

ORM Claims Management and Loss Prevention Services RFP
Response to Questions
December 22, 2009

1. Is there a recent Loss Prevention audit report available for review?

Yes. A Word version of the current version of the audit is available on our web site at: http://doa.louisiana.gov/orm/selfaudit_update.htm

2. Is there a recent Loss Prevention audit schedule available for review?

Yes. That can also be found on our web site at: http://doa.louisiana.gov/orm/selfaudit_update.htm

3. How many department audits were done last year?

34 State departments were covered, and more than 800 compliance reviews were conducted.

4. What was the average time needed to do an audit?

Including travel time, it was approximately 3-6 hours for compliance reviews and 6-30 hours for full audits.

5. Is there a recent Loss Prevention training schedule for employees available?

Dates and times of any training that the Loss Prevention Unit coordinates are placed on our website as needed.

6. How many Loss Prevention training sessions were done last year?

Over 100 sessions were held, including one-on-one sessions to cover the new audit materials.

7. Is there a recent Loss Prevention training schedule for the ORM Annual Conference available?

It can be found here: <http://doa.louisiana.gov/orm/conferences.htm>

8. How many hours of Loss Prevention training were done for the last conference?

A 2 hour session was held to cover the basics of the new audit template.

9. Was the present Loss Prevention staff of 12 doing the work outlined in the RFP?

ORM currently has a contract with AssetWorks to perform building appraisals. All other work is done by ORM's Loss Prevention staff.

10. If not, what was the scope of outside help needed to do the work?

See #9

11. Is there a list of the buildings and properties that need appraisals? How many are there?

Yes, there is a list of approximately 9000 buildings. Each building is appraised every 4 years.

12. Audits- Conduct safety audits of each agency w/more than 15 employees- How many agencies fall under this requirement?

Agencies are organized into departments. There are approximately 34 departments with more than 15 employees. Agencies with less than 15 employees can elect to participate in the LP program, and all but about 50 participate. Due to that and the fact that some agencies have multiple units and/or physical locations that require audits, a total of 800-900 audits/compliance reviews are conducted. The list of agency locations is available at <http://doa.louisiana.gov/orm/pdf/AuditGridMaster.pdf>.

13. LP Consulting -Trend analysis and audit deficiency recommendations- For what lines of insurance?

All lines

14. Accident Investigation - For what lines of insurance?

All lines

15. Must we conduct these or can we subcontract?

Subcontracting is allowed.

16. Training - For dept heads of each agency- How many agencies involved?

Please clarify your question and resubmit.

17. "Train the trainer" sessions- How many individuals involved?

There are approximately 110 Loss Prevention Coordinators. Each receives training for those topics they wish to train their staff on.

18. Please provide annually for the past three years, the amount of fee spent on 1) Medical Fee Schedule Adjudication (Bill Review); 2) Precertification; 3) Utilization Review; 4) Vocational Rehabilitation; 5) Telephonic Case Management; 6) Medical Field Case Management; 7) Peer Review.

- 1. Med Fee Schedule Adjudication: (07 - \$ 149,742), (08 - \$163,554), (09 - \$277,159)*
- 2. Precertification: (07 - \$41,172), (08 - \$118,162), (\$317,744)*
- 3. Utilization Review: included in Precertification*
- 4. Voc Rehab: (2007- \$326,099), (2008 - \$374,282), (2009 - \$248,936)*
- 5. Telephonic Case Mgt: Not utilized*
- 6. Med Field Case Mgt: (2007 - \$346,696), (2008 - \$279,450), (2009 - 151,860)*
- 7. Peer Review: (07 - \$124,521), (08 - \$144,776), (09 - \$247,723)*

19. How is STARS being used other than for claims reporting, loss prevention audits, a claims adjusting system, and as ad hoc reporting of the claims related data.

CS STARS is also used for premium invoicing and to interface to our accounts receivable system.

20. What is the number of claims requiring Medical Director involvement per year for the past two years ending November 30 for each 12 month period? Is the current Medical Director a full time position (40 hours per week)?

The current Medical Director works approximately 100 hours per month, providing a variety of services to multiple units in ORM. He provides a detailed chart review/time line/medical opinion on approximately 15 claims per month. Most of his work is on Medical Malpractice cases, but he also works on road hazard, workers' compensation, general liability and auto liability lines of coverage.

21. Please provide the following information for workers' compensation:

The average temporary total disability (TTD) days?

That information is not available.

The average temporary partial disability (TPD) days?

Partial Disability is not paid.

By injury type, the average medical and expense paid on medical only claims?

See [Medical, Expense and Indemnity Payments by Claim.xlsx](#).

By injury type, the average medical, indemnity and expense paid on indemnity claims?

See [Medical, Expense and Indemnity Payments by Claim.xlsx](#)

22. Please provide the format for FileNet. Is there a fee or ongoing maintenance cost to the Contractor? Will the contractor have access to the information on FileNet? Can an alternative system be provided by the contractor to replace FileNet? If so, who and how many would be accessing this information?

Documents scanned into FileNet by ORM are stored as TIF or PDF files. Files received from other sources may be stored in those formats or as jpg, doc, xls, avi, mpg, wma and wmv.

The Division of Administration's IT section holds the licenses for FileNet, and is responsible for maintaining and configuring the software. Access to FileNet could be arranged, but as things stand today, FileNet does not meet ORM's needs. It is not configured to support the functions ORM would like to utilize. An alternative system can be provided. Proposers should assume that 40 ORM employees would need access, in addition to the Contractor's staff.

23. What is the completion status of the back scanning project? If this project is not completed by the time that the claims management function is shifted to the new contractor, what will be the means for accessing the information should a file in the non-scanned group reopen?

We are nearing completion of the 2007 claims and will be starting 2008 soon.

When necessary, hard copy files will be transferred.

24. Will the contractor have the ability to work with ORM to implement training modules on LEO? Will there be a cost to the contractor? If yes, is there a fee schedule?

Courses provided by the contractor could be made available to state employees through LEO, providing they meet the technical requirements. There would be no charge for that service.

25. Please provide a copy of a completed/voided check less any confidential information.

Please use link to view voided check: <http://doa.louisiana.gov/orm/pdf/voidcheck.pdf>

26. Please provide for AI and GL the open counts as of 11/30/09. This data needs to be broken into BI and PD numbers and first party PD.

General Liability had 1,979 open claims as of 11/30/2009. Of those, 1,748 were classified as BI and 231 were PD.

Auto Physical Damage had 450 open claims as of 11/30/2009. Of those, 376 were classified as Collision and 74 were Comprehensive.

As of 11/30/2009, there were 301 open PD Auto Liability claims and 286 open BI Auto Liability claims.

27. How and in what format are images currently stored and how does ORM propose images be transferred to the contractor (electronic, CD/DVD, etc.)? Please provide the total number of images.

Currently, text files are stored as tif, pdf or jpg. Images are stored as jpg, doc or xls, and audio/video is stored as avi, mpg, wma, or wmv.

ORM has a total of 1,054,847 documents in FileNet. Of those, 214,454 are claims documents, 2337 are lawsuits, and 602,568 are checks. The remaining documents are not relevant to this project.

ORM will work with the selected Contractor to determine the most effective method of transfer.

28. If the Contractor is not handling loss funds but the subcontracted TPA to the Contractor is, does ORM require a Certified Financial statement or does a Compiled Audit by a CPA firm meet the criteria?

Audited financial statements are not required for subcontractors. However, they are preferred, especially in cases where the subcontractor is providing services that are a major part of the contract, such as a TPA. If the financial stability of a major subcontractor cannot be properly evaluated using the information submitted, that will be reflected in the total score for that proposal.

