If the Agency issues an addendum after the due date for receipt of Proposals, the Agency may, in its sole discretion, allow Contractors to amend their Proposals in response to the addendum.

2.7 Amendment and Withdrawal of Proposal

The Contractor may amend or withdraw and resubmit its Proposal at any time before the Proposals are due. The amendment must be in writing, signed by the Contractor and received by the time set for the receipt of Proposals. Electronic mail and faxed amendments will not be accepted. Contractors must notify the Issuing Officer in writing prior to the due date for Proposals if they wish to completely withdraw their Proposals.

2.8 Submission of Proposals

The Agency must receive the Proposal at the Issuing Officer's address identified on the RFP cover sheet before the "Proposals Due" date and time listed on the RFP cover sheet. **This is a mandatory specification and will not be waived by the Agency. Any Proposal received after this deadline will be rejected and returned unopened to the Contractor.** Contractors sending Proposals must allow ample mail delivery time to ensure timely receipt of their Proposals. It is the Contractor's responsibility to ensure that the Proposal is received prior to the deadline. Postmarking by the due date will not substitute for actual receipt of the Proposal. Electronic mail and faxed Proposals will not be accepted.

Contractors must furnish all information necessary to enable the Agency to evaluate the Proposal. Oral information provided by the Contractor will not be considered part of the Contractor's Proposal unless it is reduced to writing.

2.9 Proposal Opening

The Agency will open Proposals after the deadline for submission of Proposals has passed. The Proposals will remain confidential until the Agency has issued a Notice of Intent to Award a Contract. See Iowa Code Section 72.3. However, the names of Contractors who submitted timely Proposals will be publicly available after the Proposal opening. The announcement of Contractors who timely submitted Proposals does not mean that an individual Proposal has been deemed technically compliant or accepted for evaluation.

2.10 Costs of Preparing the Proposal

The costs of preparation and delivery of the Proposal are solely the responsibility of the Contractor.

2.11 No Commitment to Contract

The Agency reserves the right to reject any or all Proposals received in response to this RFP at any time prior to the execution of the Contract. Issuance of this RFP in no way constitutes a commitment by the Agency to award a contract.

2.12 Rejection of Proposals

The Agency may reject outright and not evaluate a Proposal for reasons including, without limitation:

- 2.12.1** The Contractor fails to deliver the Cost Proposal in a separate envelope.
- 2.12.2** The Contractor acknowledges that a mandatory specification of the RFP cannot be met.
- 2.12.3** The Contractor's Proposal changes a material specification of the RFP or the Proposal is not compliant with the mandatory specifications of the RFP.
- 2.12.4** The Contractor's Proposal limits the rights of the Agency.
- 2.12.5** The Contractor fails to include information necessary to substantiate that it will be able to meet a specification of the RFP as provided in Section 3 of this RFP.
- 2.12.6** The Contractor fails to timely respond to the Agency's request for information, documents, or references.
- 2.12.7** The Contractor fails to include Proposal Security, if required.
- 2.12.8** The Contractor fails to include any signature, certification, authorization, stipulation, disclosure or guarantee as provided in Section 3 of this RFP.
- 2.12.9** The Contractor presents the information requested by this RFP in a format inconsistent with the instructions of the RFP or otherwise fails to comply with the specifications of this RFP.
- 2.12.10** The Contractor initiates unauthorized contact regarding the RFP with a State employee other than the Issuing Officer.
- 2.12.11** The Contractor provides misleading or inaccurate responses.
- 2.12.12** The Contractor's Proposal is materially unbalanced.
- 2.12.13** There is insufficient evidence (including evidence submitted by the Contractor and evidence obtained by the Agency from other sources) to satisfy the Agency that the Contractor is a Responsible Contractor.
- 2.12.14** The Contractor alters the language in Attachment 1, Certification Letter or Attachment 2, Authorization to Release Information letter.
- 2.12.15** The Contractor is a "scrutinized company" included on a "scrutinized company list" created by a public fund pursuant to Iowa Code section 12J.3.

2.13 Nonmaterial Variances

The Agency reserves the right to waive or permit cure of nonmaterial variances in the Proposal if, in the judgment of the Agency, it is in the State's best interest to do so. Nonmaterial variances include but are not limited to, minor failures to comply that: do not affect overall responsiveness, are merely a matter of form or format, do not change the relative standing or otherwise prejudice other Contractors, do not change the meaning or scope of the RFP, or do not reflect a material change in the specifications of the RFP. In the event the Agency waives or permits cure of nonmaterial variances, such waiver or cure will not modify the RFP specifications or excuse the Contractor from full compliance with RFP specifications or other Contract specifications if the Contractor is awarded the Contract. The determination of materiality is in the sole discretion of the Agency.

2.14 Reference Checks

The Agency reserves the right to contact any reference to assist in the evaluation of the Proposal, to verify information contained in the Proposal and to discuss the Contractor's qualifications and the qualifications of any subcontractor identified in the Proposal.

2.15 Information from Other Sources

The Agency reserves the right to obtain and consider information from other sources concerning a Contractor, such as the Contractor's capability and performance under other contracts, the qualifications of any subcontractor identified in the Proposal, the Contractor's financial stability, past or pending litigation, and other publicly available information.

2.16 Verification of Proposal Contents

The content of a Proposal submitted by a Contractor is subject to verification. If the Agency determines in its sole discretion that the content is in any way misleading or inaccurate, the Agency may reject the Proposal.

2.17 Proposal Clarification Process

The Agency reserves the right to contact a Contractor after the submission of Proposals for the purpose of clarifying a Proposal. This contact may include written questions, interviews, site visits, a review of past performance if the Contractor has provided goods and/or services to the State or any other political subdivision wherever located, or requests for corrective pages in the Contractor's Proposal. The Agency will not consider information received from or through Contractor if the information materially alters the content of the Proposal or the type of goods and/or services the Contractor is offering to the Agency. An individual authorized to legally bind the Contractor shall sign responses to any request for clarification. Responses shall be submitted to the Agency within the time specified in the Agency's request. Failure to comply with requests for additional information may result in rejection of the Proposal.

2.18 Disposition of Proposals

All Proposals become the property of the State and shall not be returned to the Contractor. Once the Agency issues a Notice of Intent to Award the Contract, the contents of all Proposals will be public records available for inspection by interested parties, except for information for which Contractor properly requests confidential treatment according to exceptions provided in Iowa Code Chapter 22 or other applicable law.

2.19 Public Records and Requests for Confidential Treatment

The Agency's release of public records is governed by Iowa Code chapter 22. Contractors are encouraged to familiarize themselves with Chapter 22 before submitting a Proposal. The Agency will copy and produce public records upon request as required to comply with Chapter 22 and will treat all information submitted by a Contractor as non-confidential records unless Contractor requests specific parts of the Proposal be treated as confidential at the time of the submission as set forth herein **AND the information is confidential under Iowa or other applicable law.**

2.20 Form 22 - Request for Confidentiality

FORM 22 MUST BE COMPLETED AND INCLUDED WITH CONTRACTOR'S PROPOSAL. COMPLETION AND SUBMITTAL OF FORM 22 IS REQUIRED WHETHER THE PROPOSAL DOES OR DOES NOT CONTAIN INFORMATION FOR WHICH CONFIDENTIAL TREATMENT WILL BE REQUESTED. FAILURE TO SUBMIT A COMPLETED FORM 22 WILL RESULT IN THE PROPOSAL BEING CONSIDERED NON-RESPONSIVE AND ELIMINATED FROM EVALUATION.

