

ADMINISTRATIVE OFFICE OF THE COURTS

QUESTIONS AND ANSWERS

RFP# HR-2013-01-RB

Judicial Branch Worker's Compensation Third Party Administrator

November 7, 2013

1. What is the Total Number of Open "Lost Time" Claims From All Years

Answer: Appendix 1 contains confidential information and will be provided in an Excel spreadsheet format to companies that send in a completed Attachment 8, Non-Disclosure Agreement to solicitations@jud.ca.gov by the due date. It will be each proposer's responsibility to analyze the data to determine if the results satisfy their requested information. No additional data will be provided.

2. What is the Total Number of Open Claims in Litigation From All Years

Answer: See answer to question 1.

3. What is the Total Number of Open Future Medical Claims From All Years

Answer: See answer to question 1.

4. Of the 1,300 claims reports each year, Please Provide Breakdown By Medical Only and Indemnity Claims

Answer: See answer to question 1.

5. What is the Current Pricing From Existing Providers for Claims Administration, Medical Bill Review, Medicare Set Aside, MPN/PPO, Telephonic Case Management, Field Case Management, Catastrophic Case Management, Utilization Review & Peer Review Services.

Answer: Although it is not necessary to review the current agreement in order to propose, a copy of the current agreement can be requested pursuant to Rule of Court 10.500 governing public record requests at: <http://www.courts.ca.gov/publicrecords.htm>.

6. Please provide a copy of Current Contract

Answer: See answer to question 5.

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7. What is the existing Claims Staff including Manager, Supervisor(s), Adjusters, Claims Assistants & Clerical Support.

Answer:

	Northern CA	Southern CA
Supervisor	1.5	1
Senior Claims Adjuster	5	3
Claims Adjuster	0	1
Claims Assistant	2	2

What is the Average Cost Per Indemnity Claim

Answer: See answer to question 1.

8. What is the Average Cost Per Medical Only Claim

Answer: See answer to question 1.

9. What is the Average Cost of Litigated Claims and Percentage of Litigated Cases

Answer: See answer to question 1.

10. Please provide a list of MPN providers

Answer: To access information about the providers within the CorVel CoreCare MPN please go to: <http://www.corvel.com/ppo-lookup/>

11. Who is the AOC's Consultant/Broker?

Answer: Bickmore and Associates Inc.

12. Can you provide a copy of the current contract?

Answer: See answer to question 5.

13. What are the current claims administration and managed care fees?

Answer: See answer to question 5.

14. How many indemnity adjusters, medical only adjusters, assistants, and other staff are currently assigned to the program?

Answer: See answer to question 7.

15. Are there any services issues with the current TPA?

Answer: Not applicable

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16. Would you please provide the DIR Self Insurance Plans Annual Report, page 2 for the last 5 years?

Answer: Not applicable. JBWCP is a permissibly uninsured entity and does not file an Annual Report with the DIR Self Insurance Plans

17. How many open indemnity claims do you have; how many of the open indemnity claims are future medical claims; and how many are open medical only claims?

Answer: See answer to question 1.

18. How many indemnity claims are reported annually?

Answer: See answer to question 1.

19. How many medical only claims are reported annually?

Answer: See answer to question 1.

20. What courts are managed from Corvel's Southern California claims office?

Answer: Imperial, San Diego, San Luis Obispo, Inyo, Kern, Riverside, San Bernardino, Orange, Santa Barbara, and Ventura

21. What courts are managed from Corvel's Northern California claims office?

Answer: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, Yuba, and AOC.

22. What is the current staffing in each Corvel office? Is the current staffing satisfactory to the AOC?

Answer: See answer to question 7.

23. In regards to bill review:

a. Does Corvel do your bill review?

Answer: Yes

b. How many bills per year?

Answer: 21,859

c. What is the average gross % saved per year, not including duplicate bills?

Answer: 69%

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d. What did the courts pay for bill review to the fee schedule each of the last three years?

Answer: FYE 11 = \$1,856.16
FYE 12= \$8,012.27
FYE 13= 418.41

e. What did the courts pay for PPO access in each of the last three years?

Answer: FYE 11 = \$385,917.58
FYE 12 = 374,225.11
FYE 13 = \$362,134.19

f. What did the courts pay for negotiated bills, hospital bill audit, and other bill review activities (not including fee schedule review or PPO access fees) in each of the last three years?

Answer: FYE 11 = \$167,221.35
FYE 12 = \$148,575.30
FYE 13 = \$150,685.34

24. In regards to the MPN:

a. What are the total MPN fees paid each year for the past 3 years?

Answer: \$0.00

b. What is the penetration rate into the MPN? In other words, how many bills are received from providers that are not in the MPN?

Answer: From 7/1/10 – 6/30/13, a total of 70,240 bills have been received; 41,331 were from providers within the network. Penetration rate = 58.8%

25. In regards to Utilization Review (UR):

a. Does Corvel do your UR?

