



Justin Bibb, Mayor

REQUEST FOR PROPOSAL

**THIRD PARTY ADMINISTRATIVE &
ACTUARIAL SERVICES**

DEPARTMENT OF FINANCE
601 LAKESIDE AVENUE Suite 28
CLEVELAND, OHIO 44114
Eduardo Romero, Commissioner
Department of Finance

PROPOSAL DUE BY Monday, November 20, 2023 @ 5:00 p.m.

REQUEST FOR PROPOSAL

Workers' Compensation Actuarial, Auditing & Claims Management Services

The City of Cleveland's Department of Finance, Division of Risk Management is soliciting proposals from vendors that have a proven track record of experience in large volume workers' compensation claims management. **Experience with large Ohio public sector employers is required.** Staff experience in Ohio workers' comp representing large employers as a Third Party Administrator (TPA) for workers' compensation management and actuarial services is also required.

The winning bidder will provide professional services necessary for implementing a ***comprehensive*** workers' compensation program. In general, this will include exemplary and consistent proactive claims management. This will necessitate the successful projection of claims litigation potential with an emphasis on liability mitigation. Employee safety and healthy return-to-work are top priorities as well. Precise actuarial reporting and forecasting will be expected too. Statistical reporting as requested by the City on a periodic and as needed basis.

The selected proposer must be able to work within the time constraints and reporting requirements mandated by the City of Cleveland. The contract period will cover the period of January 1st 2024 through December 31st, 2024, with two (2) one year options to renew exercisable by the City for a potential total of three-years.

The City is currently retrospectively rated by the OBWC. The City continuously reviews their premium/insurance options including self-insurance. Should the City be approved and elects to move forward with the self-insurance option, The City reserve the right to give 60-day notice of cancellation of the TPA contract (contained herein this R.F.P.). Cancellation will be at the sole discretion of the City of Cleveland, with any refunded premium, or premium due calculated on a pro rata basis (not short rate). All unused IME (Independent Medical Examination) & Investigation funds will also be returned to the City within 30 days or will constitute default or non-compliance.

I. Scope of Services

Claims Management

***All respondents shall provide the number, titles and relevant experience of the staff that will be dedicated to managing the City account. This will be a important component in the selection process. Please delineate staff experience with large private or public employers. Indicate the percentage of their time that will be dedicated to this specific account.**

- A. Must work within the confines of our Department of Law and outside legal counsel (collectively “our legal representatives”) and based on claims information format (software) if provided by our legal representatives. Prepare all files for Industrial Commission hearings, via this software (if available) product. This will be one of several communication platforms used in corresponding with the City’s Risk Management and our legal representatives.
- B. File motions on behalf of the City where applicable and/or requested by the City on a timely basis as required by statute. 2) Subpoenas – after second request for records, file request for subpoena from medical provider or Injured Worker. 3) Claim suspension – After second request for medical release, file suspension request. 4) Time period as when to notify City regarding withdrawing objections and foregoing hearing attendance.
- C. Obtain relevant medical documentation. Medical Releases- TPA is to send out at the time of filing (FROI) as a proactive strategy. The City will implement a policy for a general release to be included with initial City paperwork at time of filing. The TPA will be responsible for specific releases for treatments rendered at providers that don’t accept general release, i.e., Cleveland Clinic, Concentra medical centers.
- D. File all appeals to Ohio Industrial Commission orders as well as file withdrawal of appeal where appropriate or directed by the City or legal representatives. TPA will prepare a review of the IC Hearings at least **ONE WEEK** in advance to avoid missed additional filings by claimant or their counsel.

- E. Identify claims eligible for Handicapped Reimbursement and file the appropriate applications with BWC as well as preparing relative information for appeal of relevant claims before the BWC; interested parties should detail how claims are identified for handicap reimbursement. TPA should keep track of handicapped reimbursements for monthly reporting to the City (by department/division/% petitioned/% granted)
- F. **TPA Evaluation & Tracking:**
Check on other claims IW may have for overlapping body parts. Track RTW status for:
- Extent of Disability/TTD Hearings;
 - VSSR Hearings
 - Motions for MMI determination.
 - Monitor for same or similar treatment being requested, i.e., rate/frequency of treatment)
 - Voc Rehab- review for MMI status.
- G. Identify and negotiate claims deemed appropriate for settlement (after approval from the City's Risk Manager, or designee, who has some standing authority from the City's Director of Law) by the City; interested parties should provide a detailed analysis as to how claims are identified and outline their processes for negotiation; the city reserves the right to review and withdraw from any settlement deemed not appropriate; No partially completed applications (C-230) will be considered. TPA must respond to any and all settlement inquiries from opposing counsel with a copy to the City and our legal representatives.
- The TPA shall provide a monthly settlement report (via excel spreadsheet) and a quarterly report of active claims deemed appropriate to settle. This is a requirement. Priority is given to tail-end claims within 24 months of buyout.**
- H. Schedule and administer payment for independent medical examinations (extent of disability, psychological examinations, permanent partial disability, functional capacity examinations, etc.) as necessary for all claims, The City reserves the right to select the provider(s) used to perform examinations. A portion of the contract funding will be set aside and specifically earmarked to exclusively pay for examinations. The City also reserves the right as to who will be examined. A process should be developed and shared with the City for determination when an IME v. medical review is utilized. In addition, the TPA will prepare a requisite letter that is specific to each claim/claimant. The purpose is to avoid general formatting or