2.21 Copyright Permission

By submitting a Proposal, the Contractor agrees that the Agency may copy the Proposal for purposes of facilitating the evaluation of the Proposal or to respond to requests for public records. By submitting a Proposal, the Contractor consents to such copying and warrants that such copying will not violate the rights of any third party. The Agency shall have the right to use ideas or adaptations of ideas that are presented in Proposals.

2.22 Release of Claims

By submitting a Proposal, the Contractor agrees that it will not bring any claim or cause of action against the Agency based on any misunderstanding concerning the information provided in the RFP or concerning the Agency's failure, negligent or otherwise, to provide the Contractor with pertinent information in this RFP.

2.23 Contractor Presentations

Contractors may be required to make a presentation. The determination as to need for presentations, and the location, order, and schedule of the presentations is at the sole discretion of the Agency. The presentation may include slides, graphics and other media selected by the Contractor to illustrate the Contractor's Proposal. The presentation shall not materially change the information contained in the Proposal.

2.24 Evaluation of Proposals Submitted

Proposals that are timely submitted and are not rejected will be reviewed and evaluated in accordance with Section 5 of the RFP. The Agency will not necessarily award a Contract resulting from this RFP to the Contractor offering the lowest cost. Instead, the Agency will award the Contract(s) to the Responsible Contractor(s) whose Responsive Proposal the Agency believes will provide the best value to the Agency and the State.

2.25 Award Notice and Acceptance Period

Notice of Intent to Award the Contract(s) will be sent to all Contractors submitting a timely Proposal and may be posted at the website shown on the RFP cover sheet. Negotiation and execution of the Contract(s) shall be completed no later than thirty (30) days from the date of the Notice of Intent to Award or such other time as designated by Agency. If the successful Contractor fails to negotiate and deliver an executed Contract by that date, the Agency, in its sole discretion,

may cancel the award and award the Contract to the remaining Contractor the Agency believes will provide the best value to the State.

2.26 No Contract Rights until Execution

No Contractor shall acquire any legal or equitable rights regarding the Contract unless and until the Contract has been fully executed by the successful Contractor and the Agency.

2.27 Choice of Law and Forum

This RFP and the Contract shall be governed by the laws of the State of Iowa. Changes in applicable laws and rules may affect the award process or the Contract. Contractors are responsible for ascertaining pertinent legal requirements and restrictions. Any and all litigation or actions commenced in connection with this RFP shall be brought in the appropriate Iowa forum.

2.28 Restrictions on Gifts and Activities

Iowa Code Chapter 68B restricts gifts which may be given or received by State employees and requires certain individuals to disclose information concerning their activities with State government. Contractors are responsible to determine the applicability of this Chapter 68B to their activities and to comply with its requirements. In addition, pursuant to Iowa Code section 722.1, it is a felony offense to bribe or attempt to bribe a public official.

2.29 No Minimum Guaranteed

The Agency does not guarantee any minimum level of purchases under the Contract.

2.30 Post Solicitation Debriefing

A debriefing is available to any Respondent who submitted a proposal in response to this RFP. Respondent shall submit a written request for a debriefing to the Issuing Officer via email or other delivery method. All Respondents will be accorded fair and equal treatment with respect to its opportunity for debriefing. The debriefing shall be scheduled by the Agency as soon as practicable after the receipt of debriefing request.

2.31 Appeals

A Respondent whose Proposal has been timely filed and who is aggrieved by the Notice of Intent to Award of the Department may appeal the decision by filing a written notice of appeal (in accordance with 11—Chapter 117.20, Iowa Administrative Code) to: The Director of the Department of Administrative Services, Hoover State Office Building, Des Moines, Iowa 50319-0104 and a copy to the Issuing Officer. The notice must be filed within five (5) days of the date of the Notice of Intent to Award issued by the Department, exclusive of Saturdays, Sundays, and legal state holidays. The written notice may be filed by fax transmission to 515.725.2064. The notice of appeal must clearly and fully identify all issues being contested by reference to the page, section and line number(s) of the RFP and/or the Notice of Intent to Award. A notice of appeal may not stay negotiations with the apparent successful Contractor.

SECTION 3 FORM AND CONTENT OF PROPOSALS

3.1 Instructions

These instructions prescribe the format and content of the Proposal. They are designed to facilitate a uniform review process. Failure to adhere to the Proposal format may result in the rejection of the Proposal.

- 3.1.1** The Proposal shall be typewritten on 8.5" x 11" paper and sent in a sealed envelope. The Proposal shall be divided into two parts: (1) the Technical Proposal and (2) the Cost Proposal. The Technical Proposal and the Cost Proposal shall be labeled as such and placed in a separate sealed envelope. The envelopes shall be numbered in the following fashion: 1 of 4, 2 of 4, etc. The overall proposal envelope and the individual envelopes shall be labeled with the following information:

RFP Number: 1219005003

RFP Title: Worker's Compensation Third Party Administration

Issuing Officer Name: Ken Discher

**Lead Agency Address: Department of Administrative Services
Central Procurement & Fleet Services Enterprise
1305 E Walnut St., Hoover Bldg - Level 3
Des Moines IA 50319**

[Contractor's Name and Address]

The Agency shall not be responsible for misdirected packages or premature opening of Proposals if a Proposal is not properly labeled.

1 Original, 1 Digital, & 2 Copies of the Technical Proposal shall be timely submitted to the Issuing Officer in a sealed envelope. The Cost Proposal shall be submitted in a separate sealed envelope.

Technical Proposal Envelope Contents

Original Technical Proposal and any copies

Public Copy (if submitted)

Technical Proposal on digital media

Electronic Public Copy on same digital media (if submitted)

Cost Proposal Envelope Contents

Original Cost Proposal

Cost Proposal on digital media

- 3.1.2** If the Contractor designates any information in its Proposal as confidential pursuant to Section 2, the Contractor must also submit one (1) copy of the Proposal from which confidential information has been excised as provided in Section 2 and which is marked "Public Copy".

- 3.1.3** Proposals shall not contain promotional or display materials.

3.1.4 Attachments shall be referenced in the Proposal.

3.1.5 If a Contractor proposes more than one solution to the RFP specifications, each shall be labeled and submitted in a separate Proposal and each will be evaluated separately.

3.2 Technical Proposal

The following documents and responses shall be included in the Technical Proposal in the order given below. Items listed in Section 3.2 will be considered in the evaluation of the Technical Proposals:

3.2.1 Transmittal Letter (Required)

An individual authorized to legally bind the Contractor shall sign the transmittal letter. The letter shall include the Contractor's mailing address, electronic mail address, fax number, and telephone number.

3.2.2 Table of Contents

The Contractor shall include a table of contents of its Proposal and submit the check list of submittals per Attachment #4.

3.2.3 Executive Summary

The Contractor shall prepare an executive summary and overview of the goods and/or services it is offering, including all of the following information:

3.2.3.1 Statements that demonstrate that the Contractor has read, understands and agrees with the terms and conditions of the RFP including the Contract provisions in Section 6.

3.2.3.2 An overview of the Contractor's plans for complying with the specifications of this RFP.

3.2.3.3 Any other summary information the Contractor deems to be pertinent.

3.2.4 Mandatory Specifications and Scored Technical Specifications

The Contractor shall answer whether or not it will comply with each specification in Section 4 of the RFP. Where the context requires more than a yes or no answer or the specific specification so indicates, Contractor shall explain how it will comply with the specification. Merely repeating the Section 4 specifications may be considered non-responsive and result in the rejection of the Proposal. Proposals must identify any deviations from the specifications of the RFP or specifications the Contractor cannot satisfy. If the Contractor deviates from or cannot satisfy the specification(s) of this section, the Agency may reject the Proposal.

