

ADMINISTRATIVE OFFICE OF THE COURTS

QUESTIONS AND ANSWERS

RFP Number: RFP HR-053012CK

JBWCP Insurance Brokerage and Consulting Services

March 15, 2013

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1. Will all respondents to the RFP see all of the questions and answers asked when they are posted on February 25, or will they only see the ones asked by their firm?

Answer: In the RFP, please refer to Section 2 of Attachment 1, Administrative Rules Governing RFPs. Questions will be answered and posted on our website on the same web page as the RFP: <http://www.courts.ca.gov/20764.htm>

2. A. Will the Administrative Office of the Courts consider our proposal if we include actuarial work to be done by a sub-contractor? In this case our organization would execute a contract with the actuarial consultant, who will be disclosed in our proposal, and we will be responsible for the work product.

Answer: As set forth in Attachment 2, Exhibit B, Section 12 (A) of Exhibit B of Special Provisions, states the following:

[Assignments or Subcontracting](#)

- A. This Agreement is based upon the unique expertise of the Contractor. Therefore, in addition to the prohibition against assignment under Exhibit A, Standard Provisions section 4, it is the policy of the State to withhold consent from proposed assignments, subcontracts, or notations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance under this Agreement. No performance of this Agreement or any portion thereof may be assigned or subcontracted by the Contractor, except as noted in subsection B to this provision, without the express written consent of the State, and any attempt by the Contractor to assign or subcontract any performance of this Agreement without the express written consent of the State shall be void and shall constitute a breach of this Agreement. If the Contractor is authorized by the State to subcontract or assign, all the terms of this Agreement shall be included in such subcontract or assignment and all billing must come from the Contractor.

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Answer: See response to Question 2.

3. A. Regarding 1.7: Is the Program Administrator an individual employed by the JCC?

Answer: The Program Administrator is an individual employed by the JCC.

- B. Will he or she be the broker's principal contact at the JCC?

Answer: Yes, the Program Administrator will be the broker's principal contact at the JCC.

4. Regarding 1.1.8: Who is the current TPA?

Answer: The current TPA is CorVel Enterprise Comp, Inc.

5. Regarding 1.1.8: What claims management information system does the TPA use?

Answer: CareMC

6. Regarding 1.1.8: The RFP states the AOC is in the process of developing an RFP for the selection of a TPA. Will this be accomplished before or after this RFP process is concluded, and if after, will the successful broker be involved in that process?

Answer: No, the successful broker will not be involved in that process. The successful broker is expected to provide services in support of the JBWCP, as stated in Section 2 – Description of Services and Deliverables.

7. A. Regarding 1.9: Can the JCC disclose specific Broker/Contractor compensation for the last three years, by year?

Answer: If you would like to request judicial administrative records maintained by the appellate courts, the Judicial Council, or the Administrative Office of the Courts (AOC), you are invited to submit a request by completing a Request for Judicial Administrative Records form and sending it by fax, e-mail or U.S. mail.

Please visit: <http://www.courts.ca.gov/publicrecords.htm> for more information regarding this process.

- B. Does this compensation include the actuarial component?

Answer: See response to Question 7.

8. Regarding 2.2.b: Can we review the special account instructions referred to?

Answer: The special account instructions are nothing out of the ordinary and pertain to the specific needs of each court and are working documents that change frequently. The current TPA special account instructions contain specifics as to best practices in relation to claims handling and contain information as to the hierarchy of contacts within each member entity.

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9. Regarding 2.6: Can the JCC give us an estimate of how many files could be involved in the conversion of the several runoff claim transfers which may occur?

Answer: It Is not anticipated that there will be any more conversions however, it is always possible. At this time it is not possible to provide an estimate.

10. Regarding 6.1 e-h: We can provide exemplar reports as requested; however, names associated with any non-public records must be redacted. Is this acceptable to the JCC?

Answer: As set forth in 6.1.h, Proposers should redact any proprietary or confidential information, if necessary.

