

**STATE OF LOUISIANA  
OFFICE OF RISK MANAGEMENT**



**REQUEST FOR PROPOSALS**

**FOR**

**WORKERS' COMPENSATION MEDICAL FEE  
SCHEDULE & UTILIZATION REVIEW PROGRAM**

**RFP # 2008WCURP**

## TABLE OF CONTENTS

1.0	General Information-----	1
1.1	Purpose-----	1
1.2	Background-----	1
1.3	Goals and Objectives -----	1
1.4	Proposer Qualifications and Mandatory Requirements-----	1
1.5	Definitions-----	2
1.6	Scope of Services-----	2
2.0	Administrative Information-----	3
2.1	Expected Time Period for Contract -----	3
2.2	RFP Coordinator -----	3
2.3	Calendar of Events -----	3
2.4	Proposer Inquiries-----	3
2.5	Determination of Responsibility-----	4
2.6	Addenda, Supplements and Amendments to RFP -----	4
2.7	Waiver of Administrative Informalities-----	4
2.8	Proposal Rejection-----	4
2.9	Withdrawal of Proposal -----	4
2.10	Subcontracting Information -----	4
2.11	Ownership of Proposal-----	4
2.12	Proprietary Information -----	5
2.13	Cost of Preparing Proposals -----	5
2.14	Errors and Omissions in Proposals-----	5
2.15	Contract Award and Execution -----	5
2.16	Code of Ethics -----	5
2.17	Disqualification-----	5
3.0	Proposal Instructions -----	6
3.1	Proposal Submission-----	6
3.2	Proposal Format-----	6
3.3	General Questionnaire-----	7
3.4	Fee Quotation-----	8
4.0	Evaluation and Selection -----	9
4.1	Evaluation Team -----	9
4.2	Mandatory Requirements -----	9
4.3	Evaluation and Review -----	9
4.4	Selection of Contractor -----	9
4.5	Announcement of Contractor-----	10
5.0	Contract Requirements-----	11
5.1	Corporation Requirements-----	11
5.2	Term of Contract -----	11
5.3	Payment Terms-----	11
5.4	Taxes-----	11
5.5	Termination for Cause -----	11
5.6	Termination for Convenience -----	11
5.7	Termination for Non-Appropriation of Funds -----	12
5.8	Remedies for Default-----	12
5.9	Non-Assignability-----	12
5.10	Ownership -----	12
5.11	Subcontractors-----	12
5.12	Auditors-----	12

5.13	Discrimination Clause-----	12
5.14	Amendments-----	13
5.15	Insurance Requirement-----	13
5.16	Governing Law-----	13
5.17	Entire Agreement Clause-----	13
5.18	Order of Precedence-----	13
5.19	Special Warranties, Representatives and Duties-----	13
5.20	Limitation of Liability-----	14
5.21	Indemnification of the State-----	14
5.22	Liaison-----	14
5.23	Security-----	15
5.24	Access to Information-----	15
5.25	Record Retention-----	15
5.26	Confidentiality of State Information-----	15
5.27	Reproduction, Publication and Use of Material-----	15
Attachment "A"		
	Scope of Services-----	16
Attachment "B"		
	ORM Statistical Information	
	Reimbursement/Fee Schedule-----	19
Attachment "C"		
	Historical Data for Utilization Review-----	20
Attachment "D"		
	Cost Proposal Form-----	21
Attachment "E"		
	Certification Statement-----	24
Attachment "F"		
	Sample Contract-----	25

## **SECTION I**

### **1.0 GENERAL INFORMATION**

#### **1.1 PURPOSE**

This Request for Proposals (RFP) is issued by the State of Louisiana, Office of Risk Management (hereinafter referred to as ORM) for the purpose of obtaining services to support Worker's Compensation managed care activities, including medical fee schedule review, medical services audits, and utilization review.

#### **1.2 BACKGROUND**

The Office of Risk Management is an agency of Louisiana state government established to provide centralized property and casualty insurance coverage for all state entities. It is a unit of the executive branch of government, reportable to the Commissioner of Administration, Division of Administration.

The mission of ORM is to develop, direct, achieve and administer a cost effective comprehensive risk management program for all agencies, boards and commissions of the State of Louisiana and for any other entity for which the State has an equity interest, in order to preserve and protect the assets of the State of Louisiana. R.S. 39:1527, et seq., further designates ORM to provide self-insured workers' compensation coverage for State employees. There are approximately 95,000 classified and unclassified State workers who are covered by the State self-insurance program.

ORM operates satellite offices in Shreveport, Monroe, Lafayette and Alexandria. ORM is administered by the Commissioner of Administration, Angele Davis, the State Risk Director, Julian S. "Bud" Thompson, Jr., and the State Risk Assistant Director, Patti Gonzalez.

The ORM website can be found at <http://doa.louisiana.gov/orm>.

#### **1.3 GOALS AND OBJECTIVES**

ORM is soliciting a solution from qualified proposers to provide high-quality, efficient, cost effective services through a comprehensive program of managed care activities. The purpose of this program is to coordinate cost and utilization management activities to assure appropriate payment for health care services rendered to State employees eligible for workers' compensation benefits. The program must comply with all rules, procedures and standards adopted by the Louisiana Department of Labor, Office of Workers' Compensation (LDOL-OWC).

The program consists of the following managed care components:

- Medical fee schedule review - application of the LDOL – OWC Reimbursement Schedules to billings subject to the Workers' Compensation Act;
- On-site audits of hospital, physician, chiropractic, and/or physical therapy charges;
- Utilization management services including but not limited to hospital pre-admission certification, hospital admission certification, continued stay review (including length of stay assignment), discharge planning, second surgical opinion, and ambulatory review.

#### **1.4 PROPOSER QUALIFICATIONS AND MANDATORY REQUIREMENTS**

Proposers of this RFP must meet the following requirements. Failure to respond to or comply with any of the following will result in disqualification of the proposal.

1. Proposal must be submitted in accordance with all mandatory instructions provided in Section 3.0 (Proposal Instructions).
2. Proposers must have an office located within a 100-mile radius of Baton Rouge, Louisiana, with a Program Manager and all personnel/employees assigned to this project

- domiciled within that same area.
3. The proposer must have a minimum of one (1) year (prior to deadline for receipt of proposals) of organizational experience in managed care, including utilization management and medical fee schedule review.
  4. The proposer must have experience with providing services for at least one (1) insurance company/self-insurer with a group size of ten thousand (10,000) or more covered employees.
  5. The proposer must provide financial statements, preferably audited, or Federal Tax Returns reflecting upon the financial stability of the proposer firm.

