



DATE: November 1, 2024
FROM: Jocelyn Brincks
Senior Statewide Procurement Officer
SUBJECT: 005-RFP -1338-2025

ADDENDUM # 1

A. Section 3.2 Technical Proposal of the RFP is amended to include the following instruction for Exhibit 1 – Transmittal Letter:

Respondent must acknowledge all Addenda in the Transmittal Letter.

B. Questions & Answers

The Department of Administrative Services received the following questions and requests for clarification – please note the deadline for questions is 2 p.m. on November 14, 2024. An additional Addendum will be posted with any questions received after today.

Table with 2 columns: Question and Response. Contains 3 rows of questions and answers regarding funding, hard copy documents, and investigation processes.

4	<p>What is expected from the adjudication process? Will there be expectations that Contractor performs a legal services, such as an arbitrator or mediator between parties? Or will Contractor just analyze amounts and claims?</p>	<p>The Contractor will not perform legal services nor mediation. The Iowa Attorney General's Office provides all legal representation on our claims. Mediators are chosen from a local approved law-firm.</p>
5	<p>Please elaborate on "coordination" and what power Contractor will have to arrange mediation.</p>	<p>The Contractor, in conjunction with defense counsel, will be responsible for assessing when a claim should be mediated. With approval from the Workers' Compensation Coordinator for the Iowa Dept. of Administrative Services, the vendor will coordinate mediations by verifying availability of all parties, determining and setting date/time with approved mediator, sending pertinent claim file material to mediator, the State's Workers' Compensation Coordinator and defense counsel prior to mediation.</p>
6	<p>Please elaborate on the process for setting and revising reserves, including the financial reporting implications and end users of that information</p>	<p>The Contractor should have their own best practice already established for how they handle reserve processes and authority levels internally for their Clients. Presently, the State of Iowa workers' compensation claims are reserved without input or approval being required to be received from the State. The reserves/incurred values placed on claims are utilized in the State's annual workers' compensation assessments to participating agencies and for other purposes as determined by the State or Contractor.</p>
7	<p>Please elaborate on the process and expectation regarding occupational health and pharmacy network</p>	<p>The Contractor will be responsible for outlining for the State as part of the RFP how they provide pharmacy services for their current workers' compensation clients. What Pharmacy Billing Management (PBM) vendors does the Contractor currently utilize? How would that fit into the State's workers' compensation program?</p> <p>The State of Iowa has a number of occupational medical providers designated throughout the state as approved options for initial medical care. The Contractor is responsible for identifying appropriate clinics to use or not utilize, arranging all medical care and making appointments as needed for the Claimant, managing medical care to direct towards claim resolution, maintaining relationships with all clinics, PT, DME vendors. The Contractor is also expected to have familiarity with specialists (orthopedics, neurology, physiatry, mental health, etc.) throughout the state to arrange medical care beyond initial occupational medical visits, as needed, on all of the State's claims.</p>

8	Please define how performance will be monitored, and what “securing” discounts includes	Performance is normally measured through monthly reports, claim quality audits, number of complaints, etc. The Contractor should be able to demonstrate for the State what their current claims audit process looks like what expectations and best practices they hold their staff accountable for. The reference to discount(s) is in relation to medical providers and pharmacy and all other medical or ancillary services such as those referenced in the answer to Question #7. The Contractor should be able to demonstrate for the State what provider networks, discounts and relationships they have established with the variety of medical and other providers in the workers' compensation world.
9	Please elaborate on the expectation of payment processing – will Contractor be handling funds directly? Operating a system of record with the State? Approving payments?	The workers' compensation trust account that funds the State's claims is a State owned bank account. The Contractor's claim system will need to have the ability connect to this for payments. The Contractor will be responsible for issuing and approving all payments made from the State's workers' compensation claim files.
10	What is the reason for issuing the RFP/marketing your program? a. Current Program Expiring (Y/N)? b. The State of Iowa requirements to issue RFP on a periodic basis (Y/N)? c. Issues with current TPA Program (Y/N)?	Current contract is for a 6 year term - the maximum allowed contract term for goods/services. State of Iowa requires contracts to be rebid after a 6 year term.
11	Is the State of Iowa TPA program Federally Funded (Y/N)?	No
12	Who is the incumbent TPA?	Sedgwick
13	How long has the incumbent been providing TPA services to the State of Iowa?	Since July 1, 2001.
14	Would the State of Iowa consider rebranding all or select incumbent adjusters and claim team to the new TPA (Y/N)? a. If the State of Iowa prefers select adjusters and other claim team members for rebranding, please identify the number of adjusters and their corresponding roles.	Yes. The staffing model is outlined in Section 4.3.1 of the RFP document.
15	Would you provide a copy of the current TPA Contract including fees as follows? a. Current Program Medical Only Claim Rate? b. Current Program Lost Time/Indemnity Claim Rate? c. Current Program Incident/Record Only Claim Rate? d. Total Fees?	No.