3.2.5 Vendor Background Information

The Contractor shall provide the following general background information:

- 3.2.5.1** When awarding a bid opportunity, does your state have a preference for in-state vendors? (Example: Providing to an in-state vendor a % advantage/discount off their cost proposal.) Yes or No. If yes, please include the details of the preference.
- 3.2.5.2** Name, address, telephone number, fax number and e-mail address of the Contractor including all d/b/a's or assumed names or other operating names of the Contractor and any local addresses and phone numbers.
- 3.2.5.3** Form of business entity, e.g., corporation, partnership, proprietorship, limited liability company.
- 3.2.5.4** State of incorporation, state of formation, or state of organization.
- 3.2.5.5** The location(s) including address and telephone numbers of the offices and other facilities that relate to the Contractor's performance under the terms of this RFP.
- 3.2.5.6** Number of employees.
- 3.2.5.7** Type of business.
- 3.2.5.8** Name, address and telephone number of the Contractor's representative to contact regarding all contractual and technical matters concerning the Proposal.
- 3.2.5.9** Name, address and telephone number of the Contractor's representative to contact regarding scheduling and other arrangements.
- 3.2.5.10** Name, contact information and qualifications of any subcontractors who will be involved with this project the Contractor proposes to use and the nature of the goods and/or services the subcontractor would perform.
- 3.2.5.11** Contractor's accounting firm.
- 3.2.5.12** The successful Contractor will be required to register to do business in Iowa before payments can be made.
For vendor registration documents, go to:
<https://das.iowa.gov/procurement/vendors/how-do-business>

3.2.6 Termination, Litigation, Debarment

The Contractor shall provide the following information for the past five (5) years:

- 3.2.6.1** Has the Contractor had a contract for goods and/or services terminated for any reason? If so, provide full details regarding the termination.
- 3.2.6.2** Describe any damages or penalties assessed against or dispute resolution settlements entered into by Contractor under any existing or past contracts for goods and/or services. Provide full details regarding the circumstances, including dollar amount of damages, penalties and settlement payments.
- 3.2.6.3** Describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Contractor to engage in any business, practice or activity.
- 3.2.6.4** A list and summary of all litigation or threatened litigation, administrative or regulatory proceedings, or similar matters to which the Contractor or its officers have been a party.
- 3.2.6.5** Any irregularities discovered in any of the accounts maintained by the Contractor on behalf of others. Describe the circumstances and disposition of the irregularities.

Failure to disclose these matters may result in rejection of the Proposal or termination of any subsequent Contract. The above disclosures are a continuing requirement of the Contractor. Contractor shall provide written notification to the Agency of any such matter commencing or occurring after submission of a Proposal, and with respect to the successful Contractor, following execution of the Contract.

3.2.7 Criminal History and Background Investigation

The Contractor hereby explicitly authorizes the Agency to conduct criminal history and/or other background investigation(s) of the Contractor, its officers, directors, shareholders, partners and managerial and supervisory personnel who will be involved in the performance of the Contract.

3.2.8 Acceptance of Terms and Conditions

By submitting a Proposal, Contractor acknowledges its acceptance of the terms and conditions of the RFP and the Terms and Conditions without change except as otherwise expressly stated in its Proposal. If the Contractor takes exception to a provision, it must identify it by page and section number, state the reason for the exception, and set forth in its Proposal the specific RFP or Terms and Conditions language it proposes to include in place of the provision. If Contractor's exceptions or responses materially alter the RFP, or if the Contractor submits its own terms and conditions or otherwise fails to follow the process described herein, the Agency may reject the Proposal, in its sole discretion.

3.2.9 Certification Letter

The Contractor shall sign and submit with the Proposal, the document included as Attachment #1 (Certification Letter) in which the Contractor shall make the certifications included in Attachment #1.

3.2.10 Authorization to Release Information

The Contractor shall sign and submit with the Proposal the document included as Attachment #2 (Authorization to Release Information Letter) in which the Contractor authorizes the release of information to the Agency.

3.2.11 Firm Proposal Terms

The Contractor shall guarantee in writing the goods and/or services offered in the Proposal are currently available and that all Proposal terms, including price, will remain firm for the number of days (180) indicated on the RFP cover sheet following the deadline for submitting Proposals.

3.3 Cost Proposal

The Contractor shall provide its Cost Proposal in a separately sealed envelope for the proposed goods and/or services. See Attachment #5.

3.3.1 Payment Methods

The State of Iowa, in its sole discretion, will determine the method of payment for goods and/or services as part of the Contract. The State Pcard and EAP are preferred payment methods, but payments may be made by any of the following methods: Pcard/EAP, EFT/ACH, or State Warrant. Contractors shall indicate in their Cost Proposals all of the payment methods they will accept. **This information will not be scored as part of the Cost Proposal or evaluated as part the Technical Proposal.**

3.3.1.1 Credit card or ePayables

The State of Iowa's Purchasing Cards (Pcards) and ePayable solution (EAP) are commercial payment methods utilizing the VISA credit card network. The State of Iowa will not accept price changes or pay additional fees if Contractor uses the Pcard or EAP payment methods. Pcard-accepting Contractors must abide by the State of Iowa's Terms of Pcard Acceptance, as provided in Section 6.7 of the RFP. Contractors must provide a statement regarding their ability to meet the requirements in this subsection, as well as identifying their transaction reporting capabilities (Level I, II, or III).

3.3.1.2 Electronic Funds Transfer (EFT) by Automated Clearing House (ACH)

Contractors shall provide a statement regarding their ability to accept payment by EFT by ACH. Payments are deposited into the financial institution of the claimant's choice three working days from the issue date of the direct deposit.

https://das.iowa.gov/sites/default/files/acct_sae/man_for_ref/forms/eft_authorization_form.pdf

3.3.1.3 State Warrant

The State of Iowa's warrant drawn on the Treasurer of State is used to pay claims against the departments of the State of Iowa. The warrant is issued upon receipt of proper documentation from the issuing department.

3.3.2 Payment Terms

Per Iowa Code 8A.514 the State of Iowa is allowed sixty (60) days to pay an invoice submitted by a Vendor/Contractor.

3.3.3 Contractor Discounts

Contractors shall state in their Cost Proposals whether they offer any payment discounts, including but not limited to:

3.3.3.1 Prompt Payment Discount

The State can agree to pay in less than sixty (60) days if an incentive for earlier payment is offered.

3.3.3.2 Cash Discount

The State may consider cash discounts when scoring Cost Proposals.

SECTION 4 SPECIFICATIONS

Overview

The successful Contractor shall provide the goods and/or services to the State using the Contract in accordance with the specifications as provided in this Section. The Contractor shall address each specification in this Section and indicate whether or not it will comply with the specification. If the context requires more than a yes or no answer or the section specifically indicates, Contractor shall explain how it will comply with the specification. Proposals must address each specification. Merely repeating the specifications may be considered non-responsive and may disqualify the Contractor. Proposals must identify any deviations from the specifications of this RFP or specifications the Contractor cannot satisfy. If the Contractor deviates from or cannot satisfy the specification(s) of this section, the Agency may reject the Proposal.