## **1.5 DEFINITIONS**

**RFP** - Request for Proposals

**ORM** - State of Louisiana, Office of Risk Management

**Proposer** - a company submitting a proposal in response to this RFP

**Contractor** - proposer awarded the contract

**State** - State of Louisiana, Office of Risk Management

**Shall, Must, Will** - denotes mandatory language, a requirement that must be met without alteration

**Should, May, Can** - denotes non-mandatory language

## **1.6 SCOPE OF SERVICES**

Attachment "A" details the scope of services, deliverables and other requirements the State expects of the Contractor.

**SECTION II**

**2.0 ADMINISTRATIVE INFORMATION**

**2.1 EXPECTED TIME PERIOD FOR CONTRACT**

The contract resulting from this RFP is tentatively scheduled to begin on or about May 1, 2008, and continue for a period of three years, through April 30, 2011.

**2.2 RFP COORDINATOR**

This RFP is available in electronic form at the State of Louisiana, Office of Risk Management website or by typing <http://doa.louisiana.gov/orm/>. A hard copy can also be obtained upon request.

RFP Coordinator: Bonnie Fuller  
Email: [Bonnie.Fuller@La.Gov](mailto:Bonnie.Fuller@La.Gov)

Phone: (225) 342-8659  
FAX: (225) 219-0516

Postal Address:  
Office of Risk Management  
Post Office Box 91106  
Baton Rouge, Louisiana 70821-9106

Street Address:  
Office of Risk Management  
Claiborne Building, Suite G-192  
1201 North Third Street  
Baton Rouge, Louisiana 70802

**2.3 CALENDAR OF EVENTS**

Event	Date change dates
RFP Release Date.....	February 27, 2008
Deadline for receiving proposer inquiries (4:00 P.M. Central Time)	March 12, 2008
Last date to respond to proposer inquiries.....	March 19, 2008
Proposal submission deadline (4:00 P.M. Central Time).....	March 28, 2008
Formal Announcement of selected proposer.....	April 15, 2008
Estimated Contract Execution.....	May 1, 2008

**NOTE: The State of Louisiana reserves the right to amend and/or change this schedule of RFP events as it deems necessary.**

**2.4 PROPOSER INQUIRIES**

The State will consider written proposer inquiries regarding RFP requirements or Scope of Services by the date specified in the Calendar of Events (Section 2.3). The State reserves the right to modify the RFP should a change be identified that is in the best interest of the State.

To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the address shown in Section 2.2 by the date and time specified in the Calendar of Events (See Section 2.3). Official responses to each of the questions presented by the proposers will be posted at <http://doa.louisiana.gov/orm> by the last date to respond to proposer inquiries indicated in Section 2.3. It is the responsibility of the proposer to check the web site for the official responses to proposer inquiries.

Only Julian S. "Bud" Thompson, Jr., State Risk Director, has the authority to officially respond to proposers' questions on behalf of the State. Any communications from any other individuals are not binding to the State.

## **2.5 DETERMINATION OF RESPONSIBILITY**

Determination of the provider's responsibility relating to this RFP shall be made according to the standards set forth in Louisiana Administrative Code Title 34, Part V, Section 136 (Determination of Responsibility). The State must find that the selected proposer:

- has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
- has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;
- is able to comply with the proposed or required time of delivery or performance schedule;
- has a satisfactory record of integrity, judgment, and performance;
- is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure that proposals contain sufficient information for the State to make its determination by presenting acceptable evidence of the above to perform the services called for by the contract.

## **2.6 ADDENDA, SUPPLEMENTS AND AMENDMENTS TO RFP**

The State reserves the right to revise any part of the RFP by issuing an addendum, supplement or amendment at any time. It is the responsibility of the proposer to check the website for any revisions to this RFP.

## **2.7 WAIVER OF ADMINISTRATIVE INFORMALITIES**

The State reserves the right, at its sole discretion, to waive minor administrative informalities contained in any proposal.

## **2.8 PROPOSAL REJECTION**

Issuance of this RFP in no way constitutes a commitment by the State to award a contract. The State reserves the right to accept or reject, in whole or part, all proposals submitted and/or to cancel this announcement.

## **2.9 WITHDRAWAL OF PROPOSAL**

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

## **2.10 SUBCONTRACTING INFORMATION**

The State shall have a single prime Contractor as the result of any contract negotiation, and that prime Contractor shall be responsible for all deliverables referenced in the RFP and proposal. Unless provided for in the contract with the State, the prime Contractor shall not contract with any other party for furnishing any of the work and professional services herein contracted.

## **2.11 OWNERSHIP OF PROPOSAL**

All responses become the property of the State and will not be returned to the proposer. All material submitted regarding and in response to the RFP becomes the property of the State of Louisiana. The State shall have the right to use all ideas or adaptations of the ideas contained in any offer received in response to this Request for Proposal. Selection or rejection of this response will not affect this right.

**2.12 PROPRIETARY INFORMATION**

Only information that is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44:1-44 and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

**2.13 COST OF PREPARING PROPOSALS**

The State is not liable for any costs incurred by prospective proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the proposer in responding to this RFP are entirely the responsibility of the proposer and shall not be reimbursed in any manner by the State.

**2.14 ERRORS AND OMISSIONS IN PROPOSALS**

The State will not be liable for any errors in proposals. The State reserves the right to make corrections or amendments due to errors identified in proposals by State or the proposer. The State, at its option, has the right to request clarification or additional information from the proposers.

**2.15 CONTRACT AWARD AND EXECUTION**

The State reserves the right to enter into a contract, without further discussion of the proposal submitted, based on the initial offer received. The state reserves the right to request additional information and/or negotiate certain clarifications with the proposer selected. The State also reserves the right to contract for all or a partial list of services offered in the proposal. The RFP and proposal of the selected proposer will become part of any contract initiated by the State.