questions to IM examiner. If a medical review is deemed necessary, prepare correspondence to physicians for medical reviews specific to each claim file. Again, the intent is to avoid general formatting or questions. All IME's/medical reviews should be scheduled prior to DHO hearing as possible. ***A detailed monthly report of all scheduled IME's and their results shall be provided by the 10th of every month. Cost of IME and aggregate amounts shall also be tracked and included in the aforementioned report, with a monthly reconciliation report of encumbered and paid monies delineated on this report. Payments will be made within two weeks of the scheduled examination, or upon receipt of invoice from provider.***

- I. You will assist the City in referring claims for investigation with the Ohio Bureau of Workers' Compensation (BWC), ***or to a private investigator selected by the City.*** Funds for these services will be paid out of the IME fund as instructed by the City.
- J. **Review all requests for treatment that have been approved by the City's managed care organization and file appeals on the City's behalf where appropriate; interested parties should outline the methodology used to determine the appropriateness for appeals.**
- K. **PTD Claims**
 - 1. Obtain job description;
 - 2. Obtain employment application;
 - 3. Obtain disability retirement papers (if applicable); and
 - 4. Obtain vocational exams (get actual exams and prepare correspondence regarding same)
- L. Review files and records pertaining to overpayments and/or adjustments and take actions necessary to obtain refunds and rate reductions from the BWC, including filing protests.
- M. All appeals, waivers and preparation of files for hearings are the responsibility of the TPA. TPA will forward the ***pertinent info*** (and not data dumps) to the City's legal representatives via an electronic format. OWC will also be contacted electronically.
- N. TPA will process all subrogation referrals and provide a tracking report.

- a. *TPA will provide the City of Cleveland w/on-going claims (active claims in retro period) activity report on a monthly basis.*
- b. *TPA will provide the City of Cleveland with reports as needed and requested.*

O. Develop new and direct cost containment strategies and recommend to the City for implementation to minimize and mitigate claim costs. These should be provided at least annually.

P. **Attend C-92 Hearings at the I.C. on behalf of the City (employer).**

Q **TPA Personnel:**

Claim managers/representatives:

1. **The City reserves the right to meet/interview prospective claim managers/representatives.**
2. **The City reserves the right to view the TPA's tracking/software mechanisms.**

Actuarial Functions

- A. Review all claims individually to verify authenticity and accuracy of claims costs and reserves. Interested parties should detail their methodology used to ensure that reserves are set correctly as well as procedures that will be utilized to take corrective measures where necessary;
- B. Provide projections for the City's retrospective rating costs on a quarterly basis based upon the actual incurred loss costs. Interested parties should detail their methodology for obtaining this information and indicate the time frames in which the City can expect to have this information available.
- C. Provide projections for future costs should the City opt to continue the retrospective rating program.
- D. ***On a monthly basis work with the City's Division of Risk Management and Financial Reporting & Control and provide an actuarial- report to include but not limited to names of injured City worker's; claim numbers, cost of medical treatment; lost time and BWC reserves. This should be broken down to a general ledger string of accounting principles.***

Reports

- A. Actuarial systems should ideally be compatible with the City's payroll and human resources vendor, Automated Data Processing (ADP), in order to produce reports merging claim data such as costs (medical, indemnity, and total costs), return to work dates, days lost from work, etc. with existing payroll information in the ADP system. These reports should be produced on a quarterly basis and presented in a Microsoft Excel spreadsheet in order to satisfy the requirements of the State of Ohio's Auditors office. These reports should be submitted to the City on a quarterly basis once BWC makes updates in their system. The contractor will be required to work with the City's Information Technology personnel in order to produce this information;
- B. Provide a detailed report outlining claims costs and allocating those costs to the specific City departments and divisions on a monthly/quarterly basis;***
- C. On a quarterly basis, the TPA will submit to the Office of Workers' Compensation, a comprehensive description of the work performed by the TPA during the quarter detailing the following:***
1. The number of claims processed;
 2. An analysis and projection of the expected savings to occur from any protests listed;
 3. A complete list of all the handicapped reimbursement applications filed as well as the status of each application; in addition, the percentage of premium offset for each application should be included as well;
 - i. An analysis of the City's workers' compensation program, including recommendations to further reduce costs and improve internal procedures of the City in handling of claims;
 4. Provide a monthly claims trending report for all divisions or departments that have a completed and implemented safety and accountability policy.
 5. Provide statistical recommendations on workers' compensation premium rating options, i.e., state-funded; retro, both individual and group; & self- insurance.

Any ad hoc reports deemed appropriate by the City, i.e., "triangle report" estimates for subsequent year updated at least quarterly, possibly monthly as needed at the end of the calendar year by the City. Provide assistance to the Mayor's Urban Analytic Office.

