



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
**INS07073**

PAGE  
**1**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**RON PRICE**  
**304-558-0492**

VENDOR

**RFQ COPY**  
**TYPE NAME/ADDRESS HERE**

SHIP TO

**INSURANCE COMMISSION**  
  
**1124 SMITH STREET**  
**CHARLESTON, WV**  
**25305-0540      304-558-3707**

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B	FREIGHT TERMS
12/26/2006				

BID OPENING DATE: **01/09/2007**      BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<b>ADDENDUM NO. 3</b>						
ATTACHED ARE ANSWERS TO QUESTIONS SUBMITTED PRIOR TO THE CUT-OFF DATE.						
BID OPENING DATE REMAINS 1/9/07 AT 1:30 PM.						
0001	1	LS		961-20		
CLAIMS ADMINISTRATION						
***** THIS IS THE END OF RFQ    INS07073 ***** TOTAL: _____						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
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TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
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WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS  
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee.
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this contract is automatically null and void, and is terminated without further order.
14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.

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**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications.

**SIGNED BID TO:**

Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

**ADDENDUM #3**  
**Claims Administration RFP #INS07-073**  
**Answers to Written Questions**

**GENERAL QUESTIONS:**

1. Can we get a file layout of the “Old Fund Components”? (Reference pg. 19).  
*Components will be supplied via CD.*
2. Can we get the file layout of the Payment file to be transmitted to WV? (Reference pg 21).  
*Components will be supplied via CD.*
3. On p. 19, paragraph 2, define what is included in “certain information”?  
*Please review technical components on the CD.*
4. On p. 19, paragraph 3, what is included in “necessary information”?  
*Please review technical components on the CD.*
5. Currently we transmit data in delimited flat files. What is meant by transmitting data in Oracle 10g format? (Reference pg. 19).  
*Delimited files are the preferred method of transport.*
6. Would we be receiving historical images from WV?  
*The OIC will make available all relevant historical images to the TPA via I-Comp access. Due to the volume of images and the time necessary to transport, the OIC does not recommend this process.*
7. What is the current staffing model used by the current administrator?  
*This RFP addresses a subset of old fund claims likely to require medical case management. Their current TPA staffing and fees are not applicable.*
8. What are current administrator’s fees?  
*See answer to #7.*
9. Page 21, under section C: Can you provide information on the three level triage approach regarding the preferred credentials for each level?  
*The TPAs response relating to this issue is part of the selection criteria. TPA should provide required information in connection with response.*
10. Page 26, paragraph 10 on the page: Please specify resources in your firm with expertise in pain management and outline their role in providing services in connection with this RFP – **Can you define qualifications, or “expertise” that you are looking for as a pain management resources?**  
*See Answer to #9*
11. Are you defining the Program Inception Date as 1/1/2007?  
*No, once award has been made a transition period is anticipated subject to the date of the award of the RFP.*
12. Should we consider the 13,500 claims (4.5 claims X 3,000 claimants) as active claims, or is it a combination of active and closed what would the breakdown be?

*No, the claims will be a combination of open and closed claims. Please refer to the enclosed CD for the loss run report.*