<b>16</b>	Who is the insurance carrier for the excess coverage?	There is no insurance carrier at any level in this program. Claims are 100% self-funded by State of Iowa.
<b>17</b>	What is the self-insurance retention level?	There is no insurance carrier at any level in this program. Claims are 100% self-funded by State of Iowa.
<b>18</b>	What is the Adjuster Reserve Authorization Level?	There is no insurance carrier at any level in this program. Claims are 100% self-funded by State of Iowa.
<b>19</b>	What is working well with your program?	Relationships between our adjusters, attorneys, participating agencies and the Dept. of Administrative Services are excellent. Communication is nearly perfect. Program quality is currently second to none.
<b>20</b>	What challenges do you have with your current program?	None
<b>21</b>	What concerns do you have on moving the program to another TPA?	Onboarding 80+ State agencies to new systems and process. Loss of the program knowledge that exists. The loss of quality service.
<b>22</b>	What are your key objectives for your new program over the next 12 to 24 months?	There are no specified objectives. Providing quality claims handling within budget with few to no complaints is always the objective is this program.
<b>23</b>	Would you provide a Loss Summary of your open and closed Workers' Compensation Claims as follows for at least the last 6 years? (Excel format with all fields in columns would be preferred) a. Policy Year or Calendar Year? b. Minor Line of Coverages i. Workers' Compensation Lost Time/Indemnity (WCLT)? ii. Workers' Compensation Medical Only (WCMO)? iii. Workers' Compensation Record Only (WCRO)? c. Claim Status (Open / Closed)? d. Total Incurred? e. Total Paid? f. Total Outstanding or Reserves?	Loss runs will not be provided in conjunction with this RFP process.
<b>24</b>	Will the new TPA assume responsibility for taking over the current open Workers' Compensation claim files from the incumbent TPA? a. If yes, please provide a Loss Summary Listing of all open Workers' Compensation Claims by Minor line of coverage. (Excel format with all fields in columns would be preferred) i. Policy Year or Calendar Year? ii. Minor Line of Coverages 1. Workers' Compensation Lost Time/Indemnity (WCLT)? 2. Workers' Compensation Medical Only (WCMO)? 3. Workers' Compensation Record Only (WCRO)? iii. Total Incurred? iv. Total Paid? v. Total Outstanding or Reserves?	Yes. The TPA will be responsible for handling all claims from any and all dates of loss, open, closed, etc. All claims will exist with same TPA. Loss runs will not be provided in conjunction with this RFP process. The State of Iowa workers' compensation program currently has 767 open claims as of 11.1.24 and a countless number of closed claims dating back many decades.

25	Claim First Notice of Loss Intake (FNOL) Reporting: a. What is the preferred method for reporting new claims/incidents to the TPA (ex. TPA's Claim Intake Web Portal, Phone, Email, Fax, In-house System with data feed to TPA, Other)?	See Sections 4.4 and 4.7.2 of the RFP document.
26	Medical Management a. Would you provide your current Medical Management service provider? b. Please advise on your current Medical Bill Review per line fees. c. Please advise on your current Medical Bill Review per bill fee. d. Please describe your current provider network percent of savings fees structure.	The current TPA provides medical bill review services. No current cost information will be provided as part of this RFP process.
27	What is your Return-to-Work Philosophy? a. Would there be interest in Medical Appointment tracking and Work Status Tracking on all WC claims (includes next office visit and release date & type), Job Offer Tracking, review claim and program level data from the TPA (Y/N)? b. Would there be interest in the TPA providing Return to Work Coordination that works with locations to accommodate injured workers and driving down lost days (Y/N)?	<p>The State of Iowa offers temporary suitable work/restricted duty in all claims to the extent possible based on the nature of restrictions compared to available work of value within the employing agency.</p> <p>A) Yes, time tracking and tracking of work status is required on all claims.</p> <p>B) The claims adjuster will be expected to keep the employing agency updated on the work status with every work status report following medical appointments. Each employing agency handles returning their employee to restricted duty work.</p>
28	a. OSHA: Would there be interest in an OSHA Module to maintain OSHA data in-house as a self-service option (Y/N)? b. OSHA: Would you require TPA support for OSHA Recordkeeping Determination (Y/N)? c. OSHA: Would you require TPA support for maintaining OSHA DART (Days Away/Restricted/Transferred) (Y/N)?	Review Section 4.7.3.3 of the RFP document. Yes, the capabilities for OSHA related services described in the question must be available. The ultimate utilization of these services would be agency dependent.

<p><b>29</b></p>	<p>Risk Management Information System (RMIS) Capabilities a. Please provide the total number of RMIS Users required? b. How many RMIS users will require access to look-up detail claim but not required to produce reports? c. How many RMIS users will be required to produce reports and view dashboards? d. Would you share examples of current reports and dashboards required? Are they satisfactory? e. Please advise on Key Performance Indicators important to the State of Iowa. f. In addition to TPA RMIS access, will the State of Iowa require claim output files from the TPA claim system to an in-house or third party system (Y/N)? i. If so, what is the frequency of updates required (ex. Monthly, Weekly, Daily, other)? ii. What types of files will be required (ex. Claim Level Detail, Transactional Financials, Adjusters' Notes)?</p>	<p>A. Capability for 150 users for both RMIS and claim reporting platform/system.</p> <p>B. One (1) user will need full access for all claims and all features as the WC Coordinator for the Dept. of Administrative Services. Look-up access will be needed for all individuals. Reporting access for other individuals would be minimal, if any.</p> <p>C. One (1) user will need full access for all claims and all features as the WC Coordinator for the Dept. of Administrative Services.</p> <p>D. Including but not limited to payment summaries, payment detail reports, future reserve reports, robust claim histories/loss runs. All information must be available at high program levels all the way down to agency and claim level.</p> <p>E. Including but not limited to timely contacts, action plans, reserves, timely payment, compensability determination, follow-up contacts for lost time claims, closing ration, quality assurance audit metrics, past due diaries, unread mail.</p> <p>F. i) Review Sections 4.7.3.3 and 4.7.6 of the RFP document. ii) Daily for financials, weekly for any other updates.</p>
<p><b>30</b></p>	<p>Will client references be required to complete a questionnaire form or simply a phone interview?</p>	<p>The State of Iowa may utilize either of both in conjunction as follow-up is needed.</p>
<p><b>31</b></p>	<p>Would there be interest in learning more about our Leave of Absence (Occupational/Non-occupational) services (Y/N)?</p>	<p>No.</p>

**\*\*End of Addendum 1\*\***