

REQUEST FOR PROPOSALS

for

CLAIMS MANAGEMENT AND LOSS PREVENTION SERVICES



**RFP # 2021-ORM-TPA
LaPac RFX #: 3000016632
ADDENDUM 2**

**State of Louisiana
Office of Risk Management**

ADDENDUM DATE: May 4, 2021

Reference Request for Proposals #3000016632 soliciting Proposals from any qualified proposers to provide Claims Management and Loss Prevention Services.

Addendum #2 includes responses to written inquiries received by the deadline stated in the Request for Proposals (RFP), and provides amendments to the RFP.

THIS ADDENDUM IS HEREBY OFFICIALLY MADE A PART OF THE REFERENCED REQUEST FOR PROPOSALS.

INQUIRIES AND RESPONSES

<u>General and Procedural</u>	
1	<p>1.8 Mandatory Qualifications for Proposer (Page 15)</p> <p>3. Proposer shall have a current or former governmental entity client with at least 150 insured units and provide documentation of such in its proposal.</p> <ul style="list-style-type: none">• Can you please define “insured units”
	<p><i>“Insured unit” is a generalized term to describe a single TPA client’s subgroups that exercise independent functions and unique missions; multiple insured entities under the umbrella of a single client. The term was intended to allow inclusion of different types of groupings, structures, or hierarchies. For example, ORM’s 250 “insured units” exist under different branches of government and may be referred to as agencies, boards, commissions, divisions, departments, offices, or other monikers.</i></p>

<p>2</p>	<p>1.9.4 Company Background and Experience [Tab 3] (Page 18)</p> <p>Proposer should provide detailed descriptions of its experience, and that of any proposed subcontractor(s), as follows:</p> <ol style="list-style-type: none"> 1. The servicing of contracts similar in size, scope, function, and having similar operational and/or coverage diversities to the proposed contract; 2. Private and/or public entity experience within the State of Louisiana; and 3. Public entity experience in any other state. For each contract referenced, Proposer should provide detailed descriptions of its experience in the format as described below. If subcontractors will be used to provide services for ORM, please provide descriptions of their experience for their service areas. <ul style="list-style-type: none"> • Does this include any proposed/potential Veterans/Hudson Initiative partners? <p><i>Proposer's response to RFP Section 1.9.4 (p. 18) should include any entity that Proposer intends to utilize to satisfy its duties under the contract that will be awarded as a result of the RFP.</i></p>
<p>3</p>	<p>1.11 Technical and Cost Proposals (Page 33)</p> <p>The State requests the following for electronic proposal submissions:</p> <ul style="list-style-type: none"> • If submitting electronically, each Exhibit and Attachment shall be provided as a separate file; such files may be combined within a Tab number as described in 1.9.1 if formatting allows. All such files must be in Word, Excel or PDF format. The file shall be named: 3000016632 Tab xx - [Proposer Name]. OR • 3000016632 Attachment xx, with xx being replaced by the corresponding tab or exhibit number- [Proposer Name]. <ul style="list-style-type: none"> • Does the State require the submission of referenced exhibits/attachments in a separate file, or will the State accept these attachments through direct link embedded within the technical and/or cost proposal, which would provide access to the referenced document on a secure website? <p><i>Embedded links will not be accepted in lieu of documents except for Proposer's audited financial statements as described in RFP Section 1.8, # 4 (p. 15).</i></p>

4	<p>a) Will ORM accept vendor partnership arrangement(s) for 1 or more coverage lines on separate system(s)? Or is the expectation for all coverage lines to be housed within 1 claim system (per page 68 of RFP).</p> <p style="padding-left: 40px;">For example: Commercial Property, Fire, Flood, Builders Risk, Surety Bonds, Fine Arts, Aviation Liability, Cyber Liability, Publishers' Media Liability, etc.</p> <p>b) Will ORM accept a vendor partnership for 'appraising real property' or is it preferred that the TPA directly staff this function?</p>
	<p><i>Subcontractors are permitted only as provided in Section 1.24.</i></p> <p>1.24 Use of Subcontractors</p> <p>ORM shall have a single prime Contractor as the result of any contract negotiation, and that prime Contractor shall be responsible for all deliverables specified in the RFP and proposal. This general requirement notwithstanding, proposers may enter into subcontractor arrangements, however, they shall acknowledge in their proposals total responsibility for the entire contract.</p> <p>If a Proposer intends to subcontract for portions of the work, the Proposer shall identify any subcontractor relationships and include specific designations of the tasks to be performed by the subcontractor. Information required of the Proposer under the terms of this RFP shall also be required for each subcontractor, if required by ORM. The prime Contractor shall be the single point of contact for all subcontract work.</p> <p>Unless provided for in the Contract with ORM, the prime Contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of ORM.</p> <p><i>Multiple systems and components are acceptable, however the primary Contractor must ensure full integration of such systems in its IIS (see RFP Section 1.9.7 (p. 24); Attachment A Scope of Services, Part II, Section A, # 2 p. 68).</i></p>
5	<p>Should the Contractor anticipate a backlog of appraisals on assuming the new contract?</p> <p><i>No backlog of building appraisals is anticipated on the start date of the contract.</i></p>

6

Please explain how the total number of points will be allocated to a Proposer with respect to the Hudson initiative. Does this tie to the Proposers' bid price?