29. For the past three years, on a yearly basis using November 30 as the year end date, please provide the number of invoices processed by the current bill adjudicating company. Please verify that the information provided is the number of invoices and not the number of checks. Ideally, this data would include all medical payments, including pharmacy bills and duplicate submissions. Also, please provide information/data on the number of "send backs" from the claims staff.

State Fiscal Year ending June 30 was used as the year end date.

Number of invoices processed:

07 – 54,125 08 – 56,416 09 – 72,287

"Send Backs" are not tracked.

30. Will ORM please provide a yearly medical bill adjudication report for the past three years identifying the number of bills, the total charges, the fee schedule reductions, the negotiated bill discounts, the number of nurse reviews, PPO discounts, and duplicate bill submission?

1. Number of bills: See Question 29

2. Total charges: (07 - \$32,439,580), (08 - \$39,918,865), (\$42,048,919)

3. Reductions: (07 - \$13,348,084), (\$11,903,525), (\$15,681,708)

4. Negotiated bill discounts: Not Utilized

5. Nurse Reviews: Included in Precertification Question 18.

6. PPO discounts: Not utilized

7. Duplicate Bill Submission: Not tracked

31. Reference 1.04 – Is there a courier service the State utilizes for interstate agency mail service in the city of Baton Rouge? Would the Contractor be permitted to use the service if located within the State's defined route for service? Is there a cost for this service and if so, what is it?

The State has an internal messenger service that agencies can utilize for a fee. That service would not be available to the contractor.

32. Appendix C – The term “Project” is used. Is this the same as “Phase” as referenced in the implementation schedule? (section 3.1.2)

Appendix C is the form to be used to document your company’s experience. The term “project” refers to any work done for clients that you want the State to consider in evaluating your experience. Each incidence of experience is a “project” and a separate form should be completed for each one. The term “ORM project” on that form refers to the work to be done under the 5 year contract with ORM.

33. Relative to 1st report of injury, what is the number of claims which are submitted electronically through STARS? What is the percentage submitted telephonically? By fax?

Virtually all Workers’ Comp incidents are reported electronically via STARS Web. In emergency situations, agencies can print out a form to submit by fax. Those are rare exceptions.

34. Page 36, Reference 6.21 - Contractor “shall provide medical care and medical cost containment services”. Please clarify that the Contractor is not liable for the cost of the medical services.

That statement applies only to medical care which would be considered “cost containment services.”

35. Appendix F Part, 2A, Ancillary Services (Page 69 of the RFP) – There are two items listed as ancillary expenses. The unit prices for two ancillary expense items are to be entered in the Cost Proposal (page 72). It is our understanding that these fees will be paid as an allocated file expense and the payment made at the quoted rate is the liability of ORM. Payment in excess of the unit quoted amount will be the responsibility of the Contractor. The amount calculated on page 72 of the Cost Proposal is not to be included as a fee to be paid to the Contractor. Is this correct?

The services listed in Appendix F, Part 2A will be paid by the contractor and reimbursed by the State at the rate submitted by the proposer. The calculated total (rate X estimated usage) will be a part of the total contract amount. However, the proposer should not add these costs to any other part of their cost proposal. The total of Part 1, Part 2A, Part 2B, Part 2C, and Part 3 will be used by the State to compare proposals and as the basis for contract negotiations.

36. Appendix F, Part 2B, Ancillary Services (Page 69 of the RFP) provides a list of 9 ancillary expense items that do not require a price quote. These expenses will be paid at the amount shown on the invoice. All of these items will be paid as an allocated file expense and will be liabilities of ORM. The value provided by ORM on Page 73 is not to be included as a fee to be paid to the Contractor. Is this correct?

The services listed in Appendix F, Part 2B will be paid by the contractor and reimbursed by the State at actual cost. It will be a part of the total contract amount. However, the proposer should not add these costs to any other part of their cost proposal. The total of Part 1, Part 2A, Part 2B, Part 2C and Part 3 will be used by the State to compare proposals and as the basis for contract negotiations.

37. The ancillary fee items included in Part 2A and Part 2B represent the total population of ancillary fee items that can be paid as an allocated expense. Is this correct? If not, what additional items are included?

Appendix F, Parts 2A, 2B, and 2C are intended to serve as a complete list of items that can be paid to as an allocated expense. That list will be amended as explained in #38.

38. If the answer to the above questions are correct, we respectfully request that the following be added to the list of ancillary services under Part 2B:

Functional Capacity Exams

Auto rentals
Transportation
Translation services
Transcription services
All legal and legal related fees
Expert witness and related expenses
Credit bureau reports
Property damage appraisals

To clarify the treatment of the following items:

Functional Capacity Exams – will be treated as part of the claim payment

Auto rentals – will be treated as part of the claim payment

Transportation – please clarify what you mean by transportation

Translation services - will be treated as an ancillary service. We will add it to Appendix F, Part 2B

Transcription services - will be treated as an ancillary service. We will add it to Appendix F, Part 2B

All legal and legal related fees – attorney fees will be paid directly by the State (see section 4.3.5); miscellaneous legal fees are already included in the list of ancillary expenses

Expert witness and related expenses – expert witness fees will be paid directly by the State (see Section 4.3.5)

Credit bureau reports - will be treated as an ancillary service. We will add it to Appendix F, Part 2B

Property damage appraisals – Vehicle damage appraisals are already listed as an ancillary service in Appendix F, Part 2. Building damage appraisals should be included in the flat service fee for Property.

39. Please provide on a yearly basis for the past five years the amount paid by ORM for external claims adjusting services. Please provide a list of the companies that have provided these services.

Please use link to view external claims adjusting payments:

<http://doa.louisiana.gov/orm/pdf/ContractAdjExp5Yrs.pdf>

40. There is another potentially highly variable expense which is associated with “field adjusting”. While including this cost in the administrative fee is reasonable for normal conditions, times of a state wide catastrophe can cause an unpredictably high demand for these resources; a hurricane would be a classic event. Would ORM consider offering an addendum that would allow under specific conditions for external claims adjusters to be treated as an ancillary service?

We will amend to separate the additional adjusting services required in the event of a declared disaster. The cost proposal forms will be changed accordingly. See Appendix F, Part 2 (C).

41. Please provide the names by service type of the ancillary services currently used by ORM?

Those are listed in Appendix F, Part 2.

42. Will there be Management Positions not listed under 3.1.1 (pages 17 & 18) that will be available for hire by the Contractor? If so, which positions? State Risk Adjuster 6 positions were not included in 3.1.1. Are these positions to be considered for hire by the contractor?

The list of positions in the RFP should be used as the basis for your estimates. It was developed strictly for that purpose. It assumes for the most part, that the occupants of lower level positions will be transferred to the contractor and that higher level employees will remain at ORM. In reality, we will have to follow Civil Service rules for layoff avoidance and layoffs.

When the time comes, if the contractor wishes to hire one of ORM's higher level employees (like a State Risk Adjuster 6) and that employee wishes to go, we will do our best (within Civil Service rules and Ethics rules) to accommodate that.

43. Reference 5.19 – For incident only or record only claims, can the information submitted from an Agency be accepted without further edit by the claims staff?

Incident –only claims are not edited by ORM's claims staff.

44. Please provide an open claims count for each line of coverage and type of claim for the past three years on an annual basis.

See <http://doa.louisiana.gov/orm/pdf/OpenClaimsByCov.pdf>

45. Please provide the number of workers' compensation claims that fall in "maintenance" category. A Maintenance category is a claim where indemnity payments are no longer being paid but the file remains open for other expenses.

These claims are not tracked separately; they are reclassified as medical only.