The selected proposer will be expected to enter into a contract, which is substantially the same as the sample contract included in Attachment "G" (Sample Contract). In no event shall a proposer submit its own standard contract terms and conditions as a response to this RFP. The proposer should submit with their proposal any exceptions or exact contract deviations that their firm wishes to negotiate. Due to the time constraints in contracting with respondents, companies that are unable to agree to the terms in Section 5 (Contract Requirements) should not submit proposals in response to this RFP.

Negotiations may begin with the announcement of the selected proposer.

**2.16 CODE OF ETHICS**

All potential Contractors are hereby advised that Contractors may, in certain circumstances, be deemed "public employees" as interpreted by the Louisiana Commission on Ethics for Public Employees. Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. Ethics issues are interpreted by the Louisiana Board of Ethics.

**2.17 DISQUALIFICATION**

The State reserves the right to verify all information provided by a proposer via direct contact with the proposer's prior clients and prior project personnel, and proposers must agree to provide and release necessary authorizations for the State to verify any of the proposer's previous work. As described elsewhere in this RFP, each proposer will be requested to submit a detailed resume of all key personnel. Misstatements of experience and scope of prior projects shall be grounds for disqualification of the proposer from further consideration.

## SECTION III

### 3.0 PROPOSAL INSTRUCTIONS

#### 3.1 PROPOSAL SUBMISSION

The fully completed proposal with original signatures must be received in hard copy on or before 4:00 P.M. Central Time on the date specified in Section 2.3 (Calendar of Events). Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the time specified.

Envelopes containing the proposal should clearly reflect RFP 2008WCURP in the lower left hand corner of the outside of the envelope. Fax or Email submissions are not acceptable. The proposal package must be delivered at the proposer's expense to the RFP Coordinator at the address specified in Section 2.2 (RFP Coordinator).

It is solely the responsibility of each proposer to assure that their proposal is delivered at the specified location prior to the deadline for submission. Proposals, which for any reason are not received timely, will not be considered.

Proposals shall be valid for ninety (90) days from receipt of proposal.

#### 3.2 PROPOSAL FORMAT

The State requests that six (6) copies of the proposal be submitted to the RFP Coordinator at the address specified. At least one (1) copy of the proposal must contain original signatures; that copy should be clearly marked as "Original".

This copy will be incorporated, by reference, in any contract resulting from this RFP.

The proposal must be signed by those company official(s) or agent(s) duly authorized to sign proposals or contracts on behalf of the organization.

Proposer should submit a proposal which includes enough information to satisfy evaluators that the proposer has the appropriate experience and qualifications to perform the scope of services. The proposal should be organized as described below, and headings and subheadings should be separated by tabs.

Tab 1 Response to Mandatory Requirements (Section 1.4)

All required documentation should be submitted in the order they are listed in the RFP

Tab 2 Responses to General Questionnaire (Section 3.3)

Tab 3 Samples of Report Requirements

Please provide samples of the following (sample documents must not contain confidential information):

- Tab 3A Reimbursement Schedule
- Tab 3B Medical Services Audit
- Tab 3C Utilization Review/Hospital Pre-Certification, etc.

Tab 4 Fee Quotation – Cost Proposal Form (Attachment "D")

Tab 5 Additional Forms Required

- Certification Statement (Attachment "E")

### 3.3 GENERAL QUESTIONNAIRE

The proposer should provide narrative answers to the questions presented in this section. All questions should be answered specifically, in detail, and in the order in which they appear. Reference should not be made to a prior response nor should any answer apply to more than one question.

Please feel free to include in your proposal any additional information you consider useful to ORM. However, responses to the questions set forth below should be provided.

1. Describe in detail your systems and procedures for each managed care component, including medical fee schedule review, medical services audits, and utilization review. Please include in your response answers to the following specific questions:
  - a. Identify the individual that will act as Program Manager. Describe that person's credentials and provide a resume.
  - b. How does the proposer intend to interface with health care providers on disputed charges?
  - c. How many staff members will be accessible to ORM for each managed care component? During what hours will they be available? Describe their credentials and provide resumes.
  - d. Include a sample Explanation of Reimbursement form.
  - e. How frequently and by what method does the proposer intend to receive medical bills from ORM?
  - f. Specify the number of elapsed working days from the time the bills are picked up, audited and returned to ORM.
  - g. What steps will be taken by the proposer to ensure that duplicate bills will be screened and identified to preclude being audited twice?
  - h. Are utilization review determinations made by nurses, physicians or other personnel? By whom?
  - i. When do physicians, chiropractic specialists and/or physical therapy specialists become involved?
  - j. How frequently are reports prepared for clients? Provide sample reports that are comprehensive and complete.
3. Describe your company in detail commenting on size, history, experience, etc. Furnish the names, addresses and telephone numbers of four (4) references that have had direct experience with the utilization review services you provide. Please also include with each reference, the number of employees covered, the type of services provided and the effective date of the contract.
4. Please respond to the following:
  - a. Where is the central office of your company located?
  - b. Where are the local offices located?
  - c. From what offices will services be furnished?
5. Will proposer agree to modify procedures to meet the needs of this Program?
6. How will proposer coordinate activities with ORM staff?
7. Describe proposer's training and continuing educational programs for your staff.
8. Will proposer agree to an on-site visit at the facility which would handle ORM's utilization review procedures by members of the ORM staff or their designees prior to the award of a contract?
9. Describe your methodology for and monitoring of real savings. How is baseline data developed? How are first, second, and subsequent years savings developed?

10. Implementation
  - a. What steps do you anticipate will be necessary to effectively implement the Program? Please provide a timetable.
  - b. How many incoming phone calls to the Contractor do you anticipate will be generated by the Program as described in this RFP? Describe your staffing plan to deal with these phone calls.
  - c. How many employees do you anticipate will be needed to handle this Program?
  - d. Have you implemented similar large programs? (Explain and provide details of how you plan for and implement new, large programs).
  
11. Quality Assurance – Please provide the following:
  - a. Frequency of quality control review
  - b. Methods of internal quality control
  - c. Documentation on internal quality control provided in this proposal
  - d. Supervisory involvement in the quality control process

### 3.4 FEE QUOTATION

Proposer fees must include the costs associated with all of the services and requirements listed in the scope of services (Attachment “A”) and must be reported in the format provided in Attachment “D.” Proposed fees must include any and all costs the contractor expects to be paid, including travel expenses, labor, per diem, overhead, account management, and any other costs related to the services to be provided.