See RFP Section 3.2 (p. 56) relative to scoring calculation.

The number of Hudson or Veterans points awarded is based on a calculation derived from the dollar value of proposer's certified Hudson or Veterans' subcontractor work in proportion to proposer's total overall dollar value/cost.

If a Proposer is a certified Hudson Initiative small entrepreneurship, that Proposer will be awarded 100 points, which is 10% of the total evaluation points (1000) reserved for certified Hudson Initiative small entrepreneurship.

If a Proposer is not a certified Hudson Initiative small entrepreneurship, but demonstrates its intent to use one or more Hudson Initiative small entrepreneurships, that Proposer will be awarded points based on the net percentage of contract work projected to be performed by the certified Hudson Initiative small entrepreneurship(s) multiplied by 100 points.

For example, if the Proposer's Total Cost is \$1,000,000 and the value of the subcontract with the Hudson Initiative small entrepreneurship is \$100,000, the Proposer is awarded 10 points.

3.2 Veteran-Owned and Service-Connected, Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative), and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation [Section 1.9.9; Tab 7]

Only proposals that have received a minimum Technical Score of 340 points will proceed to Louisiana Veteran and/or Hudson Initiative Score evaluation.

Proposer should submit a copy of documentation indicating Proposer's or subcontractor's certification for these programs.

Twelve percent (12%) of the total evaluation points in this RFP are reserved for Proposers who are certified small entrepreneurships, or who will engage the participation of one or more certified small entrepreneurships as subcontractors. Reserved points shall be added to the applicable Proposers' evaluation score as follows:

Proposer Status and Allotment of Reserved Points

- If the Proposer is a certified Veterans Initiative small entrepreneurship, the Proposer shall receive points equal to twelve percent (12%) of the total evaluation points in this RFP.

- If the Proposer is a certified Hudson Initiative small entrepreneurship, the Proposer shall receive points equal to ten percent (10%) of the total evaluation points in this RFP.
- If the Proposer demonstrates its intent to use certified small entrepreneurship(s) in the performance of contract work resulting from this solicitation, the Proposer shall receive points equal to the net percentage of contract work which is projected to be performed by or through certified small entrepreneurship subcontractors, multiplied by the appropriate number of evaluation points.
- The total number of points awarded pursuant to this Section shall not exceed twelve percent (12%) of the total number of evaluation points in this RFP.

If the Proposer is a certified Veterans Initiative or Hudson Initiative small entrepreneurship, the Proposer must note this in its proposal in order to receive the full amount of applicable reserved points.

If the Proposer is not a certified small entrepreneurship, but has engaged one (1) or more Veterans Initiative or Hudson Initiative certified small entrepreneurship(s) to participate as subcontractors, the Proposer shall provide the following information for each certified small entrepreneurship subcontractor in order to obtain any applicable Veterans Initiative or Hudson Initiative points:

- Subcontractor's name;
- Subcontractor's Veterans Initiative and/or the Hudson Initiative certification;
- A detailed description of the work to be performed; and
- The anticipated dollar value of the subcontract for the three-year contract term.

Note – *it is not mandatory to have a Veterans Initiative or Hudson Initiative certified small entrepreneurship subcontractor. However, it is mandatory to include this information in order to receive any allotted points when applicable.*

If multiple Veterans Initiative or Hudson Initiative subcontractors will be used, the above required information should be listed for each subcontractor. The Proposer should provide a sufficiently detailed description of each subcontractor's work so the ORM is able to determine if there is duplication or overlap, or if the subcontractor's services constitute a distinct scope of work from each other subcontractor(s).

7	Training is an important part of the ORM program. Is virtual training permissible?
	<i>Yes. In-person training is preferred, however virtual training may be necessary and is acceptable.</i>
8	Does ORM have multiple RRE ID numbers for reporting to Medicare under MMSEA Section 111?
	<i>No. ORM has a single reporting number.</i>

Service Fees and Billing

9 On pages 29-30 with regard to 1.9.9.2 for Service Fee, this is significantly different from normal billing practices which are based on allocated loss adjustment expenses. Would it be possible to propose the service fee on that basis and if so, how would that be included in the cost proposal? If this is not possible,

- Can the service fees itemized by the bullets for Medicare Set-Asides (MSA) approvals and fees for Centers for Medicare/Medicaid Service (CMS) approvals, be proposed instead as Allocated Loss Adjustment Expenses (ALAE) to be billed as claims expenses?
- If not, please provide the number of MSAs they have requested per year over the last three years?