4.1 Mandatory (Pass/Fail) Specifications

All items listed in this section are Mandatory Specifications. Contractors must mark either **“yes”** or **“no”** to each specification in their Proposals. By indicating **“yes”** a Contractor agrees that it shall comply with that specification throughout the full term of the Contract, if the Contractor is successful. In addition, if specified by the specifications or if the context otherwise requires, the Contractor shall provide references and/or supportive materials to verify the Contractor’s compliance with the specification. The Agency shall have the right to determine whether the supportive information and materials submitted by the Contractor demonstrate the Contractor will be able to comply with the Mandatory Specifications. If the Agency determines the responses and supportive materials do not demonstrate the Contractor will be able to comply with the Mandatory Specifications, the Agency may reject the Proposal. Contractors may subcontract with other companies in order to meet these mandatory specifications. Contractors that decide to subcontract shall provide information about each such company including background, experience and expertise which helps meet the mandatory specifications. Contractors are responsible to assure that all work done by a subcontractor company meets the requirements of the RFP and resulting agreement with the State. **Contractor must be able to meet the specifications of EACH Mandatory Specification in this section or the Lead Agency may reject the Proposal.**

4.1.1 Location

Contractor’s office location of assigned claim personnel must be in the Des Moines, IA metro area. This is defined as North•South: Ankeny to Des Moines and West•East: Waukee to Altoona.

4.1.2 Cost Structure

Contractor’s cost structure for the State of Iowa must be a cost-plus model (i.e. “flat-fee”). Program charges on a per-claim basis or based upon claim type or duration are not acceptable.

4.1.3 Staffing

4.1.3.1 Contractor’s staffing model must be comprised, at a minimum, of one (1) claim examiner for medical only claims, five (5) claim examiners for lost time/indemnity claims, one (1) claim supervisor and one (1) litigation specialist.

- 4.1.3.2 Contractor's staff (outlined in 4.1.3.1) must be dedicated to the State of Iowa Workers' Compensation program. Dedicated is defined as 90% of the employees time shall be spent providing services for the State of Iowa.
- 4.1.3.3 The workers' compensation claim handling experience of Contractor's staff (outlined in 4.1.3.1) must average three (3) years or more. Provide a report verifying that Contractor staff meet this requirement.
- 4.1.3.4 Contractor's dedicated claims staff for the State of Iowa must be domiciled at and conduct daily operations from the Contractor's office. (i.e. - not work from home)

4.1.4 Claim File Management and Intake

- 4.1.4.1 The Contractor's claim system must be fully paperless in accepting First Reports of Injury (FROI), notes, payment ledgers, maintaining file images and file retention.
- 4.1.4.2 The Contractor's claim system must accommodate platforms and interfaces that are unique to Iowa State University, the University of Iowa and the Department of Transportation for filing FROI. Accepting claims for these entities would include taking data in system A (the State of Iowa entity) that needs to be transferred to system B (Contractor claim system). Each field in system A will need to be mapped, defined and encrypted to match a field in system B. All intake files are then placed on the Contractor's File Transfer Protocol (FTP) server. The Contractor's FTP server would need to be accessed via the internet.
- 4.1.4.3 Contractor must be able to provide a weekly report in Microsoft Excel format (or of equal sufficiency determined by the State of Iowa) to 100+ recipients for the State of Iowa of all Temporary Total and Temporary Partial Disability payments being issued.

4.1.5 Contractor Experience

Contractor must have a minimum of ten (10) years' current experience serving large public sector clients. The 10 years of experience may be with one client or with multiple clients adding up to 10 or more years. Contractor must also have current experience providing workers' compensation program administration to at least two (2) employers (public or private sector) with 50,000 or more employees. **Provide documentation and name of client entities.**

4.1.6 Financial

Contractor's claim system must have ability to electronically interface with State of Iowa workers' compensation bank account and issue payments from State owned bank account.

4.2 Scored Technical Specifications

All items listed below are Scored Technical Specifications. All specifications will be evaluated and scored by the evaluation committee in accordance with Section 5. **For each Section within the Scored Technical Specifications, Contractors should clearly and concisely provide a description and examples of how they can provide the item or services.** Each section response will be scored for its quality in providing the best possible solution for the State of Iowa. Where helpful, Contractors are encouraged to include screen capture images, use case diagrams, swim lane diagrams, business process diagrams, etc., to illustrate how the Contractor's proposed solution meets a specification. Proposals that do not have a total minimum score of 60% of the available points on these specifications will be rejected.

4.2.1 Contractor Background & Experience

Describe the professional background, experience and structure of the Contractor's company and staff. Your response should include, but is not limited to, the following:

4.2.1.1 Scope and Mission

- A general description of services provided in whole by the Contractor.
- The Contractor's mission statement.

4.2.1.2 Service Experience

- An outline of the Contractor's core office hours of the servicing office. Core office hours defined as time during which the Contractor's servicing office is considered "open" and available for customer service and communication.
- The average workers' compensation claim handling experience of the Contractor's servicing staff.
- A summary of the Contractor's experience servicing large public sector clients and union groups.
- A description of the Contractor's hiring process and refilling of positions for servicing staff and any consideration given to Client input/involvement in such processes.
- A description of the Contractor's physical location of the servicing office and the reporting structure of servicing staff.
- A summary of the Contractor's experience in providing dedicated servicing staffing models.

4.2.1.3 Industry Position

- Provide reference contact information from three (3) customers or clients that are knowledgeable of the Contractor's performance in providing the services described in this RFP. Include contact name, address, phone and email address and a brief description of the work the Contractor did for the reference. The State expects to contact references.
- The number of clients the Contractor services nationally for workers' compensation.
- The number of clients the Contractor services in Iowa for workers' compensation.

4.2.2 Claim Intake

Describe the technical process and capabilities of Contractor's new claim intake. Your response should include, but is not limited to, the following:

- Online access to file First Report of Injury (FROI).
- Capability of Contractor's FROI reporting system to interface with the State's Human Resource Information Systems (HRIS) to populate employment information and demographics into the FROI.
- Contractor's capability to accept FROI from non-Contractor systems for the University of Iowa, Iowa State and the Department of Transportation. This capability would include taking data in system A (the State of Iowa entity) that needs to be transferred to system B (Contractor claim system). Each field in system A will need to be mapped, defined and encrypted to match a field in system B. All intake files are then placed on the Contractor's File Transfer Protocol (FTP) server. The Contractor's FTP server would need to be accessed via the internet.
- The Contractor's backup process in the event online claim reporting is temporarily unavailable.

4.2.3 Claims Management System

Describe the capabilities of the Contractor's proposed online claim management system (The System). Your response should include, but is not limited to, the following:

4.2.3.1 Administrative Capabilities

- A general description of The System, length it has been in operation and whether The System is Contractor owned and maintained.
- Capabilities for providing real-time, online access for Client users to claim notes, file images/materials and payment ledgers.
- The number of Client users that The System can accommodate. Is there any additional fee per user (Yes/No)? (Please do not provide any specific cost information here but include separately in any cost proposal)

4.2.3.2 Detail Capabilities

- Capability of The System to allow Client to set claim diaries/tasks for Client's management within.
- Capability of The System to classify and administer claims by business unit (i.e. State agency).
- Capability of time-tracking within The System to allow for claimant's work status to be tracked throughout the life of a claim.

4.2.3.3 Interface Capabilities

- The System's capability to accept monthly data feed from the State's HRIS for update of claimant's employment status.
- The System's capability to submit billing to and receive payment data from medical bill review.
- The System's capability to provide Electronic Data Interchange (EDI) filings to Iowa Workforce Development – Division of Workers' Compensation.