Proposer must propose fees for a three (3) year contract with such fees to be guaranteed for a period of ninety (90) days from receipt of the proposal.

Proposer shall quote fees as follows:

#### Part 1 - Reimbursement Schedule Review

- Proposers must provide a firm unit price for each year of the contract for each of the items below:
  1. a one line bill
  2. a two line bill
  3. a three line bill
  4. a four line bill
  5. a five line bill
  6. a six line bill
  7. a seven line bill
  8. an eight line bill
  9. a nine line bill
  10. a ten or more line bill

- These firm unit prices shall include all costs for reviewing the invoice.
- The maximum number of lines per bill paid by the State shall be ten (10) lines.
- The proposer shall quote an hourly professional services fee for any bills requiring audits and/or professional reviews for each year of the contract.

#### Part 2 - Hospital, Physician, Chiropractic, and Physical Therapy Audits; Second Surgical Opinions

- The fee shall be quoted as an hourly rate for each year of the contract.
- This hourly rate shall serve as the professional rate charged to resolve questions regarding medical necessity and appropriateness, and for Second Surgical Opinions.

#### Part 3 - Hospital Pre-Certification, Certification, Continued Stay Review, Discharge Planning, Ambulatory Surgery

- The Fee shall be quoted as a per case rate for each year of the contract.

## SECTION IV

### 4.0 EVALUATION AND SELECTION

#### 4.1 EVALUATION TEAM

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the State, which will determine the proposal most advantageous to the State.

#### 4.2 MANDATORY REQUIREMENTS

All proposals will be reviewed to determine compliance with the mandatory requirements as specified in the RFP. Proposals found not to be in compliance with the mandatory requirements will be rejected from further consideration.

#### 4.3 EVALUATION AND REVIEW

Proposals that meet the mandatory requirements review will be evaluated based on information provided in the proposal. The Evaluation Team will evaluate and score the proposals using the criteria and scoring specified below:

- A. Experience and Qualifications 100

The purpose of this criterion is to determine the proposer's ability to provide the services described in the Scope of Services (Attachment A). Factors which will be considered include, but are not limited to: the company's experience with programs comparable in size, scope and complexity to ORM's program; the company's financial stability; the qualifications and experience of the proposed staff; the extent of physician involvement, and previous customer satisfaction.

- B. Approach and Methodology 300

The purpose of this criterion is to determine the degree to which the proposer's approach and methodology for providing the services described in the Scope of Services (Attachment A) will meet the state's requirements. Factors which will be considered include, but are not limited to: proposed systems and procedures; sample forms, reports, and reporting schedules; number and availability of staff; proposed implementation plan; methodology for monitoring real savings; and quality assurance plans.

- C. Cost 200

The cost proposal worksheet provided will be used to determine the overall cost to the State for all managed care components for a three (3) year period.

The proposer with the lowest total 3-year cost will receive 200 points. Other proposers will receive points based upon the following formula:

$$\text{Lowest Total 3-Year Cost} / \text{Proposed Total 3-Year Cost} \times 200 \text{ points} = \text{Points Assigned}$$

#### 4.4 SELECTION OF CONTRACTOR

The Evaluation Team will determine the total score, by consensus, for each proposer and will make a recommendation to the head of the agency on the basis of highest total score. The award of a contract is subject to the approval of the Division of Administration, Office of Contractual Review.

#### **4.5 ANNOUNCEMENT OF CONTRACTOR**

The State will notify the successful proposer and proceed to negotiate terms for a final contract. Unsuccessful proposers will be notified in writing. Any proposer may request to meet with ORM to discuss its proposal evaluation.

## **SECTION V**

### **5.0 CONTRACT REQUIREMENTS**

### **5.1 CORPORATION REQUIREMENTS**

If the Contractor is a corporation not incorporated under the laws of the State of Louisiana, the Contractor shall obtain a certificate of authority pursuant to R. S. 12:301-302 from the Louisiana Secretary of State upon the award of the contract.

If the Contractor is a for-profit corporation whose stock is not publicly traded, the Contractor shall file a disclosure of ownership form and, if outside of Louisiana, a certificate of authority is properly filed with the Louisiana Secretary of State upon the award of the contract.

### **5.2 TERM OF CONTRACT**

The term of the contract shall be scheduled to begin on 04/01/2008 for a period of three (3) years.

### **5.3 PAYMENT TERMS**

Payments will be made only on approval of ORM State Risk Claims Manager-Workers' Compensation or her designee. (Payment terms to be negotiated with the successful proposer).

### **5.4 TAXES**

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be that of the Contractor identified by Federal tax identification number/social security number.

### **5.5 TERMINATION FOR CAUSE**

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract; provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the state to cure the defect.

### **5.6 TERMINATION FOR CONVENIENCE**

State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date thereof. Contractor shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

**5.7 TERMINATION FOR NON-APPROPRIATION OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated. Such termination shall be without penalty or expense to the State except for payments which have been earned prior to the termination.

**5.8 REMEDIES FOR DEFAULT**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA - R.S. 39:1524 -1526.

**5.9 NON-ASSIGNABILITY**

No Contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the Contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

**5.10 OWNERSHIP**

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

**5.11 SUBCONTRACTORS**

The State shall have a single prime Contractor, and that prime Contractor shall be responsible for all deliverables referenced in the RFP or proposal.

Subcontractors are allowed, however, the prime Contractor shall not contract with any other party without ORM approval.

**5.12 AUDITORS**

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of Contractor that relate to this contract.

**5.13 DISCRIMINATION CLAUSE**

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and consultant agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

**5.14 AMENDMENTS**

All amendments to the contract will be by mutual agreement of the contract parties and shall be in writing, and signed by duly authorized representatives of both parties and approved by the Director of Contractual Review, Division of Administration.

**5.15 INSURANCE REQUIREMENT**

The Contractor shall maintain Errors and Omissions coverage with limits of at least \$1,000,000 for the duration of the contract. Proof of such coverage is required and must be submitted each policy period during the duration of the contract.

**5.16 GOVERNING LAW**

This contract shall be construed in accordance with and governed by the laws of the State of Louisiana.

**5.17 ENTIRE AGREEMENT CLAUSE**

The contract, together with the RFP and addenda issued thereto by the State, the proposal submitted by the Contractor in response to the State's RFP, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter.