Q. Proposal Requirements

a. Timetable

The contract covers the period January 1st, 2024 through December 31st, 2024, with the City's option to renew (2x) for an additional years, one year at a time.

b. City Assistance

Optional

Staff of the **Division of Risk Management** will be available to answer questions of the vendor via phone at 216.664-4895.

Proposal Submission Requirements

i. Technical Approach

The consultant should explain in detail its philosophy, processes, and key elements for accomplishing the task proposed;

ii. Firm's Experience

A detailed description of the proposing firm should be presented. This should include its history, other services provided, and experience in the area of Workers' Compensation as a third party administrator. A list of **current** clients and references, particularly those in the public sector, should also be provided.

iii. Key Personnel

The firm's management should be identified, as well as the key personnel assigned to this project. This information should include **resumes of** pertinent individuals; and their pertinent experience in workers' compensation and Ohio public entities.

iv. Vendor must be Ohio BWC certified as a Third Party Administrator.

- v. The City has the right to request the removal of an under-performing vendor employee from the City's account.

c. CLEVELAND AREA BUSINESS CODE

On June 4th, 2008 the Cleveland Area Business Code replaced the Minority & Female Owned Business Enterprise Program.

Vendors are encouraged to review the Cleveland Area Business Code regarding the inclusion of enterprises that meet the criteria of Cleveland Area Small Businesses (CSB's) as set forth in the Cleveland Area Business Code, in the Vendor's project team. CSB's are those certified by The Mayor's Office of Equal Opportunity (OEO) as such.

Furthermore, consultant shall identify ways to attract qualified Cleveland Area Small Businesses consistent with the mandates of the Cleveland Area Business Code.

Proposers are advised that in regard to this contract, it is the policy of the City of Cleveland that businesses concerns owned and operated by minority persons and/or women shall have every practicable opportunity to participate in the performance of contracts awarded by the City. These "Minority and Female Businesses" (MBE and FBE) are those certified by the Mayor's Office of Equal Opportunity (OEO) as such.

Accordingly, you are strongly encouraged to employ the services of City Certified MBE/FBE subcontractors who are certified by OEO in order to assist your firm in the completion of this work.

Provide detailed submittals within your proposal (OEO Schedules 1-4) documenting your use of CSB's, MBE's/FBE's, and all other subcontractors on this project. If available, if not, please indicate why this is not actionable.

All proposers are advised that in order to enter into a contract with the City of Cleveland for providing the services outlined within this RFP, the proposer must be determined to be in Compliance with the Offices of Equal Opportunity (OEO) Ordinances. Accordingly, please complete the enclosed (OEO) package (Schedules 1 through 4) and submit those materials with your original proposal. The completed forms will be

forwarded to the City's Office of Equal Opportunity for an evaluation in this regard. OEO Schedules 1-4 are mandatory as part of this proposal. Your proposal may be rejected if you do not submit responsive OEO schedules.

d. Compliance Affidavit

Contractors can find a Non-Competitive Bid Statement (on the City's website) for Calendar year 2023 for use with respect to a contract to be awarded in 2023.

e. Fee

The Contractor's fee proposal should be submitted in a separate sealed envelope. It should provide an annual service charge, payable semi-annually and identify any and all reimbursable expenses for which the City will be responsible, i.e., IME's, which would be separate from the vendor's fee.

R. Other Information

General Terms and Conditions

Any proposal, which is incomplete, conditional, obscure, or which contains additions or deletions not called for or irregularities of any kind may be rejected. ***Please send an original RFP response via e-mail and a separate document (may be contained within the same e-mail correspondence) with your fee proposal. The fee proposal cannot be contained within your RFP response document!***

Proposals will not be considered valid unless signed and dated by an officer of the quoting company.

The completed proposal may become the basis for negotiation. The City reserves the right to conduct negotiations on any provisions and/or fees quoted in the proposal.

Forms required to be completed and submitted with all proposals are enclosed. Each packet should include the following:

1. NON-COMPETITIVE BID CONTRACT STATEMENT
2. OEO NOTICE TO BIDDERS SCHEDULES
3. NORTHERN IRELAND FAIR EMPLOYMENT PRACTICES FORM

Failure to include signed and completed forms with a proposal may result in the mandatory disqualification of the proposal.

Timetable

1. Release of Request of Proposal:
2. Deadline for proposal: **5:00 p.m. on Monday, November 20, 2023.**

Proposals should be submitted to:

Sonja Brown,
Workers' Comp Manager, Dept. of Finance, Division of Risk Mgt.
Cleveland City Hall
601 Lakeside Avenue, Suite 28
Cleveland, OH 44114
Sbrown2@clevelandohio.gov

Inquires regarding proposals should be directed to:

Sonja Brown
Division of Risk Mgt. & Workers' Compensation
Cleveland City Hall
601 Lakeside Avenue, Suite 28
Cleveland, OH 44114
(216) 664-4895
Sbrown2@clevelandohio.gov

LATE or INCOMPLETE PROPOSALS WILL BE DISQUALIFIED FROM BIDDING!