11. Please provide information as to the reason(s) for the current RFP for Risk Management Consulting and Brokerage Services?

Answer: The term for the current JBWCP Broker/Consultant will expire in May 2013.

12. Who are the current brokers/consultants? How is this relationship?

Answer: See answers to number 31 and 33. The status of the current relationship is not applicable.

13. What is the current compensation (fee/commission)?

Answer: See response to Question 7.

14. Are copies of the current excess workers' compensation policy available for review and/or full terms including any special exclusions? Please confirm self insurance retention and limits.

Answer: See response to Question 7.

Questions 15 through 28 are specific to: Risk Consulting/Program Management & TPA Oversight:

15. A. Please provide a detailed break-down of the types of claims - Indemnity versus medical only and any other subcategory used to identify type of claim (example: future medical, medical only restricted, etc. -- On average --and specifically by year in detail for all years.

Answer: Not applicable

- B. How many files are litigated on average per year?

Answer: Not applicable

16. Please advise the closing ratio for the past 10 years, 5 years, and this past current year?

Answer: Not applicable

17. A. Please advise of the structure for the claims administration of the TPA in Sacramento versus Rancho Cucamonga (i.e. number of examiners --- Senior level vs. Not Senior Level, medical only

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clerks; number of assistants; supervisors; managers); any account managers assigned for assurance of customer service.

Answer: The number of managers, supervisors and staff in each office is dependent upon the number of claims per staff member.

B. Are all dedicated assignments?

Answer: Yes

C. Are claims assigned geographically?

Answer: Yes

D. What is the cut off location/area?

Answer: Fresno

E. Are Medical Only claims centralized or also split between Sacramento and Rancho Cucamonga.

Answer: Split between the two offices

18. A. Please describe the current access to claims RMIS system for the Broker i.e. examiner notes, reports capabilities.

Answer: The Broker/Consultant has full access to all claims information for the program.

B. What information is currently blocked?

Answer: None

19. A. The RFP indicates that audits are done on location site- is remote auditing capability available?

Answer: The majority of audit should be performed on the location site. Determination of audit methodologies will be evaluated and discussed with the Program Administrator on a case-by-case basis.

B. Is the TPA utilizing a fully functioning imaging system?

Answer: Unknown

20. A. When was the last audit performed of the TPA specifically for your program?

Answer: Last October

B. What was the overall ranking?

Answer: The ranking was favorable.

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- C. What recommendations were made?
- Answer: Standard quality improvement of established industry metrics and best practices.
- D. How many files are typically audited for the annual audits?
- Answer: The number of files to be audited is determined by the Program Administrator prior to each audit in consultation with the Broker/Consultant
- E. Was this a satisfactory sampling?
- Answer: Yes
21. What other auxiliary programs are used to support the program i.e. Nurse Triaged Claims Reporting?
- Answer: None
22. Integrated Return to work coordinator?
- Answer: None
23. Are any Medical Cost Containment options currently unbundled?
- Answer: No
24. A. How is medical bill review handled?
- Answer: By the TPA
- B. How are these being charged?
- Answer: Within the TPA contract and pricing.
25. What is the current authority structure for the TPA and the Program for reserve setting, increases, and settlement?
- Answer: The TPA has no settlement authority and final authority lies with each program member entity with oversight by the Program Administrator, as directed by the JBWCP oversight committee members.
26. What additional services is the TPA providing to assist with the overall program management?
- Answer: Training
27. A. We understand you are currently in the process of developing a Request for Proposal for the selection of a TPA --- when was the last RFP process completed?
- Answer: The last RFP process for the selection of a TPA was completed on March 19, 2007.

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B. Was there a change in TPA at that time?

Answer: Yes there was a change in the TPA at that time.

C. If yes, did all claims transfer over to the new TPA?

Answer: Yes

28. The RFP requests assistance with case transfer and data conversion from members who were previously self-insured. Please advise what the JBWCP anticipates converting in the next year, 2 years, 3 years.