**5.18 ORDER OF PRECEDENCE**

This contract shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the proposal.

**5.19 SPECIAL WARRANTIES, REPRESENTATIVES AND DUTIES**

The Contractor shall be required under the terms of the contract to make the following special warranties and representatives:

1. The personnel assigned by the Contractor to perform services shall be qualified to perform the assigned duties. The key staff shall be identified by name along with their education and work experience. Key personnel will not be removed from contract without prior notice to ORM. Key personnel will not be added to contract without prior approval of ORM. Resumes must be submitted with request for approval of additional personnel.
2. The Contractor assumes responsibility for its personnel providing services hereunder and will make all deductions for social security and withholding taxes, contributions for employment compensation funds, and shall maintain at the Contractor's expense all necessary insurance for its employees including, but not limited to workers' compensation and liability insurance.

3. The Contractor shall notify the State Risk Claims Manager in writing fifteen (15) days prior to personnel changes removing any officer or key employee whose responsibilities include significant activities related to the contract.
4. The Contractor shall warrant that all agents, whether an officer or employee, will act in an independent capacity concerning the terms of the contract and will not act as or be considered employees of the State nor be entitled to any benefits or privileges accorded to public employees, insofar as such benefits and privileges are related to the contract.
5. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, riots, lockouts, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes or other disasters.
6. Allow ORM to have an independent organization audit or evaluate the firm's performance under the terms and conditions of the contract. (ORM has not contracted with an independent organization for this task, but will do so if the need arises.)

#### **5.20 LIMITATION OF LIABILITY**

Contractor shall be fully liable for the actions of its agents, employees, or partners and shall fully indemnify and hold harmless the State from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, or partners without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

For all other claims against the Contractor where liability is not otherwise set forth in the contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages shall be two (2) times the charges for services rendered by the Contractor under the Contract.

In no event shall Contractor, its affiliates, employees, actuaries, agents, and brokers, be liable to the State for any incidental, special, punitive, or consequential damages of any kind (including without limitation, loss of income, loss of profits, or other pecuniary loss); or for any losses or expenses resulting from any inaccuracy in or omission from any information or data supplied to Contractor in connection with the services provided under this contract. The provisions of this paragraph shall survive the expiration or termination of this contract.

#### **5.21 INDEMNIFICATION OF THE STATE**

The Contractor agrees to protect, defend, indemnify, save, and hold harmless the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, expenses and liability arising in any way grow out of any act or omission of Contractor, its agents, servants, and employees, or any and all reasonable costs, expenses and/or attorney fees incurred by Contractor as a result of any claims, demands, and/or causes of action except those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees.

#### **5.22 LIAISON**

The Contractor will designate one or more persons who shall have the duty of acting as a point of contact with the Office of Risk Management to assure the expeditious execution of this agreement. The Contractor, if a corporation, shall secure and attach to the proposal a formal and dated Board Resolution indicating the Signatory as a corporate representative and authorized to sign said documents.

**5.23 SECURITY**

The Contractor will at all times comply with all security regulations in effect at ORM which are made known in writing by ORM to the Contractor.

**5.24 ACCESS TO INFORMATION**

ORM will allow the Contractor's personnel timely access to all necessary records, data and papers.

**5.25 RECORD RETENTION**

The Contractor agrees to retain all records and other documents relevant to this contract in accordance with the Louisiana Public Records Law, LA R.S.44:1 et seq.

**5.26 CONFIDENTIALITY OF STATE INFORMATION**

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this contract, or which become available to the Contractor in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective security requirements as are applicable to the State. The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information that is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the contract, or is rightfully obtained from third parties.

**5.27 REPRODUCTION, PUBLICATION AND USE OF MATERIAL**

ORM shall have unrestricted authority to reproduce, publish, distribute and otherwise use in whole or in part, any manuals, reports, data or other materials prepared in connection with this contract or in performance hereof.

## SCOPE OF SERVICES

### Overview

ORM is soliciting a solution from qualified proposers to provide high-quality, efficient, cost effective services through a comprehensive program of managed care activities. The purpose of this program is to coordinate cost and utilization management activities to assure appropriate payment for health care services rendered to State employees eligible for workers' compensation benefits. The program must comply with all rules, procedures and standards adopted by the Louisiana Department of Labor, Office of Workers' Compensation (LDOL-OWC).

### Deliverables

The services delivered will support the following managed care components:

1. Medical fee schedule review, including:
  - a. Hospital Pre-Admission Certification, Preparation, Implementation, Evaluation
  - b. Hospital Admission Certification, Preparation, Implementation, Evaluation
  - c. Hospital Continued Stay Review, including length of stay assignment, Preparation, Implementation, Evaluation
  - d. Hospital Discharge Planning, Preparation, Implementation
  - e. Second Surgical Opinion
  - f. Ambulatory Surgery, Preparation, Implementation, Evaluation;
2. On-site audits of hospital, physician, chiropractic, and/or physical therapy charges, including pre-Screen of hospital, physician, chiropractic, physical therapy charges; and
3. Utilization management services, including application of the LDOL-OWC Reimbursement Schedules to billings subject to the Workers' Compensation Act with review/audit of the bills and an evaluation of the appropriateness of codes and charges along with the provision of recommendations for payment based on the Schedules and issuance of explanations of reimbursement to medical providers.

### Services and Requirements

The Contractor shall provide the following services:

1. Coordinate with the Office of Risk Management a process for medical reimbursement fee schedule review and delivery of reports, data images and data files as follows:
  - a. Perform daily on site scanning of all invoices identified for review. Contractor will provide equipment and personnel for on-site scanning. ORM will provide a work area for onsite scanning.
  - b. Furnish reports to medical providers in which fee scheduled items will be reported on a line by line entry basis, along with computation of the fee schedule limit, and recommended payment, i.e., Explanation of Reimbursement. Explanation of reimbursement shall be provided regardless of whether there is an allowance or not.
  - c. Provide ORM a file containing Explanation of Reimbursement data in a format specified by ORM.
  - d. Provide ORM electronic images of all provider bills, as well as HCFA1500 and UB92 documents in Adobe PDF format.
  - e. Provide a secure and customizable online data system to review patient bills and provide a way to approve or reject invoice payments by the adjuster assigned to the claim. The system needs to be searchable by several means that show the bill review status as it moves through the system.
  - f. Receive an electronic payment file from ORM and process that file to record payments in the online data system.