- The System’s capability to send required electronic filings to Federal Center for Medicare Services in relation to ongoing responsibility for medical.
- The System’s capabilities as they relate to required Occupational Safety and Health Administration (OSHA) reporting; including any generation of OSHA 300/300A reports.
- The System’s capability to be customized for the State of Iowa. Is there any additional cost for customization of data fields or screens (Yes/No)? (Please do not provide any specific cost information here but include separately in any cost proposal)

4.2.4 Claims Management Practices

Outline, describe and explain the Contractor’s Claims Best Practices and Standards of Service. Your response should include, but is not limited to, the following:

4.2.4.1 Best Practices

- A summary of the Contractor’s Claims Best Practices and Standards of Service related to handling medical only claims.
- A summary of the Contractor’s Claims Best Practices and Standards of Service related to handling of lost-time/indemnity claims.
- A summary of the Contractor’s Claims Best Practices and Standards of Service related to claim investigation and initial contacts.
- A summary of the Contractor’s Claims Best Practices and Standards of Service related to claim reserves and action plans.
- A summary of the Contractor’s reserving philosophy.
- A summary of the Contractor’s Claims Best Practices and Standards of Service related workers’ compensation litigation.
- A summary of the Contractor’s Claims Best Practices and Standards of Service related workers’ compensation settlements.
- A summary of the Contractor’s Claims Best Practices and Standards of Service related to claim closure.
- A summary of the Contractor’s Claims Best Practices and Standards of Service related to medical bill review.

4.2.4.2 Quality Practices

- A summary of Contractor’s internal claim audit criteria, process, frequency and percentage of claims audited.
- The capability and willingness of the Contractor to adhere to Performance Guarantees or “fee at risk” agreements with the State.

4.2.4.3 Customization Practices

- The capability and willingness of the Contractor to modify and adapt practices and procedures for the State.
- The capability and willingness of the contractor to attend mediations, hearings, claim reviews and client requested meetings. Is there any additional fee (Yes/No)? (Please do not provide any specific cost information here but include separately in any cost proposal)

4.2.5 Data Management and Reporting

Describe the Contractor's data management and reporting capabilities. Your response should include, but is not limited to the following:

4.2.5.1 Data Security

- A summary of the Contractor's Best Practices and Standards of Service related to data management.
- A summary of the Contractor's Continuity of Business Plan and established methods of claim data backup/redundancy.
- A description of the Contractor's physical safeguards to ensure data integrity and confidentiality.
- A description of the Contractor's technological safeguards to ensure data integrity and confidentiality.

4.2.5.2 Reporting Capabilities

- A detailed description of standard reports available to the State (i.e. payment histories, loss runs, detailed reports, reserve change reports, ad hoc reporting, etc.)
- A summary of Contractor's capabilities to provide customized reports to the State on ad hoc basis.
- A general description of the format of reports available to the State. (i.e. PDF, Excel, etc.)
- Description of the capabilities of the State to run their own reports from the Contractor's claim system.
- Description of the capabilities of the Contractor to report on data prior to July 1, 2019 (i.e. "take-over" claim)
- Is there any additional fee(s) related to data management and reporting (Yes/No)? (Please do not provide any specific cost information here but include separately in any cost proposal)

4.2.6 Financial Management

Describe the capabilities of the Contractor's financial management of claims. Your response should include, but is not limited to, the following:

4.2.6.1 Financial Management Practices

- A summary of the Contractor's Best Practices and Standards of Service related to financial management and issuing claim payments.
- An outline of the levels of authority the Contractor utilizes to issue claim payments.
- A general description of Contractor's client banking Best Practices.

4.2.6.2 Integration Capabilities

- Capability to schedule regular indemnity payments in advance.
- Capability of Contractor to issue payments on a client-owned bank account.
- Capability to offer direct deposit of indemnity benefits to claimants.
- Capability of the Contractor's claims payment system to integrate with medical bill review.

4.2.6.3 Financial Reporting Capabilities

- Process for handling stop-pay, returned or voided checks.
- Capability to report on annual and ad hoc basis on claims paid by detail and future reserves.

4.2.7 Ancillary Services

Describe the capabilities of the Contractor to provide medical bill review, nurse case management, subrogation, surveillance, Medicare services and medical provider networks. (Please do not provide any specific cost information here but include separately in any cost proposal) Your response should include, but is not limited to, the following:

- Description of the Contractor's medical bill review services, including any utilization of subcontractors.
- Description of the Contractor's field nurse case management services, including any utilization of subcontractors.
- Description of the Contractor's subrogation services, including any utilization of subcontractors.
- Description of the Contractor's surveillance services, including any utilization of subcontractors.
- Description of the Contractor's Medicare services, including any utilization of subcontractors.
- Description of the Contractor's medical provider networks, including any utilization of subcontractors.

4.2.8 Contractor Stability and Surety

Describe and illustrate the operational and financial stability and surety of the Contractor. Your response should include, but is not limited to, the following:

4.2.8.1 Regulation

- Whether the Contractor, its officers, agents or employees, who are expected to perform services under contract with the State, have been disciplined, admonished, or warned by any regulatory body or have otherwise had their ability to conduct business monitored, suspended or revoked for any reason.
- Whether the Contractor is privately held or publicly traded and any pending or reasonably anticipated agreements or plans to merge or sell the company.
- Any Contractor affiliation and/or financial arrangements, if any, with the following such companies:
 - Medical Case Management
 - Surveillance
 - Medical Bill Review/Re-pricing
 - Medicare Set Aside
 - Pharmacy Benefit Management
 - Structured Settlement

4.2.8.2 Contract Terminations

- Whether, during the preceding three (3) year period, at the time of this response, the Contractor has been terminated, prior to the stated expiration, by a large (>2,500 employees) client for Iowa workers' compensation services and the identity of each such contract with description of the circumstances of the termination and contact information for the contact person with the entity with whom the Contractor held the contract.
- Whether, during the preceding three (3) year period, at the time of this response, the Contractor has terminated a contract, prior to the stated expiration, for Iowa workers' compensation services and the identity of each such contract with description of the circumstances of the termination and contact information for the contact person with the entity with whom the Contractor held the contract.

4.2.9 Implementation and Account Management

Describe the timetable and specific tasks involved to have Contractor service operational on July 1, 2019. Your response should include, but is not limited to, the following:

- Timing of significant tasks – provide proposed Work Plan
- Responsibilities of the Contractor
- Responsibilities of the State
- Responsibilities of any other party(ies)
- Transition plan with incumbent administrator
- Length of time the implementation team will be responsible for the State of Iowa account.
- Explanation of data conversion and coordination processes

4.3 Optional Specifications

All items listed below are optional, non-mandatory specifications. These specifications will be evaluated and scored in the technical proposal. Cost for optional specifications shall be identified in the separate cost proposal; however, costs for optional specifications will not be considered in the determination of the cost score.

Miscellaneous

Describe additional services or features, not already discussed, which the Contractor wishes to provide. Your response may include, but is not limited to, the following:

- Description of services or feature that distinguish the Contractor from other third-party administrators.
- Description of services or feature that distinguish the Contractor's claim system from other third-party administrators.

SECTION 5 EVALUATION AND SELECTION

5.1 Introduction

This section describes the evaluation process that will be used to determine which Proposal(s) provides the greatest benefit to the State. Agency will not necessarily award the Contract to the Contractor offering the lowest cost to the Agency. Instead, the Agency will award to the Contractor whose Responsive Proposal the Agency believes will provide the best value to the State.

5.2 Evaluation Committee

The Agency will conduct a comprehensive, fair, and impartial evaluation of Proposals received in response to this RFP. The Agency will use an evaluation committee to review and evaluate the Technical Proposals. The evaluation committee will recommend an award based on the results of their evaluation to the Agency or to such other person or entity who must approve the recommendation.