46. Please provide a frequency distribution of the number of open claims in each of the following classifications:

\$ 0 - \$2.5 k
\$2.5 k – 5.0 k
\$5.0 -10.0 k
\$10.0k – 20.0 k

The frequency of distribution should be for November 30, 2009 for the following lines of coverage:

Auto Liability
General Liability
Property

See report at <http://doa.louisiana.gov/orm/pdf/FreqDistLiabandProp.pdf>

48. Section 18.01 – It appears that ORM awarded a 3-year Appraisal Contract on 7/31/2009 to Asset Works for Property Appraisal Services on State Owned Buildings. Does that contract replace the appraisal services outlined in Section 18.0 of the RFP? Will loss prevention staff still be required to perform any building appraisals and if so how many of the 9,000 insured state buildings will loss prevention have to appraise annually? If the contract with Asset Works does replace the appraisal functions of the loss prevention staff listed in Section 18.0, will loss prevention still need access to Marshal & Swift software for any other reason? Will the Appraisal Contract have any effect on staffing in loss prevention? Is current staffing level adequate for the volume of work required and/or outlined in the RFP?

Due to the aftermath of Hurricane Katrina and down-time due to a software upgrade, ORM is behind in completing building appraisals. The purpose of the contract with AssetWorks is to supplement our staff, get back on schedule, and provide appraisal-specific expertise that we lack in-house.

The current staffing levels have proven adequate over the years. However, after Katrina ORM's commercial property policy changed from blanket to scheduled coverage. That increased the necessity for timely, accurate appraisals of individual buildings, including historic buildings and specialized facilities such as hospitals. We do not have that expertise in-house.

The AssetWorks contract will be terminated at the appropriate time and the contractor selected from this RFP will assume those responsibilities.

49. Section 4.3.5 – This section indicates that the contractor should include costs for travel in the Cost Proposal. With that in mind, have loss prevention consultants been using state vehicles to perform their work? How many miles have the loss prevention staff traveled in each of the last three years in performance of their assigned duties? How much has loss prevention staff spent for transportation, lodging and meals in each of the last 3 years? Will ORM accept a proposal that allows contractor loss prevention staff to be reimbursed by the state for all travel costs (mileage, hotel, per diem) in accordance with State of Louisiana Employee Travel Regulations in effect at the time the travel expense is incurred, instead of estimating the expected travel expense?

The State's travel and accounting systems do not provide access to all of the information you have requested. Please see questions 92 and 93 for information that may be helpful.

Due to the administrative overhead associated with reimbursing contractors for travel expenses, ORM requires that the contractor absorb travel costs.

50. Section 20.01 – This section indicates that the RMIS system shall also provide online functionality for conducting and scoring loss prevention audits. That function is currently done using CS STARS software and licenses (page 6 of the RFP). Will the State retain ownership of CS STARS and allow the contractor adequate licenses to perform the required work, or does the State want the contractor to include pricing for CS STARS loss prevention audits in the proposal? If the contractor is to provide pricing for the loss prevention safety audit function in CS STARS Audit, should the pricing be based on 12 loss prevention staff plus up to 650 licenses for other state personnel as indicated on page 6 & 21, or is there a more definitive number of licenses that should be used for the cost basis?

The State expects the Contractor to provide software to support Loss Prevention audits. It does not have to be STARS Audit. The numbers you listed are the best available numbers to estimate license costs.

51. It appears that most loss prevention personnel have been working out of state office facilities. Will existing state office space currently in use by loss prevention staff still be available with the new contract or will the contractor have to provide other work office facilities for loss prevention staff? If current office space would still be an option, can ORM provide the cost information related to using the existing space? Does ORM require or prefer the loss prevention consultants to be located in the same geographic areas where they are currently located?

The RFP does not require that any of ORM's current satellite offices be maintained or more specifically, that Loss Prevention officers be located where they are currently located. Proposers should determine the most efficient and effective locations for their staff.

52. Under "STARS Audit" on RFP page 6, ORM indicates that PC Tablets are used by loss prevention staff to perform site audits. Also section 3.2 (page 21) states that the DOA has standardized the PC environment with Microsoft XP and Windows Office 2007. Will loss prevention personnel continue to use their state issued computers or should the proposal include pricing for new computer equipment? If loss prevention personnel will be issued contractor computers, can they use Windows 7 or will they need to still use Windows XP? If the contractor is to provide loss prevention personnel with new computers, will they still be able to access state electronic file systems and servers? If they will not have access to state servers for record retention, what is the requirement (if any) for archival storage of electronic files?

The Contractor's Loss Prevention staff would not be allowed to use state-owned equipment or the existing STARS Audit system. If the Contractor chooses to provide such equipment to their staff, the technical configuration would not be restricted by the State. The Contractor should determine what software versions are needed to access their systems.

Audit records, whether paper or electronic, are kept for 3 years.

53. In Section 18.02 there is a reference to state agencies with 15 or more employees. How many state agencies have more than 15 employees and which agencies fit that criterion? How many separate facilities are operated by those agencies? For agencies with multiple facilities, how many of the individual facilities will loss prevention personnel need to conduct a visual walkthrough as indicated in 18.02.03 on an annual basis? Does the visual walkthrough only need to be done in the years (every third year) when a comprehensive safety audit is conducted?

See Question # 12 for information regarding the number of state agencies.

Loss prevention personnel will conduct a visual walkthrough on all facilities. The visual walkthrough must be conducted annually.

54. Section 18.04.02 indicates that ORM shall coordinate and retain oversight of elevator inspections. Who actually performs the inspections, state employees or contract inspectors? Will the loss prevention contractor be required to take over or initiate new contracts with any current elevator inspection contractors? What are the code requirements for inspections or where can we find any Louisiana specific requirements for elevator inspections? How many elevator inspections have been required for each of the last three years?

Contract inspectors perform all elevator inspections and report results using a custom software application. Uncorrected violations are reported to the State Fire Marshall. ORM will continue to maintain and administer that contract. The Contractor will not assume that responsibility.

55. Section 18.05 addresses loss prevention investigations. How many loss prevention investigations have been initiated in each of the last three years?

In FY 2007, 38 investigations were initiated. In FY 2008, 40 investigations were initiated. In FY 2009, 22 investigations were initiated to date.

56. Section 18.06.02 indicates that the loss prevention contractor shall conduct training for all agencies about the Loss Prevention Program itself as well as train-the-trainer classes for Department Loss Prevention Coordinators. How many of these training sessions have been conducted in each of the last three years?

A half-day overview of the LP program is required of all LP Coordinators and safety representatives once every three years. This training is a new requirement that was effective July 1, 2008.

"Train-the-Trainer" classes for LP Coordinators and safety representatives include. Blood Borne Pathogens, Drug Free Workplace, Sexual Harassment, Accident Investigation, Job Safety Analysis, Safety Meetings, Inspections, Supervisor Responsibilities, and Forklift Usage.

Since January 2009, LP has conducted approximately 200 training classes

How many ORM Regional Conferences are conducted each year?

There are 2 conferences held at different locations each year.

How many other requests for training have been received by loss prevention in each of the last three years?

Training is provided by the agency's Assigned LPO. The numbers vary according to need and are not tracked.

Is forklift equipment and any existing training material provided for the Hands-On forklift training indicated and will that equipment and material still be available to loss prevention consultants as contractors, or should we include pricing for equipment rental and training materials in the proposal?

The agencies have and provide their own equipment for training purposes.

Will the "Next Step Coaching" training materials be provided from the existing program or should the contractor include pricing for that training? If the contractor needs to provide for Next Step Coaching training material, please provide the number of people trained in that program for each of the last three years and/or an estimate of how many state employees will need the training each year after the new contract starts.

Next Step Coaching is a training video on defensive driving. ORM's LP unit "Trains the Trainers" who then train their own employees. Defensive Driving training is now offered online (through LEO) to most state employees; however, some agencies do not have access to this online program and continue to use the Next Step Coaching video. Pricing should include Train the Trainer as an option. The contractor may opt to update this video.