2. Audit billings in compliance with the official Louisiana Workers' Compensation Reimbursement Schedules for accuracy of charges and levels of service, and review surgical reports if necessary. Certain procedure codes shall be evaluated by a registered nurse and/or physician advisor.
3. Evaluate the appropriateness of codes and charges related to the industrial injury/diagnosis.
4. Accomplish scanning, review and return of all bills to the Office of Risk Management within three (3) working days from receipt of such bills. If bills require review beyond three (3) working days, the Office of Risk Management will be notified on the third working day following receipt of the bill.
5. Respond to all inquiries/complaints or appeals from claimants and/or providers and follow LDOL-OWC appeals process guidelines if findings are disputed at no additional cost to the Office of Risk Management. Appear at arbitration hearings at no additional cost to the Office of Risk Management.
6. Provide and maintain online access to a minimum of six (6) months history of all processed bills.
7. Provide a monthly invoice with an itemization of all billings reviewed reflecting claimant name, ORM claim number, adjuster number, and expense costs.
8. Develop and provide to ORM communication materials necessary to effectively respond to health care providers' inquiries regarding the medical review program. This communication material shall be subject to ORM's approval. There are approximately twenty-eight (28) ORM employees involved.
9. Maintain and adjust the Utilization Program and Reimbursement Schedules as rules, regulations and reimbursement schedules are updated by LDOL-OWC.
10. Collect data for report preparation as outlined in the billing and maintenance section of the Office of Workers' Compensation Reimbursement Manual. This manual is available at <http://www.laworks.net/Downloads/OWC/UtilizationReviewProcedures.pdf>

### **Other Requirements**

1. The contractor shall maintain confidentiality of all work referred to them, in accordance with HIPAA requirements.
2. The contractor shall assign a Program Manager who has the authority to respond to ORM questions and correct any problems that may arise.
3. The contractor shall not replace the Program Manager without written ORM approval. Such approval shall not be unreasonably withheld.
4. The physician who reviews procedures must be in the same field of specialty as the procedure being reviewed. The physician must be a U.S. licensed physician.

### **Reporting Requirements**

Regular and comprehensive statistical reporting is the only way ORM can measure the value of this program. ORM will require quarterly reports due on the 15th of the following month and a fiscal year (July 1st, to June 30th) summary analysis report (due 14 days after the close of the fiscal year) that will include statistics on the following:

#### Reimbursement Schedule

1. Number of invoices reviewed
2. Number of line items reviewed
3. Total dollar amount
4. Total amount of recommended reductions
5. Total of fee schedule expense fee
6. Net savings

Hospital/Physician/Chiropractic/Physical Therapy Audit

1. Number of invoices audited
2. Total dollar amount
3. Total amount of recommended reductions
4. Total of audit expense fees
5. Net savings

Hospital Pre-Certification, Certification, Continued Stay Review, Discharge Planning, Ambulatory Surgery, Second Surgical Opinion

1. Number of admissions requested and number of admissions approved
2. Number of days requested, number of days actual and number of days reduced
3. Total dollar value of recommended reductions
4. Total of pre-certification expense fees
5. Net savings

ORM also requires annual (calendar year) reports as mandated LDOL-OWC providing the following data:

<u>Information</u>	<u>#Positions/Type</u>
ICD-9 Diagnosis Code	5 Numeric
Provider Name	30 Alpha
Provider Street Address	3 Alpha Numeric
Parish Code for Provider of Service (Standard FIPS Code)	3 Numeric
Place of Treatment	1 Alpha Numeric
Type of Facility	6 Numeric
Type of Service (Medical vs. Surgical)	1 Alpha Numeric
Claimant Name	30 Alpha
Claimant Social Security Number	9 Numeric
Length of Stay	4 Numeric
ORM Claim Number	15 Alpha Numeric
Managed Care (Component(s) Provided	15 Alpha Numeric

All reports shall be provided to ORM in Adobe PDF format.

ORM STATISTICAL INFORMATION  
REIMBURSEMENT / FEE SCHEDULE

DATE	NUMBER OF INVOICES	LINE ITEMS
01/01/2004 – 12/31/2004	56,792	172,761
01/01/2005 – 12/31/2005	61,343	191,092
01/01/2006 – 12/31/2006	55,035	170,337

**ATTACHMENT "C"**

**HISTORICAL DATA FOR UTILIZATION REVIEW**

07/01/2004 – 06/30/2005	105 referrals
07/01/2005 – 06/30/2006	227 referrals
07/01/2007 - 06/30/2007	323 referrals

During this time period, there were no referrals for hospital audits.

COST PROPOSAL FORM and PROJECTED COST WORKSHEET

**PART 1 REIMBURSEMENT SCHEDULE REVIEW**

***Year 1 – Total Cost to Review Bills***

One Line Bill Review Cost	_____	X 74,000 invoices =	_____
Two Line Bill Review Cost	_____	X 32,000 invoices =	_____
Three Line Bill Review Cost	_____	X 26,000 invoices =	_____
Four Line Bill Review Cost	_____	X 17,000 invoices =	_____
Five Line Bill Review Cost	_____	X 9,000 invoices =	_____
Six Line Bill Review Cost	_____	X 4,000 invoices =	_____
Seven Line Bill Review Cost	_____	X 3,000 invoices =	_____
Eight Line Bill Review Cost	_____	X 3,000 invoices =	_____
Nine Line Bill Review Cost	_____	X 2,000 invoices =	_____
Ten or more Lines Cost	_____	X 7,000 invoices =	_____
		Year 1 Cost for Bill Review	= _____

***Year 2 – Total Cost to Review Bills***

One Line Bill Review Cost	_____	X 74,000 invoices =	_____
Two Line Bill Review Cost	_____	X 32,000 invoices =	_____
Three Line Bill Review Cost	_____	X 26,000 invoices =	_____
Four Line Bill Review Cost	_____	X 17,000 invoices =	_____
Five Line Bill Review Cost	_____	X 9,000 invoices =	_____
Six Line Bill Review Cost	_____	X 4,000 invoices =	_____
Seven Line Bill Review Cost	_____	X 3,000 invoices =	_____
Eight Line Bill Review Cost	_____	X 3,000 invoices =	_____
Nine Line Bill Review Cost	_____	X 2,000 invoices =	_____
Ten or more Lines Cost	_____	X 7,000 invoices =	_____
		Year 2 Cost for Bill Review	= _____