5.3 Technical Proposal Evaluation and Scoring

All Technical Proposals will first be reviewed to determine if they comply with the Mandatory (Pass/Fail) Specifications in Section 4.1. The Technical Proposals will then be evaluated and scored on the Scored Technical Specifications described in Section 4.2. To be deemed a Responsive Proposal, the Proposal must:

- Answer “Yes” to all parts of Section 4.1 and include supportive materials as required to demonstrate the Contractor will be able to comply with the Mandatory (Pass/Fail) Specifications in that section and
- Obtain the minimum score (60% or more of available points) required in Section 4.2 Scored Technical Specifications for the Technical Proposal.

An addendum identifying the points assigned to evaluation criteria and the required minimum score will be posted prior to the RFP due date and time.

5.4 Cost Proposal Scoring

After the Technical Proposals are evaluated and scored, for those contractors meeting the required minimum score, the Cost Proposals will be opened and scored.

To assist the agency in evaluating, Cost Proposals may be evaluated and points awarded as follows. The Cost Proposals will remain sealed during the evaluation of the Technical Proposal and any Demonstration. The compliant prospective contractor’s technical points will be added to the cost points, to obtain the total points awarded for the proposal. The Cost Proposals will be ranked from cheapest to the most expensive. The cheapest shall receive the maximum number of points available in this section.

SECTION 6 CONTRACT TERMS AND CONDITIONS

6.1 Contract Terms and Conditions

The Contract that the Agency expects to award as a result of this RFP shall comprise the specifications, terms and conditions of the RFP, written clarifications or changes made in accordance with the provisions of the RFP, the Terms and Conditions attached hereto, the offer of the successful Contractor contained in its Proposal, and any other terms deemed necessary by the Agency. No objection or amendment by a Contractor to the provisions or terms and conditions of the RFP or the Terms and Conditions shall be incorporated into the Contract unless Agency has explicitly accepted the Contractor's objection or amendment in writing.

The Contract terms and conditions in this Section 6 and the Terms and Conditions will be incorporated into the Contract. The Terms and Conditions may be supplemented at the time of contract execution and are provided to enable Contractors to better evaluate the costs associated with the RFP specifications and the Contract. All costs associated with complying with these specifications should be included in any pricing quoted by the Contractor.

By submitting a Proposal, Contractor acknowledges its acceptance of the terms and conditions of the RFP and the Terms and Conditions without change except as otherwise expressly stated in its Proposal. If the Contractor takes exception to a provision, it must identify it by page and section number, state the reason for the exception, and set forth in its Proposal the specific RFP or Terms and Conditions language it proposes to include in place of the provision. If Contractor's exceptions or proposed responses materially alter the RFP, or if the Contractor submits its own terms and conditions or otherwise fails to follow the process described herein, the Agency may reject the Proposal, in its sole discretion.

The Agency reserves the right to either award a Contract(s) without further negotiation with the successful Contractor or to negotiate Contract terms with the successful Contractor if the best interests of the State would be served.

6.2 Special Terms

Proposed State of Iowa Security Terms & Conditions are attached.

6.3 Contract Length

The term of the Contract will begin and end on the approximate dates indicated on the RFP cover sheet. The Agency shall have the sole option to renew the Contract upon the same or more favorable terms and conditions for up to the number of annual extensions identified on the RFP cover sheet.

6.4 Insurance

The Contract will require the successful Contractor to maintain insurance coverage(s) in accordance with the insurance provisions of the Terms and Conditions and of the type and in the minimum amounts set forth below, unless otherwise required by the Agency.

Type of Insurance	LIMIT	AMOUNT
General Liability (including contractual liability) written on an occurrence basis	General Aggregate	\$2 million
	Products –	
	Comp/Op Aggregate	\$1 Million
	Personal injury Each Occurrence	\$1 Million \$1 Million
Automobile Liability (including contractual liability) written on an occurrence basis	Combined single limit	\$1 Million
Excess Liability, Umbrella Form	Each Occurrence Aggregate	\$1 Million \$1 Million
Errors and Omissions Insurance	Each Occurrence	\$1 Million
Property Damage	Each Occurrence Aggregate	\$1 Million \$1 Million
Workers Compensation and Employer Liability	As Required by Iowa law	As required by Iowa law

6.5 Terms and Conditions for State of Iowa Purchasing Cards

The State of Iowa shall pay Contractor’s invoices using its Purchasing Card Program (Pcard) whenever possible. The Pcard is a VISA credit card issued by U.S. Bank to allow authorized employees to make purchases on behalf of the State. It is a faster, more convenient alternative to traditional invoicing and remittance processing, allowing US Bank to pay the Contractor directly, generally within 48 hours of the transaction. Contractor shall comply with security measures for Pcard payments including:

- Contractor shall comply with Payment Card Industry Data Security Standard (PCI DSS) to assure confidential card information is not compromised;
- Contractor shall adhere to Fair and Accurate Credit Transactions Act requirements that limit the amount of consumer and account information shared for greater security protection;
- Contractor shall not write down card numbers or store card information. When accepting orders by phone, Contractor shall process the transaction during the call and send itemized receipts (excluding card numbers) to the cardholder by fax, email, or mail (with delivery);
- Contractor shall process payment for items when an order is placed only for items currently in stock and available for shipment, and only for services already rendered;
- Contractor shall confirm that the name of purchaser matches the name on the card;
- Contractor shall ensure Internet orders are processed via secure websites, featuring Verisign, TRUSTe, BBBOnline, or “https” in the web address;
- Contractor shall shred any documentation with credit card numbers.

Attachment # 1
Certification Letter

Alterations to this document are prohibited, see section 2.12.14.

[Date]

Issuing Officer Name: Ken Discher

Agency: Dept. of Administrative Services

**Agency Address: Department of Administrative Services
Central Procurement and Fleet Services Enterprise
Hoover Bldg – Level 3
1305 E Walnut St
Des Moines IA 50319**

Re: RFP1219005003 - PROPOSAL CERTIFICATIONS

Dear Ken Discher:

I certify that the contents of the Proposal submitted on behalf of **[Name of Contractor]**_____ (Contractor) in response to **Agency** for **RFP1219005003** for Worker's Compensation Administration are true and accurate. I also certify that Contractor has not knowingly made any false statements in its Proposal.

Certification of Independence

I certify that I am a representative of Contractor expressly authorized to make the following certifications in behalf of Contractor. By submitting a Proposal in response to the RFP, I certify in behalf of the Contractor the following:

1. The Proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the Agency or with any person serving as a member of the evaluation committee.
2. The Proposal has been developed independently, without consultation, communication or agreement with any other contractor or parties for the purpose of restricting competition.
3. Unless otherwise required by law, the information found in the Proposal has not been and will not be knowingly disclosed, directly or indirectly prior to Agency's issuance of the Notice of Intent to Award the contract.
4. No attempt has been made or will be made by Contractor to induce any other contractor to submit or not to submit a Proposal for the purpose of restricting competition.
5. No relationship exists or will exist during the contract period between Contractor and the Agency or any other State agency that interferes with fair competition or constitutes a conflict of interest.

Certification Regarding Debarment

6. I certify that, to the best of my knowledge, neither Contractor nor any of its principals: (a) are presently or have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal Agency or State Agency; (b) have within a three year period preceding this Proposal been convicted of, or had a civil judgment rendered against them for commission of fraud, a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes; commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are presently indicted for or criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this Proposal had one or more public transactions (federal, state, or local) terminated for cause.

This certification is a material representation of fact upon which the Agency has relied upon when this transaction was entered into. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to other remedies available, the Agency may pursue available remedies including suspension, debarment, or termination of the contract.