57. Can the state provide more specific salary information for the loss prevention staff to be absorbed with the new contract instead of the range provided in the Civil Service tables for each of the positions? There is no way for the contractor to make adjustments for length of service and skills without more specific information. Can the state provide more specific vacation time allowances for the staff for the same reasons?

Loss Prevention staff salaries are listed below. Bi-weekly leave earning rates are also listed below, in hours earned.

Job Title	Leave Earning Rate	Hourly	Annual salary
STATE LOSS PREVENTION OFFICER 1	6.4560	21.54	44,803.20
STATE LOSS PREVENTION OFFICER 2	5.5360	25.78	53,622.40
STATE LOSS PREVENTION OFFICER 2	4.6080	27.26	56,700.80
STATE LOSS PREVENTION OFFICER 2	3.6880	25.21	52,436.80
STATE LOSS PREVENTION OFFICER 2	5.5360	26.47	55,057.60
STATE LOSS PREVENTION OFFICER 2	6.4560	27.65	57,512.00
STATE LOSS PREVENTION OFFICER 2	7.3840	29.02	60,361.60
STATE LOSS PREVENTION OFFICER 2	5.5360	26	54,080.00
STATE LOSS PREVENTION OFFICER 2	7.3840	29.47	61,297.60
STATE LOSS PREVENTION OFFICER 2	7.3840	29.45	61,256.00
STATE LOSS PREVENTION SUPERVISOR	5.5360	29.18	60,694.40
STATE LOSS PREVENTION SUPERVISOR	7.3840	30.64	63,731.20

58. How many claims (all lines) were indexed in the last 12 months? What was the cost for the last 12 months?

See http://doa.louisiana.gov/orm/Excel/LossRunByType_Status_In.xls

59. How often do you meet with excess carriers?

Meetings with excess carriers are infrequent, except when dealing with catastrophic situations. Precise frequency cannot be predicted.

60. How many claim review meetings are required each year?

See question #116

61. How many settlement committee meetings are held each year?

See question #116

62. How many WC claims were referred for telephonic medical case management last year, last three years? What was the cost?

ORM does not utilize telephonic MCM.

63. How many WC claims were referred for field case management last year, last three years? What was the cost?

See question #18.

64. How many pre-certifications last year, last three years? What was the cost?

See question #18.

65. How many claims were referred for utilization review last year, last three years? What was the cost?

See question #18.

66. How many second medical opinions were requested within the last year, last three years?

That information is not tracked separately.

67. How many medical bills were received last year including hospital bills, last three years? What was the cost?

See questions #29 and #18.

68. How many peer reviews last year, last three years? What was the cost?

That information is not tracked separately.

69. How many vocational rehab assignments were given last year, last three years? What was the cost?

See question #29.

70. How many cases were assigned to a medical director in the last year, last three years? What was the cost?

See question #20.

71. How many claims are referred to a nurse case manager on an annual basis?

See question #29.

72. Please provide the previous six months of pharmacy management in excel or CSV format containing the following fields of info on each fill:
National Drug Code (NDC)
Quantity
Current Cost
Date of Service

ORM does not utilize a pharmacy benefit manager; this information is not tracked.

73. How many MSA's are completed annually?

See http://doa.louisiana.gov/orm/Excel/Medicare_Setaside.xlsx .

74. (18.02.01) How many state agencies have 15 or more employees?

See Question #12.

75. How many GL PD claims under \$1,500 did you receive last year?

1092

76. How many GL PD claims over \$1,500 did you receive last year? What was the cost of appraisals for those claims?

36 were paid.

77. How many prisoner claims did you receive last year?

510

78. How many AU liability claims with BI requiring a scene investigation did you receive last year? What was the cost?

44 were paid at a cost of \$58,511.48.

79. How many AU PD claims with damage under \$1,500 did you receive last year?

429

80. How many AU PD claims with damage over \$1,500 did you receive last year? What was the cost of appraisals for those claims?

197 claims. Cost information is not available.

81. How many vehicle damage appraisals for the last three years?

See Appendix F, Part 2(A).

82. How many on-site Road Hazard investigations were done in the last year? What was the cost?

That information is not tracked.

83. How many property inspections were assigned last year? What was the cost?

934 claims were assigned at a cost of \$1.9 million.

84. How many property losses exceeded \$150,000 last year? What was the cost of appraisals?

166 losses exceeded \$150,000 last year. Outside adjuster costs associated with those claims were \$876,000.

85. Catastrophe claims, do the costs associated with the adjustment of catastrophe claims such as fees to independent adjusters, fall under the fixed contract fee that the vendor is to bid on in the Cost Proposal Part 1, Implementation & Service Fee Costs or is this considered an allocated expense that will be reimbursed by the state?

See Question #40.

86. How many no Loss Time maritime claims in the last year?

0

87. How many maritime scene investigations in the last year?

0

88. Can we charge fees for subrogation activity outside of flat fee?

Fees for subrogation activity are not to be included in the Service Fee (flat fee). Those will be based on a percentage of actual recoveries. See Appendix F, Part 3.

89. Page 45, 18.05.01 Loss Prevention request for investigations from private entities. Please elaborate on this?

Anyone can report a problem that requires investigation. For example, students at a university, patients at a medical facility, visitors to a state park, or a company doing work at a state-owned facility, etc.

90. Where are the various members of the Loss Prevention staff located?

One (1) Loss Prevention Officer is located in each of the following cities: New Orleans, Monroe, Shreveport and Alexandria. Two (2) LPOs are based out of Lafayette (but cover different territories); and four (4) LPOs are located in Baton Rouge (but cover different territories).

91. What is the experience level and credentials (degrees, designations, specializations, etc.) of the Loss Prevention staff? (for equivalent salary calculations)

Position	Degree	Years Private Experience	Years Public Experience	Designations
LPO	1 year of college coursework	4.5	9.5	Advanced Safety Certificate (NSC)
LPO	BA-General Studies	23	5	- Advanced Safety Certificate (NSC) - 30 hour OSHA General Industry
LPO	BBA - Marketing	5	23	Advanced Safety Certificate (NSC)
LPO	BS – Agricultural Business	0	20	Advanced Safety Certificate (NSC)
LPO	BS – Business Administration	0	11	Advanced Safety Certificate (NSC)

LPO	BS – Business Administration	0	8	Advanced Safety Certificate (NSC)
LPO	BS -General Studies	7	6	Advanced Safety Certificate (NSC)
LPO	BS – General Studies	5	6	Advanced Safety Certificate (NSC)
LPO	BS – Industrial Technology	29	4	- Advanced Safety Certificate (NSC) - 30 hour OSHA General Industry - Certified Safety Professional
LPO	BA – Industrial Technology	8	3	- 30 hour OSHA General Industry
Supervisor	2.5 years of college coursework	17	18	- Advanced Safety Certificate (NSC) - State and Air Force Certified Trainer
Supervisor	BBA – Marketing Masters – Urban and Regional Planning	0	28	- Advanced Safety Certificate (NSC)
Manager	BS – Occupational Safety & Health	10	10	- Advanced Safety Certificate (NSC) - Certified Safety Professional

92. Is the Loss Prevention staff provided vehicles or use pool cars? How many miles do the Loss Prevention staff average driving in a year?

ORM recently implemented a significant reduction in the size of its fleet. At this time, the LPOs in Shreveport, Monroe, Lafayette and Alexandria have either exclusive use of a state vehicle or relatively easy access to a pool vehicle. Baton Rouge LPOs are more likely to have to use their personal vehicles.

In 2008, LPOs assigned to the following locations accrued mileage in state vehicles as follows.