13. When could we anticipate receiving a loss run which would further breakdown the takeover claims?  
*Please review file name Med Mgmt. Publication List for RFP 12.19.06 on enclosed CD.*
14. If the bid opening date is 12/13/2006, when do you require the bids to be received in your offices?  
*Please refer to addendum # 2 of the RFP.*
15. How long do you anticipate it will take the State to complete its technical evaluation, cost evaluation and contract approval?  
*Any addendum to the current schedule will be published in compliance with State Purchasing regulations.*
16. How many RMIS users do you anticipate?  
*Assume 5 but please include a per user cost for any user needs over the assumed number.*
17. Please confirm total number of claim records for data conversion purposes.  
*Please review file name Med Mgmt. Publication List for RFP 12.19.06 on enclosed CD.*
18. Please confirm total number of open claim records for data conversion purposes.  
*Please review file name Med Mgmt. Publication List for RFP 12.19.06 on enclosed CD.*
19. Does all historical claim data reside in a single system? If not, how many systems?  
*Yes, all records are within a single system.*
20. Please provide the name of the data source/system.  
*WCIS as modified by the Workers' Compensation Commission.*
21. The RFP indicated that there are approximately 3,000 claimants with an average of 4.5 claims (open and closed) per claimant. Please provide the total number of open claims that will be assumed by the TPA.  
*Please review file name Med Mgmt. Publication List for RFP 12.19.06 on enclosed CD.*
22. Page 33 refers to WV-96 Agreement Addendum was not attached to the RFP, please provide a copy.  
*The WV-96 was omitted in error. A copy has been attached.*
23. Payment for services noted to be in arrears (as incurred). State has the option to make progress payments and withhold 10% until completion. We consider takeover billing to be payable at inception. They pay at completion. How do you define completion in this instance?  
*The language used in this RFP is standard language used in most RFP's. In some situations the information contained in the RFP is not applicable. "Payment in Arrears" in this case is not applicable.*
24. Please provide a Detailed Loss Run or reasonable facsimile for all claims and claimants in question for the RFP.  
*Please review files on enclosed CD.*
25. Part 2: Section 2.2: Please provide to the greatest extent possible a true estimate of the # of open claims (loss run should assist in this estimate)  
*Please review files on enclosed CD.*

26. Section 3.2A: RFP refers to a turnaround of 120 days for claim summaries/ evaluation forms for each claim. How will the OIC transmit the data necessary for this review to us to accomplish this?  
*The successful respondent will be given access to essential claims management information.*
27. Section 3.2B, paragraph 3: Please clarify the following: "For injured employees receiving workers' compensation benefits, collect information regarding applicable earned income offsets and claimant overpayments; reconcile records as required by the State."  
*Please refer to WV Statutes regarding earned income offsets.*
28. Section 3.2c: Medical Case Management: Please clarify whether these "levels" (1,2,3) are mutually exclusive in terms of assignment and fees per claimant or whether they are progressive in nature or whether both scenarios are perceived as possible with any one particular claimant?  
*We would expect the successful TPA to exercise industry standard judgement as to which of the three (3) levels are applicable to any given claim.*
29. Section 3.2E: Reserving: What is the State's preferred method of contact to communicate the \$100,000 gross reserves on claim files?  
*Electronic report or file.*
30. Section 3.2I #6: Transition: Please define "complete inventory of claims" to be assumed on 1/01/2007.  
*Please refer to answer to question #11 and loss run report*
31. Section 4: Format: Section V: Please clarify the following: "a schedule of fees for each level of prospective participant on an examination as well as expenses based on staffing levels, hours and rates for each phase of the engagement."  
*Please refer to RFP wording.*
32. Our application for re-certification as a WV Managed Health Care Plan is currently under review by Rose Lawrence in the Medical Rates & Plans division of the WV Office of the Insurance Commission. It appears as if this certification is directly applicable to the areas of Healthcare and Claims/Medical Management portion of the RFQ. Would it be acceptable to reference certification as a WV Managed Health Care Plan in lieu of submitting the individual elements for these sections? If no, would it be acceptable to attach the existing application with appropriate cross-references?  
*Yes, as long as all information required in the RFP is provided.*
33. When and via what communication method will the answers to the questions be provided to all bidders?  
*Addendum #3 "Questions & Answers" should be available electronically through the Purchasing Division's website on or around December 29, 2006. In addition, a hard copy will be mailed via USPS the same day.*
34. Is there any opportunity to assume these cases in a staggered timeframe or must they all be taken on 01/01/2007?  
*Please refer to the answer for question #11.*
35. Do we have the ability to audit these case files prior to the bid open date? Or can our bid be contingent on a file audit if this timeframe cannot be met by either party?  
*No, please refer to Med Mgmt. Publication List for RFP 12.19.06 on enclosed CD.*