Answer: Yes

b. How many Examiner UR's were done (UR's that were approved by the Examiner)

Answer: FYE 12/13 = 743

c. How many UR's were sent to your UR vendor? How many of those UR's were then sent to Peer Review?

Answer: Total for FYE 12/13 = 1,304
Peer Review FYE 12/13 = 673

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- d. What are the fees per UR? Does each fee represent 1 treatment request or does each fee represent 2 or more treatment requests?

Answer: See answer to question 5 regarding fees per UR. Each UR fee represents any/all treatment requests from a single medical report

26. In regards to ancillary services:

- a. Do the courts use any ancillary services, if so, what companies do you use, for what services and what are their fees?

Answer: Yes. CorVel provides all ancillary services. Please see question 5 for fee related questions.

27. RFP page 3, section 1.5: Please break down the current contract of approximately \$1,700,000.00 into the following RFP requested categories?

- a. Staffing (claim administration)
- b. Program Implementation
- c. Medical management services
- d. Medicare agent services

Answer: See answer to question 5.

28. How many examiners are currently administering AOC's WC claims?

Answer: See answer to question 7.

29. Please provide the most recent contract (assuming public record), inclusive of rates and fees to assist in quoting this opportunity.

Answer: See answer to question 5.

30. Please provide a 5 year historical detail (report) showing:

Only 3 years of data (from 7/1/10 – 6/30/13) is readily available. See responses to each inquiry:

- a. Number of medical bills (invoices) reviewed annually

Answer: 23,413/year

- b. Total PPO (and/or MPN) charges (\$) annually

- 1) (In & Out of network charges)

Answer: IN Network Charges = \$21,494,929.36

OUT Network Charges = \$21,822,401.47

- c. Total PPO (and/or MPN) savings (\$) annually

- 1) (in and out of network savings)

Answer: Total IN Network Sav = \$15,230,161.28

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Total OUT Network Sav. = \$15,415,384.69

- d. Number of UR (standard) cases annually
Answer: 1,896/year
- e. Number of UR (Physician/peer) cases annually
Answer: 729/year
- f. Number of NCM triage cases annually
Answer: 99/year
- g. Number of TCM (telephonic) cases annually
Answer: 113/year
Average duration (days)
Answer: 234 days
- h. Number of FCM (field) cases annually
Answer: 47/year
31. Regarding RFP page 3, section 1.6: There is reference to partnering with the current broker/consultant to provide all WC services. Who is the current broker/consultant?
Answer: Bickmore and Associates Inc.
32. Regarding Appendix 2 – Pricing form
- a. Can the TPA adjust the staffing on the pricing grid to add/delete positions?
Answer: No.
- b. Please confirm the 'NOT TO EXCEED' fee, with a 10% variance clause is applicable to the start of every year.
Answer: Yes
- c. Please confirm the “not to exceed” excludes any allocated claim expenses billed to the claim file.
Answer: The “not to exceed” does not apply to expenses billed to the claim file.
- d. Please confirm the “not to exceed” for the prescription drug benefit program maintenance/ongoing is for pharmacy management oversight services and not intended for the TPA to assume all AOC's prescription drug costs.
Answer: The “not to exceed” is considered for administration fees and does not apply to ancillary claims costs such as prescription drug cost.

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- e. Is it okay to provide pricing on an average wholesale price (AWP) as the price per unit?
- Answer:** Yes. AWP pricing is preferred.
33. Is AOC's current claim system based on paper files, electronic files, or a combination of both?
- Answer:** Combination of both
34. What RMIS system does AOC currently use?
- Answer:** CareMC
35. On page B-12, Letter F indicates:
- The Contractor shall endeavor to retain the same individuals on the Program during the performance of the Work of this Agreement. However, the Contractor may, with approval of the Program Administrator, introduce personnel to the Program with specific skill sets or release personnel from the Program whose skill set is not needed at the time.*
- If a colleague on the program, is promoted, moves away (still employed by our firm) and requests to work in another office, how does Program Administrator going to be involved under those types of circumstances?
- Answer:** It depends on the circumstances, but change to personnel requires approval by the Project Administrator. The process for replacement of personnel is set forth in Attachment 2, Exhibit B, Paragraph 10, Contractor's Personnel and Replacement of Personnel.
36. Regarding Attachment 2, AOC Standard Terms and Conditions, on Page C-4, Paragraph 5, subparagraph A: Is there a recommended caseload maximum for the future medical/medical only examiner?
- Answer:** Yes. As stated in the RFP, the maximum caseload is 130. See answer to question 44.
37. Are the closed files stored in an offsite storage facility today or onsite at the existing TPA?
- Answer:** Onsite at the existing TPA.
38. Regarding Attachment 2, AOC Standard Terms and Conditions, on page D-3, Paragraph 4, subparagraph B: Does JBWCP have an electronic interface for H.R. or payroll data today with the current administrator?
- Answer:** No
39. Regarding Attachment 2, AOC Standard Terms and Conditions, on page D-17 - What method is used by JBWCP to track OSHA recordable cases?
- Answer:** TPA Claims system

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40. Please provide a breakdown of the 1300 new claims.

a. How many are indemnity?