<i>Location</i>	<i>Mileage</i>
<i>Lafayette</i>	<i>12,022</i>
<i>Lafayette</i>	<i>10,162</i>
<i>Monroe</i>	<i>16,274</i>
<i>Shreveport</i>	<i>11,439</i>
<i>Alexandria</i>	<i>8,625</i>
<i>New Orleans</i>	<i>6,050</i>

We cannot provide mileage by individual for the pool vehicles or the number of miles driven in personal vehicles.

93. What is the estimated cost of travel (other than mileage) incurred by the Loss Prevention staff per year?

The State's accounting system does not track travel expenses at the level of detail you are requesting. We cannot separate mileage from other travel expenses. In Fiscal Year 08-09, Loss Prevention's conference travel cost was \$3,165.48. That includes all training and conferences attended by members of the Loss Prevention unit. Field Travel cost was \$6,416.09, including reimbursement for personal mileage, hotels, meals, etc. The bulk of "field travel" is single day travel for purposes of audits and on-site training. Because LPOs work out of satellite offices, overnight travel for that purpose is minimal. That category also includes overnight travel when supervisors (located in Baton Rouge) travel to observe/assist out of town LPOs, and when out-of-town LPOs travel to Baton Rouge for meetings and in-service training.

94. Does the state subcontract any Loss Prevention services in addition to the service provided by the Loss Prevention staff? If so provide detail.

The State recently contracted with AssetWorks to provide building appraisal services.

95. Does the Loss Prevention staff provide Industrial Hygiene services? If so, what type and what equipment are required?

No Industrial Hygiene services are provided by the Loss Prevention Unit.

96. How many ORM employees are subject to an offer of employment by location, job classification and implementation phase?

Most of the information you are requesting is in section 3.1.1 of the RFP. Of the positions listed there, all are in Baton Rouge, with the following exceptions:

Loss Prevention

1 Loss Prevention Officer 2 in each of the following locations: Monroe, Shreveport, and New Orleans

2 Loss Prevention Officer 2s in Lafayette

1 Loss Prevention Officer 1 in Alexandria
Claims – Administrative
1 Administrative Coordinator 3 in Alexandria
Claims – Workers' Comp
1 State Risk Adjuster 5 in Alexandria
4 State Risk Adjuster 4s in Alexandria
1 State Risk Adjuster 4 in Lafayette
1 State Risk Adjuster 4 in Shreveport
1 State Risk Adjuster 1 in Alexandria
Claims – Medical Malpractice
1 State Risk Adjuster 4 in Alexandria
Claims – General Liability
1 State Risk Adjuster 4 in Lafayette

97. In the pre-proposal conference, there were questions about consolidating locations. Is it necessary to maintain offices in the same geographic locations?

No.

98. Does the TPA need to include all allocated loss expenses (or Part 2 Ancillary Services) within its cost proposal? Is that TPA at risk for these fees?

The proposer must provide rates for the services listed in Appendix F, Part 2 (A) and Part 2 (C), and will be reimbursed by the State at those rates. The services listed in Appendix F, Part 2 (B) will be reimbursed by the State at actual cost.

99. Will contractor be responsible for issuing IRS Form W9 and 1099-M forms and relating reporting for the entire year of 2010 or for that portion of the year for which they were directing payments to vendors, or not have this responsibility at all?

Contractor will be responsible for obtaining IRS Form W9 and issuing 1099 –M forms and related reporting for the portion of the year for which they were directing payments to the vendors.

100. Will contractor be able to choose the bank for which the loss fund account(s) will be established to pay claims and authorized claim expenses from? Is JP Morgan Chase an acceptable bank?

The bank would have to be acceptable to the state. JP Morgan Chase is an acceptable bank.

101. How many electronic images (TIF, JPG, PDF, etc) would be exported from the FileNet system and associated with a claim record?

See question #27

102. Section 1.5 (p. 8 of 76) Propose Mandatory Qualifications

- a. 2nd bullet – “3 years experience in providing Workers Compensation claims services to a governmental entity same/similar in size, scope, & function to the State of Louisiana.” Since State Government is the largest governmental entity with 114,000 employees, what will be the acceptable governmental entities acceptable to meet “same/similar in size” mandatory qualification?

See question #1 in the Pre-Proposal Questions and Responses document on our web site.

- b. 3rd bullet – “3 years experience in providing multi-line claims administration services to a governmental entity same/similar in size, scope, and function to the State of Louisiana.” Once again as above, what will be the acceptable governmental entities acceptable to meet “same/similar in size” mandatory qualification?

See question #1 in the Pre-Proposal Questions and Responses document on our web site.

- c. 5th bullet - "Proposer must submit a copy of company's last 3 years audited financial statements. Will financial statements prepared by an independent CPA be sufficient for those private and/or non-public trading proposers in lieu of audited financials?"

See question #3 in the Pre-Proposal Questions and Responses document on our web site.

- 103. Section 2.5 (p. 11 of 76) Pre-Proposal Conference - Request the Office of Risk Management send the list of all attendees who were present, with name of representing company, and contact info provided at sign in on Dec. 8, 2009 to all those who were present at this pre-proposal conference. When may we expect the list of attendees and contact info from this pre-proposal conference held?

That information is posted on our web site.

- 104. Section 2.8 (p. 12 of 76) Determination of Responsibility - "Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance." Please define and explain in qualitative and quantitative terms, if possible, "adequate financial resources for performance" relative to determination of selected proposer's responsibility.

This language is directly out of Administrative Code for the Procurement of Professional, Personal, Consulting and Social Services. The rest of the code states:

Before making a determination of responsibility, the head of the using agency shall have sufficient current information to satisfy himself that the prospective contractor meets the standards in Subsections A and B. Information from the following sources shall be utilized before making a determination of responsibility:

1. *information from the prospective contractor, including representations and other data contained in proposals, or other written statements or commitments, such as financial assistance and subcontracting arrangements;*
2. *other existing information within the agency, including financial data, the list of debarred and ineligible bidders and records concerning contractor performance;*
3. *publications, including credit ratings and trade and financial journals;*
4. *other sources, including banks, other financial companies, and state departments and agencies.*

To the extent that a prospective contractor cannot meet the standard in Paragraph A.2 except by means of proposed subcontracting, the prospective prime contractor shall not be considered to be responsible unless recent performance history indicates an acceptable subcontracting system or prospective major subcontractors are determined by the head of the using agency to satisfy that standard.

- 105. Section 2.11 (p. 13 of 76) Subcontractors
 - a. 3rd paragraph: "Information required of the proposer under the terms of this RFP are also required for each subcontractor." Same questions under number 1 above are requested for response to any subcontractors listed, including audit of yearly financials.

An amendment will be issued that removes that requirement.

- b. Any possible agreements with subcontractors maybe premature in submitting with the response by proposer. Would listing any possible subcontractors by name and function be acceptable with the proposal, since due Feb. 2 versus copy of any such agreement?

That is not a mandatory requirement. It is to the proposer's advantage to provide as much detail as possible regarding relationships with subcontractors.