Certification Regarding Registration, Collection, and Remission of Sales and Use Tax

- 7. Pursuant to *Iowa Code sections 423.2(10) and 423.5(4) (2016)* a retailer in Iowa or a retailer maintaining a business in Iowa that enters into a contract with a state agency must register, collect, and remit Iowa sales tax and Iowa use tax levied under *Iowa Code chapter 423* on all sales of tangible personal property and enumerated services. The Act also requires Contractors to certify their compliance with sales tax registration, collection, and remission requirements and provides potential consequences if the certification is false or fraudulent.

By submitting a Proposal in response to the (RFP), the Contractor certifies the following: (check the applicable box)

- Contractor is registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by *Iowa Code Chapter 423*; or
- Contractor is not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in *Iowa Code subsections 423.1(47) and (48)(2016)*.

Contractor also acknowledges that the Agency may declare the Contractor’s Proposal or resulting contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Agency or its representative filing for damages for breach of contract in addition to other remedies available to Agency.

Sincerely,

Signature

Name and Title of Authorized Representative

Date

Attachment #2
Authorization to Release Information Letter
Alterations to this document are prohibited, see section 2.12.14.

[Date]

Issuing Officer Name: Ken Discher
Agency: Dept. of Administrative Services
Agency Address: Department of Administrative Services
Central Procurement and Fleet Services Enterprise
Hoover Bldg – Level 3
1305 E Walnut St
Des Moines IA 50319

Re: RFP1219005003 - AUTHORIZATION TO RELEASE INFORMATION

Dear Ken Discher:

[Name of Contractor]_____ **(Contractor)** hereby authorizes the **Agency** ("Agency") or a member of the Evaluation Committee to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matter pertinent to evaluation and the selection of a successful Contractor in response to **RFP1219005003**.

The Contractor acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The Contractor acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the State or may otherwise hurt its reputation or operations. The Contractor is willing to take that risk.

The Contractor hereby releases, acquits and forever discharges the State of Iowa, the Agency, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the Agency or the Evaluation Committee in the evaluation and selection of a successful Contractor in response to the RFP.

The Contractor authorizes representatives of the Agency or the Evaluation Committee to contact any and all of the persons, entities, and references which are, directly or indirectly, listed, submitted, or referenced in the Contractor's Proposal submitted in response to RFP.

The Contractor further authorizes any and all persons and entities to provide information, data, and opinions with regard to its performance under any contract, agreement, or other business arrangement, its ability to perform, business reputation, and any other matter pertinent to the evaluation of the Contractor's Proposal. The Contractor hereby releases, acquits and forever discharges any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the Contractor that it may have or ever claim to have relating to information, data, opinions, and references supplied to the Agency or the Evaluation Committee in the evaluation and selection of a successful Contractor in response to RFP.

A photocopy or facsimile of this signed Authorization is as valid as an original.

Sincerely,

Signature

Name and Title of Authorized Representative

Date

Attachment #3
Form 22 – Request for Confidentiality
SUBMISSION OF THIS FORM 22 IS REQUIRED

THIS FORM 22 (FORM) MUST BE COMPLETED AND INCLUDED WITH YOUR PROPOSAL. THIS FORM 22 IS REQUIRED WHETHER THE PROPOSAL DOES OR DOES NOT CONTAIN INFORMATION FOR WHICH CONFIDENTIAL TREATMENT WILL BE REQUESTED. FAILURE TO SUBMIT A COMPLETED FORM 22 WILL RESULT IN THE PROPOSAL TO BE CONSIDERED NON-RESPONSIVE AND ELIMINATED FROM EVALUATION. COMPLETE PART 1 OF THIS FORM 22 IF PROPOSAL DOES NOT CONTAIN CONFIDENTIAL INFORMATION. COMPLETE PART 2 OF THIS FORM 22 IF PROPOSAL DOES CONTAIN CONFIDENTIAL INFORMATION.

1. Confidential Treatment Is Not Requested

A Respondent not requesting confidential treatment of information contained in its Proposal shall complete Part 1 of Form 22 and submit a signed Form 22 Part 1 with the Proposal.

2. Confidential Treatment of Information is Requested

A Respondent requesting confidential treatment of specific information shall: (1) fully complete and sign Part 2 of Form 22, (2) conspicuously mark the outside of its Proposal as containing confidential information, (3) mark each page upon which the Respondent believes confidential information appears **and CLEARLY IDENTIFY EACH ITEM for which confidential treatment is requested; MARKING A PAGE IN THE PAGE MARGIN IS NOT SUFFICIENT IDENTIFICATION**, and (4) submit a “Public Copy” from which the confidential information has been excised.

Form 22 will not be considered fully complete unless, for each confidentiality request, the Respondent: (1) enumerates the specific grounds in Iowa Code Chapter 22 or other applicable law that supports treatment of the information as confidential, (2) justifies why the information should be maintained in confidence, (3) explains why disclosure of the information would not be in the best interest of the public, and (4) sets forth the name, address, telephone, and e-mail for the person authorized by Respondent to respond to inquiries by the Agency concerning the confidential status of such information.

The Public Copy from which confidential information has been excised is in addition to the number of copies requested in Section 3 of this RFP. The confidential information must be excised in such a way as to allow the public to determine the general nature of the information removed and to retain as much of the Proposal as possible.

Failure to request information be treated as confidential as specified herein shall relieve Agency and State personnel from any responsibility for maintaining the information in confidence. Respondents may not request confidential treatment with respect to pricing information and transmittal letters. A Respondent’s request for confidentiality that does not comply with this form or a Respondent’s request for confidentiality on information or material that cannot be held in confidence as set forth herein are grounds for rejecting Respondent’s Proposal as non-responsive. Requests to maintain an entire Proposal as confidential will be rejected as non-responsive.

If Agency receives a request for information that Respondent has marked as confidential and if a judicial or administrative proceeding is initiated to compel the release of such information, Respondent shall, at its sole expense, appear in such action and defend its request for confidentiality. If Respondent fails to do so, Agency may release the information or material with or without providing advance notice to Respondent and with or without affording Respondent the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction. Additionally, if Respondent fails to comply with the request process set forth herein, if Respondent’s request for confidentiality is unreasonable, or if Respondent rescinds its request for confidential treatment, Agency may release such information or material with or without providing advance notice to Respondent and with or without affording Respondent the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction.

Part 1 – No Confidential Information Provided

Confidential Treatment Is Not Requested

Respondent acknowledges that proposal response contains no confidential, secret, privileged, or proprietary information. There is no request for confidential treatment of information contained in this proposal response.

This Form must be signed by the individual who signed the Respondent’s Proposal. The Respondent shall place this Form completed and signed in its Proposal.

- ***Fill in and sign the following if you have provided no confidential information. If signing this Part 1, do not complete Part 2.***

_____	_____	_____
Company	RFP Number	RFP Title
_____	_____	_____
Signature (required)	Title	Date

(Proceed to the next page only if Confidential Treatment is requested.)

Part 2 - Confidential Treatment is Requested

The below information is to be completed and signed ONLY if Respondent is requesting confidential treatment of any information submitted in its Proposal.

NOTE:

- **Completion of this Form is the sole means of requesting confidential treatment.**
- **A RESPONDENT MAY NOT REQUEST PRICING INFORMATION IN PROPOSALS BE HELD IN CONFIDENCE.**

Completion of the Form and Agency’s acceptance of Respondent’s submission does not guarantee the agency will grant Respondent’s request for confidentiality. The Agency may reject Respondent’s Proposal entirely in the event Respondent requests confidentiality and does not submit a fully completed Form or requests confidentiality for portions of its Proposal that are improper under the RFP.