Answer: See answer to question 1.

b. How many are Medical Only?

Answer: See answer to question 1.

41. Are Incident Only/First Aid Claims reported?

Answer: Yes

42. What is the total pending claims to be transferred to the new TPA?

Answer: See answer to question 1.

43. Please provide a breakdown of:

a. Pending Indemnity (not including FM)

b. Pending Medical Only

c. Pending Future Medical Claims

Answer: See answer to question 1.

44. The service agreement attached to the RFP indicates a maximum caseload of 130 indemnity claims. Is there a caseload requirement for Medical Only claims?

Answer: Total caseload per staff is 130 regardless of type.

45. Is there an Medical Only or Future Medical to Indemnity conversion factor that you would like us to use? Example: 2 future medical claims is equal to 1 Indemnity. Or, can we use our own conversion factor to determine appropriate staffing level?

Answer: No, it is a one to one ratio. There is no conversion factor.

46. How are staff members currently dedicated to the program?

a. Supervisors

b. Sr. Adjusters

c. Claims Adjusters

d. Claims Assistants

Answer: See answer to question 7

47. Regarding Section 3.6.1 of the RFP - Do all 150 users need read only access? How many need full access?

Answer: Yes, all 150 need read-only access. Approximately 10 would need full access.

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48. Regarding Section 3.6.6 of the RFP- What is a super-user?

Answer: A user that has the ability to read and review all data files and pull reports from the system.

49. Is the MPN network the standard CorCare Network? Do you have any plan to replace the MPN with a custom network?

Answer: Yes. Current MPN is CorCare Network. There isn't a plan to replace the MPN at this time.

50. Please provide the following bill review information:

a. Average annual bill volume?

Answer: 3-year average = 23,413.33 per year

b. What % or number of bills that are duplicate.

Answer: 3-year average = 7.9%

c. Average number of prescription bills a year.

Answer: 3-year average = 2,759

d. Average Annual Provider Charges for medical bills.

Answer: 3-year average = \$12,424,840.82

e. Average Savings from OMFS

Answer: 3-year average = 6,116,158.53

f. Average savings from PPO

Answer: 3-year average = \$217,883.49

g. Bill Review fee for the last year

Answer: See answer to answer to question 5.

h. PPO fee for the last year

Answer: See answer to answer to question 5.

51. Please provide the following Utilization Review information:

a. Total Requests for Authorization for the last 12 months

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Answer: See answer to question 25.

b. What % was completed at the adjuster level?

Answer: See answer to question 25.

c. Volume of RFA referred to URO

Answer: See answer to question 25.

d. Volume of UR referred to Peer Review

Answer: See answer to question 25.

e. Total UR fee for last 12 months

Answer: See answer to answer to question 5.

f. Total PR fee last 12 months

Answer: See answer to answer to question 5.

52. Section 3.8 Nurse Case Management:

a. Sub section 3.8.1.1 states that all new claims meeting the criteria enumerated under this requirement are triaged by an NCM. What is the average annual volume of claims that met the criteria and triaged by an NCM?

Answer: 99/year

b. Average annual volume of claims referred for telephonic case management?

Answer: 95/year

c. Average annual volume of claims referred for field case management.

Answer: 39/year

53. What are the number of positions and types/job classifications of the positions currently assigned to your program?

Answer: See answer to question 7.

54. Regarding bill review and PPO for the calendar year 2012 and year-to-date 2013 (January 1 – September 30), please provide the following:

a. Number of bills adjudicated

b. Number of Lines

c. Total Charges

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- d. Total Fee Schedule Reductions
- e. Total Audit / Enhanced Savings Reductions
- f. Total PPO Reductions
- g. Total Out of Network Negotiation Reductions
- h. Total Other Reductions
- i. Total Recommended Allowance / paid
- j. Total Bill Review Fees
- k. Total Audit / Enhanced Savings Fees
- l. Total PPO Fees
- m. Total Out of Network Negotiation Fees
- n. Total Other Fees

Answer: See answers to questions 1, 5, and 23.

55. Regarding utilization review and nurse case management services:

- a. Number of nurse case management referrals.

Answer: See answer to question 51.

- b. Current annual nurse case management spend

Answer: See answer to question 51.

- c. Number of claims triaged within the last 12 months.

Answer: See answer to question 51.

- d. Number of UR determinations in the last year

Answer: See answer to question 25.

- e. Number of UR Determinations that went to physician review

Answer: See answer to question 25.

56. What are the number of Medicare Set Asides completed per year?

Answer: 3-year average = 25/year.

57. Are you currently participating in a Medical Provider Network?

Answer: Yes.

[END OF QUESTIONS AND ANSWERS]