106. Section 3.1.1 (p. 17 of 76) Employment of Existing ORM Staff
- What is the current annual payroll dollar amount for the Phase 1, 39 employees identified?
Current salaries - \$661,008. FY 11 Salaries \$686,390
 - What is the current annual benefit costs amount for the Phase 1, 30 employees identified?
Related Benefits will be \$181,336
 - What is the total annual payroll dollar amount for all 127 employees in the Office of Risk Management (ORM)?
FY 11 Total Requested Salaries for 129 employees = \$7,396,642
 - What is the total annual benefit costs amount for all 127 employees in the ORM?
FY 11 Total Requested related benefits for 129 employees = \$2,700,048
107. Section 3.1.2 (p. 19 of 76) Implementation Plan
- What are the number of open claims, by line of service, to be transferred to Contractor?
 - How many closed claims, by line of service, will be required to be transferred to Contractor?
 - Year closed and number of claims to be transferred to Contractor's system?
 - See <http://doa.louisiana.gov/orm/pdf/OpenClaimsByCov.pdf>
 - Closed claims would only be transferred if the claim re-opened.
 - Meaning is unclear. Please clarify your question and resubmit.
108. Section 4.2.1 (p.24 of 76) Proposer Qualifications - How are the 70 points allocated to the 11 bullet items listed to be scored by the Evaluation Committee?
There is no specific allocation, nor is the evaluation limited to those items.
109. Section 4.2.2 (p.25 of 76) Proposed Project Approach and Methodology - How are the 70 points allocated to the 13 bullet items listed to be scored by the Evaluation Committee?
See Question #108.
110. Section 4.2.3 (p.25 of 76) Cost
- What are the current annual cost, by each line of service, within ORM?
Information can be found on the ORM financial statements already listed on the RFP site.
 - What are the open claims, by line of service, within ORM?
See question #107
 - What are the closed claims, by line of service, for each of the past five years, within ORM?
See http://doa.louisiana.gov/orm/Excel/Closed_Claims_%20by_Maj_Co_FY05-FY09.XLS.
 - How many years of financial data and number of claims data must be transferred to the Contractor?
All data for open and reopened claims.

- e. What is the breakdown, by lines of service, of the 3963 open litigated cases?

See [Open Litigated Claims by Coverage](#)

- f. What are the dollar amounts paid on current open claims(from question 8.b above) in 2009 and prior year(s)?

See <http://doa.louisiana.gov/orm/pdf/OpenClaimsByCov.pdf> .

- g. Based upon stated goals of this project, on page 8 of 76,
1) What are the total program costs annualized for fiscal 2009-'10, and each of the past five fiscal years?

That information is available in the financial reports and annual reports available on our website.

- 2) What are the annualized long term liabilities identified for goal toward reduction?

That information is available in the financial reports and annual reports available on our website.

- 3) What is the current profile of customer satisfaction in 2009?

That information is not yet available, but will be based on a survey to be conducted in early 2010.

111. Does the ORM maintain a paperless file system, which includes an electronic record of all claim documents? If so, what are the requirements of the TPA relative to document imaging and scanning? Can we get an estimated number of documents and images to be scanned by line of coverage?

All claims units use a combination of paper and digital files.

At this time, ORM and its contractors scan all Workers' Comp medical bills, all lawsuits, all checks issued, and other files as determined by the adjusters. We are also backscanning closed claim files to minimize our onsite physical storage requirements.

The RFP does not specify requirements for document imaging. Proposers should determine what is required to operate as efficiently as possible and explain that in their proposal.

112. Are there any physical claim files stored anywhere? Can we get an estimated number of claims that TPA will be required to store?

ORM has hard copy files for all claims. The files for all open claims will be transferred to the Contractor when the Contractor assumes responsibility for that line. The Contractor will be required to store them until they can be archived, generally one year after the claim is closed.

113. Does the STARS claim system have separate databases for each line of coverage? If so, how many?

No.

114. Can we have copies of all electronic data feeds, reports, exports, etc. other than standard loss runs and check registers? A sample of data to be converted.

See <http://doa.louisiana.gov/orm/pdf/MedicalExports.pdf> ;
<http://doa.louisiana.gov/orm/PDF/AcctImportFields.pdf> ;
<http://doa.louisiana.gov/orm/PDF/TrialNetFields.pdf>

Actual data will be provided to the selected contractor at the appropriate time.

115. Will the bidders be required to have facilities located in Monroe, Alexandria, Shreveport, Lafayette and New Orleans?

No.

116. Section 5.10 requires Contractor to participate in ORM Claims Settlement Committee and Claims Review meetings. Can you provide estimated number of meetings TPA will be required to attend per year?

Meetings are required for claims when a Request for Settlement Authority (RSA) is submitted. The Contractor's settlement authority will be \$25,000, so an RSA will be required for any settlement above that amount. Meetings may also be held when other issues arise regarding a claim. One day a week is typically set aside for these meetings.

117. Can you provide the estimated dollar value of invoices to be paid yearly using Trial Net?

In 2009, \$10,354,000 was paid through TrialNet, in 2008, \$11,573,027, and in 2007, \$9,509,514.

118. What is the total dollar amount paid per year in fines, penalties, interest, attorney fees and overpayments for the ORM?

See [Fines, Interest, Penalties and Attorney Fees](#) . Overpayments are not tracked.

119. Part 2(B) of Cost Proposal, appendix F Ancillary Services: Will you provide estimated usage of these services by ORM per year and by category? These fees are usually allocated loss expenses on the claim, but ORM requires bidder to include in their annual cost proposal. Since these are pass through costs without markups, will ORM reimburse any payments that exceed actual costs?

Estimated usage is not provided because the State has already estimated the total cost. Those estimates are provided on the spreadsheet for Part 2 (B). The meaning of the last part of your question is unclear.

120. Why an RFP as compared to ITB. RFP gives the State the option to pick & choose & to negotiate price after it receives all bids. With ITB as long as bidder meets all specs. The award goes to lowest bidder.

The intent of your question is unclear. However, ITBs are typically used to procure commodities. RFPs are used to procure services.

121. Must bidder assume all contracts in force with ORM & can they set standards & requirements that must be met to continue contract?

ORM will cancel all contracts for services that are a part of this RFP.

122. Does the bidder furnish ORM with safety credits or penalties from their Loss Prevention Audit & Compliance Reviews?

The Contractor will be required to provide ORM with the results of audits and compliance reviews. ORM will determine whether credits or penalties apply.

123. Will the bidder have the duty & authority to cut or negotiate law firm bills when received? Does bidder's Claim Reps. Have the authority to direct & discipline attorney's who don't comply.

The Contractor's adjusters will review and approve bills in TrialNet, and will advise ORM if action is needed.

124. 1.5 Proposer Mandatory Qualifications (a)? 3 years expr. In providing W.C. Claim Services to governmental entity same/similar in size, scope & function to the State of Louisiana. I question if anyone in the State can meet this qualification.

See Question #2 in the Pre-proposal Question and Response document posted on our website.

125. 2.1 5 year contract? The State used to be limited to 3 year contracts. Is the 5 years legal & correct?

5 year contracts are allowed.

126. Pg. 5 – 1.3 - Does the contractor provide the Underwriting and Statistics Units?

No.

127. Pg. 7 – 1.3 - Does the contractor provide the Accounting and Contract Units?

No.

128. Pg. 15– 2.20 - The question states: "Contractor will submit monthly billings for Service Fees based on 1/12 of the annual contract rate. The monthly billings will be supported by current written status reports describing the work completed and current status of work in progress. The Contractor will not be compensated for more than the total cost proposed in the Contractor's response to the RFP.

The State will pay the Contractor for Ancillary Services and Recoveries upon receipt of invoices, and in accordance with the rates specified in the Cost Proposal for these services."

Based on this statement, are these and all allocated loss adjustment expenses listed in Part 2A and 2B of the Cost Proposal estimated based on current usage?

Yes.

129. Pg. 19 – 3.1.2 - Describes ORMS' suggested Implementation Plan. Can contractor propose an alternate or optional Implementation Plan for this RFP?

Yes. Section 3.1.2 says "The State has specified the following phases, but will consider alternate implementation approaches. Alternate approaches should include cost information which must be submitted in addition to the cost proposal in Appendix F, which is based on the State's proposed approach."

130. Pg. 21 – 3.2 - Please clarify exactly how many RMIS users (by job and title) and what type of access each category or department will need.