**Year 3 – Total Cost to Review Bills**

One Line Bill Review Cost	_____	X 74,000 invoices =	_____
Two Line Bill Review Cost	_____	X 32,000 invoices =	_____
Three Line Bill Review Cost	_____	X 26,000 invoices =	_____
Four Line Bill Review Cost	_____	X 17,000 invoices =	_____
Five Line Bill Review Cost	_____	X 9,000 invoices =	_____
Six Line Bill Review Cost	_____	X 4,000 invoices =	_____
Seven Line Bill Review Cost	_____	X 3,000 invoices =	_____
Eight Line Bill Review Cost	_____	X 3,000 invoices =	_____
Nine Line Bill Review Cost	_____	X 2,000 invoices =	_____
Ten or more Lines Cost	_____	X 7,000 invoices =	_____
		Year 3 Cost for Bill Review =	_____
		<b>Total 3 Year Cost for Bill Review =</b>	_____

**Professional Fees**

(Per Hour)	Year 1	_____	X 142 hours =	_____
(Per Hour)	Year 2	_____	X 142 hours =	_____
(Per Hour)	Year 3	_____	X 142 hours =	_____
			<b>Total 3 Year Professional Fees =</b>	_____

**PART 1 Totals**

Total 3 Year Cost for Bill Review	=	_____
Total 3 Year Professional Fees	=	_____

**PART 1- 3 YEAR TOTAL = \_\_\_\_\_**

**PART 2 HOSPITAL, PHYSICIAN, CHIROPRACTIC, PHYSICAL THERAPY AUDIT,  
SECOND SURGICAL OPINION**

(Per Hour) Year \_\_\_\_\_ X 142 hours = \_\_\_\_\_

(Per Hour) Year 2 \_\_\_\_\_ X 142 hours = \_\_\_\_\_

(Per Hour) Year 3 \_\_\_\_\_ X 142 hours = \_\_\_\_\_

**PART 2- 3 YEAR TOTAL = \_\_\_\_\_**

**PART 3 HOSPITAL PRE-CERTIFICATION, CERTIFICATION, CONTINUED STAY  
REVIEW, DISCHARGE PLANNING, AMBULATORY SURGERY**

(Per Case) Year 1 \_\_\_\_\_ X 300 Cases = \_\_\_\_\_

(Per Case) Year 2 \_\_\_\_\_ X 300 Cases = \_\_\_\_\_

(Per Case) Year 3 \_\_\_\_\_ X 300 Cases = \_\_\_\_\_

**PART 3- 3 YEAR TOTAL = \_\_\_\_\_**

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**TOTAL COSTS**

PART 1 – 3 YEAR TOTAL = \_\_\_\_\_

PART 2 – 3 YEAR TOTAL = \_\_\_\_\_

PART 3 – 3 YEAR TOTAL = \_\_\_\_\_

**GRAND TOTAL 3 YEAR COST = \_\_\_\_\_**

**CERTIFICATION STATEMENT**

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

**OFFICIAL CONTACT.** The State requests that the proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the contact name and fill in the information below: (Print Clearly):

Date: \_\_\_\_\_

Official Contact Name: \_\_\_\_\_

A. Email Address: \_\_\_\_\_

B. Telephone Number with area code: \_\_\_\_\_

C. Fax number with area code (\_\_\_\_\_) \_\_\_\_\_

D. Mailing Address \_\_\_\_\_  
\_\_\_\_\_

Proposer certifies that the above information is true and grants permission to the State to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

- (1) The information contained in its response to this RFP is accurate;
- (2) Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the scope of services specified therein;
- (3) Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
- (4) Proposer's quote is valid for at least ninety (90) days from the date of proposer's signature below;
- (5) Proposer understands that if selected as the successful proposer, the company will have ten (10) business days from the date of delivery of final contract in which to complete contract negotiations, if any, and execute the final contract document.

Authorized Signature: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE of Proposer's Authorized Representative

**SAMPLE CONTRACT**

Be it known, that on this *(Date)* day of *(month)*, *(year)*, the Office of Risk Management, (hereinafter sometimes referred to as "ORM" or "State") and *(Contractor's name and legal address including zip code)*, hereinafter sometimes referred to as the "Contractor", do hereby enter into a contract under the following terms and conditions.

**SCOPE OF SERVICES**

Contractor hereby agrees to furnish by qualified and certified personnel to provide the services on behalf of the State as listed in **Attachment "A" (Scope of Services)**.

**2. GOALS AND OBJECTIVES**

To provide hi-quality, efficient, cost effective services through a comprehensive program of managed care activities. The purpose of this program is to coordinate cost and utilization management activities to assure appropriate payment for health care services rendered to State employees eligible for workers' compensation benefits. The program must comply with all rules, procedures and standards adopted by the Louisiana Department of Labor, Office of Workers' Compensation (LDOL-OWC).

The program consists of the following managed care components:

Medical fee schedule review – application of the LDOL-OWC Reimbursement Schedules to billings subject to the Workers' Compensation Act;

On-site audits of hospital, physician, chiropractic, and/or physical therapy charges;

Utilization management services such as hospital pre-admission certification, hospital admission certification, continued stay review (including length of stay assignment), discharge planning, second surgical opinion, and ambulatory review

**3. PERFORMANCE MEASURES**

The performance of this contract will be measured by ORM State Risk Manager – Workers' Compensation or her designee, who is authorized on behalf of the State, to evaluate the Contractor's performance against the criteria in the attached Scope of Services.

**Outcome one:** A process for utilization review and reimbursement schedule review of specific invoices shall be coordinated with ORM.

**Performance Indicator:** The process of invoices being submitted to Contractor for review, determination of reimbursement schedule, and timely return to ORM.

**Outcome two:** Contractor will provide ORM with quarterly reports due by the 15<sup>th</sup> of the following month and a fiscal year summary analysis report (due 14 days after the close of the fiscal year) that will include statistics on specified listings.