36. Is it expected that the winning bidder will only assume the physical open case files for the 4,254 claimants or would they be expected to store all closed files for these claimants as well?  
*Please refer to loss summary report. All claim information is electronic. There will be no physical files*
37. Pg. 12: The contract will be awarded on the same day (1/1/2007) the winning bidder is expected to take possession of the claim files – is this correct?  
*Please refer to answer to question #11*
38. Pg. 19: Please clarify what is meant by separate reporting for regular subscriber, self insured and uninsured claims? Reporting to who? How often? Electronic or paper notification?  
*The OIC will supply designators of funds and expect codes to be used to report data back.*
39. Pg. 19: “The State will require that all payments to claimants and vendors within this RFP be issued by the State” Would the State consider a banking arrangement where the TPA transacts a nightly pull from a State designated bank account for payments made that day?  
*No*
40. How many of the subject claims are in litigation?  
*Information is not available.*
41. What is the distribution of litigated claims, broken out by issue being contested and the current level of appeal (ALJ, Appeal Board, etc.)?  
*Information is not available.*
42. Please provide a breakout of the number of claims by status, to include:  
Medical Only  
*The loss run indicates the dates the claims had most recent medical and/or indemnity. Further, the loss run indicates the types of payments received in each particular claim.*
- Active TTD  
*Please refer to loss run.*
- Paying PPD  
*Please refer to loss run.*
- Paying PTD  
*Please refer to loss run.*
43. Are the subject claims traumatic only?  
*Refer to specific criteria contained in RFP.*
44. Will the chosen administrator have authority to pursue settlements? Yes If so, what will be the process and settlement authority parameters?  
*The precise procedure will be developed between the vendor and the client once the RFP has been awarded.*
45. Can a vendor bid just the managed care services portion of the RFP, without submitting a bid for the third party claims administration?  
*No*

46. Can the bidder serve as a general contractor, subcontracting those services as necessary?

*Yes, please refer to RFP.*

47. Does the implementation date remain January 1, 2007?

*See answer to Question #11*

48. Section 3.2.a – Scope of Work – File Management/Supervision/Quality Control: You are requesting review of each claimant’s medical and legal situation and provision of claims summary evaluation for each file, including a plan for medical management within 120 days. In order to develop and implement a best practice medical, legal and claims resolution strategy, it is imperative to have a minimum of 2-3 years of medical records. Ideally, on these complex cases, the medical strategist should have a copy of the complete medical file. In my experience, on the volume of cases that we are referring to, it may take 120 days to copy the files and get them to the medical management company. Will your deadline of 120 days start after the medical records are received from the State of West Virginia?

*All available claim records are electronic and are available to the successful vendor.*

If not, I do not believe that you will attain a best practice medical and claims resolution strategy that can help the State of West Virginia maximize its program economics. What you will receive is a surface scan of the file and a deficient strategy, which will result in minimal economic impact.

49. Section 3.1 – General Requirements: Please outline the scenarios in which we would be handling self-insured or uninsured claims.

*Certain historic self insured claims was assumed by the old fund and those claims are a subset of this RFP. Currently there are no uninsured claims as part of the data set for this RFP.*

50. Section 2.2 – Operating Environment Background: We are specifically interested in the characteristics of the preliminary pool of claims under criteria (3) \$150,000 or more in total medical paid (831 claimants). We would like the following claim count breakout:

Total Medical Paid Range

\$150,000 - \$300,000 *Please refer to loss run report*

\$300,000 - \$600,000 *Please refer to loss run report*

\$600,000 - \$1,000,000 *Please refer to loss run report*

>\$1,000,000 *Please refer to loss run report*

In addition, we would like these claims further broken down into those claims that have spent between \$10,000 and \$25,000 in the last 12 months and those spending more that \$25,000.

*Please refer to loss run report*

51. Part 4.1 Vendor’s Proposal Format: Under Section V it asks for the schedule of fees for each level of prospective participants “on an examination as well as expenses...”. What does “on an examination” mean?

*Change Section V wording to: A schedule of fees as well as expenses (travel,...*

52. In addition to the above specific questions, we would like to request the specific data file layout for the above referenced project, for our use in evaluating your data elements for a possible conversion project.

*Refer to Question #1.*