Without specific information about the RMIS being utilized, that question cannot be answered accurately. ORM will have 40-45 employees that will require access to the system.

131. Pg. 25 – 4.2.2 Proposed Project Approach and Methodology - Asks for our "proposed staffing model, number of staff members, and how they will be utilized". Can we assume that all ORM staff displaced will agree to be employed by the contractor?

We cannot guarantee that.

132. Pg. 27 – 4.3.3 Proposed Project Staff - Again, can we assume that all ORM staff displaced will agree to be employed by the contractor?

We cannot guarantee that.

133. Pg. 30 – 2.01 - What is the number of open (assumed) claims? Please break out by type, e.g., GL-BI/PD; AL – BI/PD; WC – LT/MO/RO, etc.
134. Pg. 30 – 2.02 - Please elaborate on the type of marketing and promotional materials required. Also, the number and location(s) of seminars.

That is something we expect proposers to tell us. Change management is an important part of a project like this, and each proposer's implementation plan should include their thoughts on the subject.

135. Pg. 31 – 3.03 - This requirement seems to conflict with the requirements in Section III, 3.1 Key Requirements; 3.1.1 Employment of Existing ORM Staff. Specifically, the contractor guarantees employment and “failure to meet performance standards or objectives, by itself, does not constitute ‘cause’”.

We do not see a conflict. Any problem significant enough to warrant the State requesting removal of an employee would certainly meet the definition of “Cause.”

136. Pg. 31 – 4.03 - Where is the annual ORM Regional Conference located?

One is held in Baton Rouge and one in Central or Northern Louisiana – usually Alexandria or Shreveport.

137. Pg. 31 – 5.06 - States “The Contractor shall conduct a thorough investigation of each reported claim, which may include but is not necessarily limited to photographs, diagrams, police reports, statements from involved parties, statements from others, including all witnesses to determine the State’s liability, etc. Initial statements and/or inspections shall be completed within three (3) business days of receipt of the claim. When deemed necessary, the Contractor shall arrange for ancillary services required. The State will reimburse the Contractor for the costs of the ancillary services in accordance with the cost proposal.” Therefore, these costs are then considered Allocated Loss Adjustment Expenses (ALAE) and not considered as services fee costs in Part 1: Implementation and Service Fee Costs. Is this correct?

The items listed in Part 2 (A and B) are Ancillary Services and should not be included in Part 1 – Implementation and Service Fee Costs.

138. Pg. 32 – 5.08 - Does this requirement indicate that all bodily injury files be indexed with ISO? Also, does this apply to indemnity/lost time claims in the workers’ compensation coverage?

Yes, either with ISO or another organization that provides the same service. All bodily injury claims must be reported, regardless of the line of coverage.

139. Pg. 32 – 5.16 - Does the contractor pay for the Trial Net, Marshall& Swift, and SLABS subscriptions?

There would be no cost to the Contractor to use TrialNet or SLABS. If the Contractor chooses to use Marshall& Swift for building appraisals, they will be required to pay for the licenses.

140. Pg. 35 – 6.13 - What is the average number of bills repriced annually? Please break out duplicates separately.

See question #18.

141. Pg. 36 – 6.21 - How many of the following did the State of Louisiana perform annually?

Medical Case Management referrals
Telephonic?
Field?
Have any Case Management personnel been onsite with the claims handlers?
Utilization Review requests
Second Medical Opinions
Louisiana's OWCA medical reimbursement schedule
Hospital Bill Review
Pre-certifications
Utilization Review including Retrospective Review
Peer Review
Independent medical exam coordinated through OWCA
Medical Diagnostic Referrals MDN
Have any Case Management personnel been onsite with the claims handlers?
What is their annual medical spending?
What is the MO/LT mix?
Transitional/light duty/RTW available?

See questions #18 and #29.

142. Pg. 43 – 17.01 - Contractor must provide the following ancillary services:

Private Investigation Activity/ Surveillance
Vehicle Damage Appraisals
Fees for Official Reports; Police Reports
Medical Records and Reports for Third Party Claims
Mediation/Arbitration
Panel fees on Medical Malpractice
Court Reporter fees
Court Costs paid separate from Legal Fees
IME and Rehab Conference fees
Fees for Professional Photography
Miscellaneous Legal fees such as Deposition, Non- Expert Witnesses, etc.
Salvage, Towing and Storage fees

Please provide annual estimate of IME and Rehab Conference Fees.

Those costs are included in the total estimate provided at the bottom of Appendix F, Part 2 (B). If you need it broken out separately for some reason, please resubmit your question.

143. Pg. 43 – 18.01.01 - How many appraisals are done? What is the number of existing buildings?

There are approximately 9,000 buildings, each of which is re-appraised once every four (4) years.

144. Pg. 44 – 18.02.01 - How many state agencies have 15 or more employees and where are they located? Typically, how many hours do the audits take? Including the opening conference, walkthrough, and closing conference?

There are 800-900 state agency locations across the state that receive an annual audit or compliance review. Including travel time and all other aspects, it takes approximately 3-6 hours for compliance reviews and 6-30 hours for full audits.

145. Pg. 45 – 18.04.01 - Typically, how many “follow-up inspections” have there been annually?

Fewer than 100 follow-up inspections occur each year.

146. Pg. 45 – 18.05.01 - Typically, how many investigations have been initiated annually?

Approximately 40 investigations are initiated annually.

147. Pg. 46 – 18.06.03 - Typically, how many loss prevention trainings at individual department/agency locations have there been annually?

ORM typically provides over 100 sessions a year, including one-on-one sessions to cover audit procedures.

148. Pg. 46 – 18.06.04 - Please elaborate on the annual Equipment Management and Building Facilities training: where is it held and what is covered?

Hartford Steam Boiler provides the State’s commercial Boiler and Machinery coverage. In conjunction with that coverage, they provide 5 training sessions on various topics conducted yearly at locations of ORM’s choosing. Typically, they are conducted in such cities as New Orleans, Baton Rouge, Shreveport, Monroe and Lafayette.

149. Pg. 46 – 18.06.05 - Please elaborate and explain.

Same as #148 above.

150. Pg. 47 – 20.04 - Please describe what “escrowing the claim system source code” means.

Source code escrow is the deposit of the source code of software with a third party escrow agent to be released if the licensor files for bankruptcy or if other conditions are met.

151. Pg. 48 – 20.09 - Please describe the ORM Guidelines for numbering claims and provide location code guidelines.

See current ORM location listing @ <http://doa.louisiana.gov/orm/pdf/ORMLocList121809.pdf>

152. Pg. 48 – 20.19 - Will ORM pay contractor an hourly data conversion fee to convert all historical data to contractor’s software system?

No. That is an implementation cost and the Contractor is expected to include those costs in Appendix F, Part 1 – Implementation and Service Fee Costs.

153. Pg. 69 – Part 2 – Ancillary Services - Is the PBM requested considered an ancillary service to be included in the contractor’s annual fee?

The costs associated with the Pharmacy Benefit Manager should be included in Appendix F, Part 1 – Implementation and Service Fees.

154. Advise the number of open claims as of 11/30/09 for each area of exposure contemplated by the RFP.

See <http://doa.louisiana.gov/orm/pdf/OpenClaimsByCov.pdf> .

155. Provide a detailed loss run; in excel, for each area of exposure contemplated by the RFP with a valuation date of 11/30/09 for the last five years. Please include the following details:
Date of injury / claim / event
Type – lost time, medical only, report only, property, med mal, property, etc.
Status of each claim / event – open, closed or reopened
Total paid for each claim / event
Total outstanding if any for each claim / event
Total incurred for each claim / event

See [Loss Run](#) .