**Performance Indicator:** Submission of the required reports in the form prescribed on a regular basis.

**4. MONITORING PLAN**

ORM State Risk Claims Manager-Workers' Compensation, or her designee will review reports for adherence to requirements, completeness, reasonableness and timeliness. She will also coordinate, monitor, and review invoices for timely return to ORM for further processing.

**5. TERM OF CONTRACT**

The term of the contract shall be scheduled to begin on 05/01/2008 for a period of three (3) years.

**6. PAYMENT TERMS**

In consideration of the services described above, State hereby agrees to pay the Contractor a maximum fee of \$\_\_\_\_\_. Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables as provided in the Scope of Services. Payments will be made only on approval of ORM State Risk Claims Manager-Workers' Compensation or her designee. (payment terms to be negotiated).

**7. TAXES**

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be consultant's obligation and identified under Federal tax identification number \_\_\_\_\_.

**8. TERMINATION FOR CAUSE**

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract; provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the state to cure the defect.

**9. TERMINATION FOR CONVENIENCE**

State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date thereof. Contractor shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

**10. TERMINATION FOR NON-APPROPRIATION OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated. Such termination shall be without penalty or expense to the State except for payments which have been earned prior to the termination.

**11. REMEDIES FOR DEFAULT**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA - R.S. 39:1524 -1526.

## **12. NON-ASSIGNABILITY**

No Contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the Contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

## **13. OWNERSHIP**

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

## **14. SUBCONTRACTORS**

The State shall have a single prime Contractor, and that prime Contractor shall be responsible for all deliverables.

The prime Contractor shall not contract with any other party without ORM approval.

## **15. AUDITORS**

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of Contractor that relate to this contract.

## **16. DISCRIMINATION CLAUSE**

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and consultant agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

## **17. AMENDMENTS**

All amendments to the contract will be by mutual agreement of the contract parties and shall be in writing, and signed by duly authorized representatives of both parties and approved by the Director of Contractual Review, Division of Administration.

## **18. INSURANCE REQUIREMENT**

The Contractor shall maintain Errors and Omissions coverage with limits of at least \$1,000,000 for the duration of the contract. Proof of such coverage is required and must be submitted each policy period during the duration of the contract.

## **19. GOVERNING LAW**

This contract shall be construed in accordance with and governed by the laws of the State of Louisiana.

## **20. ENTIRE AGREEMENT CLAUSE**

The contract, together with the RFP and addenda issued thereto by the State, the proposal submitted by the Contractor in response to the State's RFP, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter.

## **21. ORDER OF PRECEDENCE**

This contract shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the proposal.

## **22. SPECIAL WARRANTIES, REPRESENTATIVES AND DUTIES**

The Contractor shall be required under the terms of the contract to make the following special warranties and representatives:

1. The personnel assigned by the Contractor to perform services shall be qualified to perform the assigned duties. The key staff shall be identified by name along with their education and work experience. Key personnel will not be removed from contract without prior notice to ORM. Key personnel will not be added to contract without prior approval of ORM. Resumes must be submitted with request for approval of additional personnel.
2. The Contractor assumes responsibility for its personnel providing services hereunder and will make all deductions for social security and withholding taxes, contributions for employment compensation funds, and shall maintain at the Contractor's expense all necessary insurance for its employees including, but not limited to workers' compensation and liability insurance.
3. The Contractor shall notify the State Risk Claims Manager in writing fifteen (15) days prior to personnel changes removing any officer or key employee whose responsibilities include significant activities related to the contract.
4. The Contractor shall warrant that all agents, whether an officer or employee, will act in an independent capacity concerning the terms of the contract and will not act as or be considered employees of the State nor be entitled to any benefits or privileges accorded to public employees, insofar as such benefits and privileges are related to the contract.
5. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, riots, lockouts, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes or other disasters.
6. Allow ORM to have an independent organization audit or evaluate the firm's performance under the terms and conditions of the contract. (ORM has not contracted with an independent organization for this task, but will do so if the need arises.)

### **23. LIMITATION OF LIABILITY**

Contractor shall be fully liable for the actions of its agents, employees, or partners and shall fully indemnify and hold harmless the State from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, or partners without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

For all other claims against the Contractor where liability is not otherwise set forth in the contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages shall be two (2) times the charges for services rendered by the Contractor under the Contract.

In no event shall Contractor, its affiliates, employees, actuaries, agents, and brokers, be liable to the State for any incidental, special, punitive, or consequential damages of any kind (including without limitation, loss of income, loss of profits, or other pecuniary loss); or for any losses or expenses resulting from any inaccuracy in or omission from any information or data supplied to Contractor in connection with the services provided under this contract. The provisions of this paragraph shall survive the expiration or termination of this contract.

### **24. INDEMNIFICATION OF THE STATE**

The Contractor agrees to protect, defend, indemnify, save, and hold harmless the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, expenses and liability arising in any way grow out of any act or omission of Contractor, its agents, servants, and employees, or any and all reasonable costs, expenses and/or attorney fees incurred by Contractor as a result of any claims, demands, and/or causes of action except those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees.

### **25. LIAISON**

The Contractor will designate one or more persons who shall have the duty of acting as a point of contact with the Office of Risk Management to assure the expeditious execution of this agreement. The Contractor, if a corporation, shall secure and attach to the proposal a formal and dated Board Resolution indicating the Signatory as a corporate representative and authorized to sign said documents.

### **26. SECURITY**

The Contractor will at all times comply with all security regulations in effect at ORM which are made known in writing by ORM to the Contractor.

### **27. ACCESS TO INFORMATION**

ORM will allow the Contractor's personnel timely access to all necessary records, data and papers.

### **28. RECORD RETENTION**

The Contractor agrees to retain all records and other documents relevant to this contract in accordance with the Louisiana Public Records Law, LA R.S.44:1 et seq.

### **29. CONFIDENTIALITY OF STATE INFORMATION**

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this contract, or which become available to the Contractor in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective security requirements as are applicable to the State. The Contractor shall not be required under

the provisions of the paragraph to keep confidential any data or information that is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the contract, or is rightfully obtained from third parties.

**30. REPRODUCTION, PUBLICATION AND USE OF MATERIAL**

ORM shall have unrestricted authority to reproduce, publish, distribute and otherwise use in whole or in part, any manuals, reports, data or other materials prepared in connection with this contract or in performance hereof.

Contractor Signatures:

State Agency Signatures:

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