Answer: We do not anticipate any conversions in the next 2 to 3 years.

Questions 29 and 30 are specific to: Actuarial and Cost Allocation Services:

29. Does the AOC/JBWCP have annual hours, estimate for actuarial and allocation services?

Answer: See response to Question 7.

30. Does the AOC/JBWCP have sample cost allocation report that is currently being provided?

Answer: A cost allocation report can be provided upon execution of a non-disclosure agreement. Request an electronic copy of the non-disclosure agreement to: Solicitations@jud.ca.gov

31. What firm or firms or in-house staff are now providing the services requested in the RFP?

Answer: Marsh Risk & Insurance Services

32. Why are competitive proposals being sought?

Answer: The term for the current JBWCP Broker/Consultant will expire in May 2013.

33. What is the level of satisfaction with the current service provider(s)?

Answer: Not applicable

34. Regarding Section 1.3, on page 2 of 65 of the RFP: please detail what is meant by, "...there will be no breaking up of activities."

Answer: The selected contractor is required to perform all aspects of the activities listed in Section 1.2. The JCC will not accept proposals to perform a part of the services outlined in Section 1.2 and Section 2.

35. Is it permissible for respondents to the RFP to subcontract any of the service components called for in the RFP?

Answer: See response to Question 2.

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36. Regarding Section 2.1 a, page 3 of 65 in the RFP: does it mean that the Program Manager and every staff member must have 10 years' experience in the areas noted or that all staff combined must have a total of 10 years' experience or something else?

Answer: The Program Manager and every staff member must have at least 10 years' experience in the areas noted.

37. Please provide the CAFR for the Program or a similar accounting of revenue, expenditures, assets and liabilities for each of the last two complete program years.

Answer: We are a branch of the State of California and, as such, are part of the State's CAFR. Our self-insured fund does not issue a set of financial statements. The fund balance runs in the mid 40 millions.

38. What is the approximate number of new claims reported each year?

Answer: 800

39. We understand the TPA contract has been with CorVel for about four years.

a. What firm(s) are currently providing the utilization review and bill review services and what are the contract period(s)?

Answer: The TPA.

b. Will the RFP seek to have an unbundled approach for cost containment services (utilization review, bill review and nurse case management contracted with firm(s) different than the TPA) or is the plan to place these services with the TPA?

Answer: The TPA provides for all services related to claims administration.

40. What are the anticipated time frames for the RFP for claims administration?

Answer: Not applicable

41. Is it anticipated the claims will continue to be handled in both northern and southern California locations or consolidated into a centralized location?

Answer: The distribution of claims handling across the State is dependent upon the needs of the program.

42. A. For each TPA location, how many indemnities, medical-only and future medical claims are pending?

Answer: Not applicable to this RFP.

B. What is the TPA staffing organization assigned to handle the claims?

Answer: See answer to question number 4.

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43. Is the return to work program managed by the TPA and/or are there any external vendors such as nurse triage?

Answer: The TPA provides for all services related to claims administration.

44. A. Are there existing performance standards for the TPA and are they part of the TPA's contract?

Answer: Yes there are specific performance expectations.

B. If not, do performance standards need to be developed as part of this project?

Answer: Performance standards are frequently reviewed and adjusted in consultation with the Broker/Consultant.

45. Who handles the Medicare Reporting and compliance issues?

Answer: The TPA provides for all services related to claims administration

46. Who is the incumbent actuary?

Answer: Oliver Wyman Group

47. Is the AOC satisfied with the incumbent's work product?

Answer: Not applicable

48. Why is the AOC going out to bid for actuarial services?

Answer: The term for the current JBWCP Broker/Consultant will expire in May 2013.

49. Can we obtain a copy of the prior actuarial report(s)?

Answer: See response to question 7.

50. What were the fees for the prior actuarial report?

Answer: See response to question 7.

[END OF QUESTIONS AND ANSWERS]