156. In ORM's opinion are there any individuals who are currently in supervisory positions qualified to manage / lead the current staff on a sustained basis? If so who and provide resume.

ORM has well-qualified people. After the bid is awarded, the selected Contractor will be provided full access to our employees and their resumes.

157. What has the turnover been for each of the last three years of the employee population that is anticipated to be displaced? Please advise total turnover, what percentage of total turnover is voluntary and what percentage of turnover was not voluntary.

In the last 3 years, a total of 27 employees have left ORM's Claims unit. Six of those were involuntary. Of the voluntary resignations, 5 were retirements, 9 were transfers to other State agencies, and 7 were resignations from state service.

158. Identify any Key Personnel by name that is anticipated to be displaced, their current job title and resume.

The list of positions to be displaced is all we can provide at this time. The State has layoff avoidance procedures and layoff procedures that we will have to follow. Those procedures will determine exactly which individuals are displaced.

159. What is the ORM estimated percentage of payroll costs associated with fringe benefits and payroll taxes to arrive at its budgets today?

27.9%

160. Provide the total number of cases referred for medical case management interventions and vocational rehab interventions to outsourced vendors for each of the last five years, the total case management expense for each, and the hourly rate for the associated charge.

See questions #18 and #29; 3 years of data provided.

161. What are ORM's expectations with regard to standards used to measure performance for each area of exposure contemplated by the RFP?

Some performance standards are included in the scope of work (for example items 6.02 and 6.03). We will work with the selected contractor to identify other best practices that could be applied to our program. We will also work with the selected contractor to identify appropriate benchmarks to measure performance. We are particularly interested in benchmarks that allow comparison to similar programs in other state governments.

162. Provide the number of open claims / events by area of exposure contemplated by the RFP broken down by the number of claims / events by year of occurrence.

See <http://doa.louisiana.gov/orm/pdf/OpenClaimsByCov.pdf> .

163. Provide the conversion statistics of medical only claims to lost time claims for the prior three calendar years as well as same statistics for 2009 if available – not tracked.

164. Provide the conversion statistics of incident only to medical only claims or lost time claims for the prior three calendar years as well as same statistics for 2009 if available.

This information is not tracked.

165. What is the average number of month lost time claims were open based upon available years of closed claims experience available.

Please clarify your question.

166. Are there any required use external partners to ORM as respects the claim handling for any area of exposure indentified in the RFP? If so please provide full name, address and key contact for ORM at external partner.

The meaning of "external partner" is unclear. However, ORM intends to terminate its contracts for all services related to this RFP. The selected contractor will be required to work with the Attorney General's office, with contract attorneys appointed by the Attorney General, and with experts selected by the assigned attorney. They will also be expected to utilize TrialNet for review and approval of services associated with those services.

167. Provide a current organizational chart that indicates reporting structure of staff for all areas of exposures contemplated by the RFP.

An organization chart is already available on our website.

168. Are any data feeds required from the TPA to other parties; i.e. client, external RMIS partner, etc. If so please identify those entities by name, what data will be required and cadence required of data exchange.

See question #114.

169. What are the biggest process improvements that ORM has recognized in the last three years?

ORM has made considerable progress since the initial implementation of our RMIS system, adding functionality and correcting errors that were made during implementation.

The process of handling payment for litigated Road Hazard claims is cumbersome, due to the fact that each claim is appropriated by the legislature and must be paid by the State Treasurer. Last year we implemented new procedures to coordinate the process and facilitate both the payment and the tracking of those payments.

The creation of a Med Only team in our Workers' Comp unit has had a positive effect on our ability to handle claims timely and effectively.

170. What are the biggest outcomes improvements that ORM has recognized in the last three years?

The implementation of TrialNet has improved ORM's ability to manage our legal expenses. Expenses have gone from over \$16 million per year in '04 and '05, to \$9.5 in '07, \$11.5 in '08, and \$10.3 in '09.

Last year ORM converted to a new, server-based version of Marshall and Swift, which has allowed us to eliminate inconsistencies in how building appraisals were handled.

A new process for claims staff to refer potential issues for investigation by Loss Prevention was implemented last year and has already had positive results.

171. What areas of unrecognized progress has ORM been challenged by in the last three years?

ORM has not progressed as planned toward paperless processing in the last three years. Funding cuts, staff reductions and limited technical support have hampered our progress.

Our subrogation unit has progressed considerably in the last three years, but additional attention is needed in this area. Additional staff has been requested and existing staff has been supplemented by contract staff.

172. Number of open litigated claims for all liability lines.

See <http://doa.louisiana.gov/orm/pdf/OpenLitigatedClaimsByCov.pdf> .

173. Caseloads per adjusters for all Property and Liability lines.

Sufficient information has been provided regarding numbers of open claims and staffing levels.

174. Initial and Status reporting requirements to ORM.

Those requirements will be discussed with the selected contractor and a mutually agreed upon process will be developed.

175. What tools has ORM in place for litigation management.

ORM has a General Counsel on staff to coordinate and provide oversight for all litigation, whether handled by contract counsel or Attorney General staff members. We conduct Claims Council meetings to discuss all settlements exceeding the adjusters' authority, and periodic staffings, which include AG management and ORM claims management, for the purpose of reviewing the litigation status and obtaining fresh insight to selected cases. The use of TrialNet controls cost by minimizing overbilling and unproductive use of time.

176. Average closing ratio for all risk adjusters.

ORM does not track this information.

177. Do adjusters take their own Recorded statements over the phone or do they use independent adjusters.

Both.

178. Do you have a count for Prison illegal search and seizure claims.
None.

179. Any time element set by State for transition of claims or will you go with proposer's estimate.

The State has included an implementation schedule in the RFP. Proposers are free to suggest alternate schedules which will be considered.

180. Ancillary fees include Property and Liability outside adjusting fees? If not what was paid out over last 3 years including any CAT losses.

181. Are Cause of loss expert, Time Element expert, Economic expert, ADR and Mediation appearance fees included in ancillary fees. If not what were paid out over last 3 years.

The State will contract with and pay expert witnesses directly. Those costs should not be included in the cost proposal.

182. Any average for previous Bridge claims in the past 5 years.

The total Bridge claims over the past 5 fiscal years average \$587,259 annually. The average for each Bridge claim over the same period is \$117,452.

183. Please provide a report with open claims by line.

See <http://doa.louisiana.gov/orm/pdf/OpenClaimsByCov.pdf>.

184. How many users of the system do you envisage?

ORM will have 40-45 employees that will require access to the system.

185. How many cases by line of insurance are outsourced per year to independent adjusters?

186. Of the total cases assigned to independent adjusters, how many are referred to Monroe, Alexandria, Lafayette, Shreveport and New Orleans?

187. How many Human Resource Management Systems are there in the State? Please provide the name of the system and agency and frequency of refreshing the data.

We cannot provide that information. Approximately half of state employees are paid by the central SAP system maintained by DOA. However, many entities, including universities, maintain their own systems.

188. How does ORM maintain the contact eligibility list for filing claims and receiving system access and receiving system generated reports? In an outsourced program will this be the responsibility of the Contractor or ORM?

Agencies submit a form requesting access to the system and ORM's IT staff establishes the appropriate security in the system. No reports are distributed – agencies run their own reports. Since the contractor will provide the RMIS, this responsibility will also belong to the contractor.

189. As a privately owned company, it is our policy not to publish our financials. As an alternative, we would offer to review our audited financials in the course of an "in-person" meeting between our company and ORM. As we view this information as proprietary and confidential, we require a standard Non-Disclosure Agreement (NDA) be signed by meeting attendees before we present our financial records.

Inclusion of audited financial reports is a mandatory requirement. You may mark them confidential as provided in Section 2.13 of the RFP.