Please provide the information in the table below. Respondent may add additional lines if necessary or add additional pages using the same format as the table below.

RFP Section:	Respondent must cite the specific grounds in <i>Iowa Code Chapter 22</i> or other applicable law which supports treatment of the information as confidential.	Respondent must justify why the information should be kept in confidence.	Respondent must explain why disclosure of the information would not be in the best interest of the public.	Respondent must provide the name, address, telephone, and email for the person at Respondent’s organization authorized to respond to inquiries by the Agency concerning the status of confidential information.

This Form must be signed by the individual who signed the Respondent’s Proposal. The Respondent shall place this Form completed and signed in its Proposal. A copy of this document shall be placed in all Proposals submitted including the Public Copy.

- ***If confidentiality is requested, failure to provide the information required on this Form may result in rejection of Respondent’s submittal to request confidentiality or rejection of the Proposal as being non-responsive.***
- ***Please note that this Form is to be completed and signed only if you are submitting a request for confidential treatment of any information submitted in your Proposal. If signing this Part 2, do not complete Part 1.***

Company

RFP Number

RFP Title

Signature (required)

Title

Date

**Attachment #4
Response Check List**

RFP REFERENCE SECTION	RESPONSE INCLUDED		LOCATION OF RESPONSE
	Yes	No	
3. Three (3) paper copies and one digital media of the Technical Bid Proposal			
3. Three (3) paper copies and one digital media of the Cost Proposal			
3. One (1) Public Technical Copy (one paper and one digital media) with Confidential Information Excised (if applicable)			
3. Transmittal Letter			
3. Table of Contents			
3. Executive Summary			
3. Vendor Background Information			
3. Termination, Litigation, Debarment			
3. Criminal History and Background Investigation			
3. Acceptance of Terms and Conditions			
3. Completed Certification Letter (Attachment #1)(required)			
3. Completed Authorization to Release Information (Attachment #2)(required)			
3. Firm Proposal Terms			
4. Completed Mandatory Specifications (required)			
4. Completed Scored Technical Specifications (required)			
2. Completed Attachment #3 – Form 22 (required)			
3. Completed Attachment #5 – Cost Proposal (required)			

ATTACHMENT #5
Cost Proposal

Payment Terms

Per *Iowa Code § 8A.514* the State of Iowa is allowed sixty (60) days to pay an invoice submitted by a vendor.

What discount will you give for payment in 15 days?

What discount will you give for payment in 30 days?

Cost Proposal

Contractor's Cost Proposal (Exhibit 1) shall include an all-inclusive, itemized, total cost for six year period in U.S. Dollars (including all travel, expenses, etc. in prices). All pricing to be FOB Destination, freight cost and all expenses included; and based on Net 60 Days Payment Terms.

To determine the number of points to be awarded in the Cost Plus Fixed Fee section (Exhibit 1), the cheapest proposal will be used in all cases as the numerator. Each of the other proposals will be used as the denominator. The percentage will then be multiplied by the maximum number of points and the resulting number will be the cost points awarded to other compliant contractors. Percentages and points will be rounded to the nearest whole value.

Example:

Contractor A quotes \$35,000; Contractor B quotes \$45,000 and Contractor C quotes \$65,000.

Contractor A: $\frac{\$35,000}{\$35,000} =$ receives 100% of available points on cost.

Contractor B: $\frac{\$35,000}{\$45,000} =$ receives 78% of available points on cost.

Contractor C: $\frac{\$35,000}{\$65,000} =$ receives 54% of available points on cost.

The Managed Care Cost section (Exhibit 2) will be ranked by cost per each service category of that section. The cheapest shall receive the maximum number of points available in this section. The most expensive will receive the least number of points. The percentage of points awarded will then be multiplied by the total number of points available and the resulting number will be the cost points awarded. Percentages and points will be rounded to the nearest whole value.

The points awarded in the Cost Plus Fixed Fee and Managed Care sections will be combined for the Total Cost Proposal score.

Please complete both of the following two exhibits in this section. These exhibits are to be submitted in a separate sealed envelope labeled Cost Proposal. The exhibits must be submitted in the prescribed format and have been provided electronically to facilitate your response.

The State is requesting that pricing be presented in a “Cost Plus Fixed Fee” format as described below. This pricing method is mandatory for this RFP. Contractors who do not submit pricing for a Cost Plus Fixed Fee will be considered as non-responsive to the RFP and their proposal will be rejected on that basis.

Cost Plus Fixed Fee Pricing & Managed Care

Provide a Cost Plus Fixed Fee price for claims administration. This option is based on having dedicated claims staff located at the Contractor’s office located in the Des Moines area with individual caseloads of 150 to 160 indemnity claims and medical only claims not to exceed 250 claims per examiner.

Pricing on the Cost Plus Fixed Fee basis should include expenses incurred by the Contractor that will be “passed on” directly to DAS based on the actual amount of the expenses. These actual expenses include primarily the salaries and benefits of the Contractor’s employees who are dedicated to the State’s claims. These expenses should be referred to as the “Cost Pricing Elements for Staffing and Salaries” and must be itemized accordingly in the Contractor’s proposal.

Another element of the Cost Plus Fixed Fee price should be the Fixed Fee Element portion of the proposal. The Fixed Fee Element of the proposal would include the profit and prorated corporate overhead of the Contractor. This element may include, but is not limited to, client system access, expenses such as training, travel and educational expenses associated with the claims staff who would be working on the State’s program. The Contractor should include in the Fixed Fee Element all costs not specified as part of the Cost Pricing Element for Staffing and Salaries. All such costs must be itemized in the Contractor’s proposal. Claim information, system implementation, and conversion costs should also be listed and itemized according to expense type.

Contractors should also include the proposed cost for Managed Care services (Exhibit 2), including medical bill review, preferred provider networks, pharmacy networks, Medicare Set Aside services, peer-to-peer services and field nurse case management. These items must be clearly documented with a complete description of all such services to be included with the proposal.

Contractors must complete the pricing sections of the tables for Cost Plus Fixed Fee (Exhibit 1) and Managed Care services (Exhibit 2).

Exhibit 1

Cost Plus Fixed Fee	Total Fee Amount (On each line list TOTAL AMOUNT projected over a 6-year period)
Cost Pricing Elements for Staffing and Salaries (Itemize)	
1	
2	
3	
Etc.	
Subtotal*	
The Fixed Fee Element (Itemize)	
1	
2	
3	
Etc.	
Subtotal*	
Any other services not listed (Please specify type of Service)*	
Grand Total Cost Plus Fixed Fee (6-year period total) (Total of * lines)	

Exhibit 2

If the contractor uses outside vendors to perform the Managed Care services then please identify the vendor recommended for the State’s workers’ compensation program when completing following Exhibit 2.

Managed Care [Vendor Name] (Whether Contractor or Outside Vendor) Local Office Address:	[Vendor Contact Name] [Title] [Telephone Number]
Managed Care Services	Fee Basis (List \$, %, or Other as appropriate)
Routine Network Bill Review Usual Customary & Reasonable	Cost per line
Out of Network Bill Review	Cost per line
Preferred Provider Organization Networks (PPO)	% of savings
Hospital Bill Review (PPO & Non-PPO)	% of savings
Pharmacy Billing Management (in-network RXs)	% of savings
Field Case Management	Cost by task and cost per hour
Concurrent Review Physician Peer Review	Cost per review
Medicare Set-aside (MSA) Services	Cost for MSA projections Cost for MSA submission to CMS
Other Managed Care Services Not listed	