- *The Service Fee on the Cost Proposal Worksheet (Attachment E) must reflect the structure and content of RFP Section 1.9.9.2 (p. 29-30). Alternate billing options may be proposed for consideration in the Optional Services section, but will not be part of the Cost proposal for award purposes. See, Section 1.9.9.5.*

- *The Service Fees for MSA approvals and CMS Approvals must be included in the Service Fees as indicated in RFP Section 1.9.9.2 (p.29-30).*

- *358 MSA assignments have been made from 7/1/2017 through 6/30/2020. The annual breakdown within that time period is currently unavailable.*

10 Litigation management and bill review - Is there an external system where invoices are sent? Who pays these invoices?

ORM currently contracts with Mitratach for the use of Acuity ELM for litigation attorney invoicing. ORM's ELM provider may change (see Legal Billing System Update in this Addendum). See also Attachment A, Scope of Services, Part IV, Section C, p 80. The TPA pays the invoice as an allocated loss adjustment expense. See RFP Section 1.9.9.2, p.29-30; Attachment A, Scope of Services Part I, Section E, # 5, p 66.

11 Are the Sedgwick telephonic case management nurses paid as an allocated loss adjustment expense? If so, what was the total spent for this service and the number of claims managed?

	<p><i>Yes, telephonic case management nurse services are paid as an allocated loss adjustment expense. From 7/1/2019 through 6/30/2020, the total spent on 482 managed claims was \$352,396.</i></p>
12	<p>If a Proposer has a variant on the price associated with an allocated loss adjustment expense that is new, can this be placed in the Optional Services Section?</p>
	<p><i>Proposer may submit a price variant for an allocated loss adjustment expense that is <u>not</u> listed as part of the Service Fee (see RFP Section 1.9.9.2, p 29-30). Such information should be included in the Optional and Innovative Services Section (see RFP Section 1.9.5, Approach and Methodology last paragraph on page 21; RFP Section 1.9.9.5, Optional and Innovative Services p.32).</i></p>
13	<p>RFP Document, page 86, Section VI. Property Program, Item B., Item #1 states that qualified catastrophe field adjusters shall be identified and retained prior to a federal or state-declared disaster event. In preparation for hurricane events, it is standard in the industry to place commercial resources on standby/retainer at a paid day rate. This allows for the most qualified commercial adjusters to be held for deployment specifically for a client program. Is ORM willing to consider standby/retainer fees and if so, where should the day rate per commercial adjuster be detailed?</p>
	<p><i>No. ORM cannot pay for services before they are rendered (see RFP Section 1.34, p. 46). Stand-by fees and retainers are not permitted.</i></p>
14	<p>Payment of Claims: Per the RFP, are advance payments provided and interim payments of claims for funding purposes?</p>
	<p><i>No advance payments will be made to the TPA for funding purposes.</i></p>

IIS and Reporting

- 15 Upon extensive review of 2021 RFP, it appears to include a significant expansion of IT requirements compared to prior years. With that, we wanted to confirm whether the features bulleted below are:
- a. presently active/accessible with existing TPA and claim system, or
 - b. need to be developed by 2/1/2022, or
 - c. need to be implemented during the contract, as mutually agreed upon by ORM and the TPA, or
 - d. desirable but not required within the existing system
- Insurance Premium development/billing/collection
 - Management of federal and state declared disaster losses and recovery
 - Email or fax directly from the claim system
 - Ability to store and intake claim from outside the US
 - Capture Garage State (AL) and Premium State (GL & Property)
 - Generation of premium invoices (Page 70)
 - Scheduling, conducting, scoring and tracking loss prevention safety audits (Page 70)
 - Carrier Oversight (Page 89)

Contractor's IIS may consist of multiple integrated components or systems. An item within RFP Attachment A, Scope of Services, Part II. Technology Requirements: Integrated Information System(s)(IIS) that says "shall" is mandatory, must be a component of the integrated system, and needs to be available on the effective date of the contract. Any requirement that says "should" is desired and can be negotiated. The system(s) of the current TPA are proprietary and the details of its (their) functionality is (are) confidential in accordance with La. R.S. 44:3.2.

i. Insurance premium development

Contractor is not required to perform insurance premium development; ORM performs this function. As of 2/1/2022, claims reports must be available for ORM to perform the function. See Attachment A, Part II, Section B, Paragraphs 10 and 15, p. 70; See Attachment A, Part III, Final Readiness Check, Paragraph 3, p. 75.

ii. Insurance premium billing

By 2/1/2022, Contractor must be prepared to track premiums invoiced in its IIS (Attachment A, Part II, Section B, Paragraph 14, p. 70; Attachment A, Part IX, Section G, p. 97). ORM will supply the premium data to the TPA to generate invoices and to track.

iii. Insurance premium collection

Contractor is not expected to collect premiums or track collections data.

iv. Management of federal and state declared disaster losses and recovery

Contractor is not expected to manage federal and state disaster losses and recovery information within its IIS. Contractor is required to support ORM and ORM's Disaster Management and Recovery Consultant(s) in the recovery process by generating claims reports and allowing access to the IIS system to research claims as needed. Beginning 2/1/2022, TPA's IIS must have the capacity to track claims data, have report functionality, and have the basic operational functions, such as (1) maintaining separate scopes for insured and uninsured damages (Attachment A, Scope of Services Part II, Section B, #7, p. 68), (2) periodic transfer of claim documents that include refund and recovery documents (Attachment A, Scope of Services Part II, Section B, # 9, p. 69; Attachment A, Scope of Services Part IV, Section B); and (3) collaboration with ORM's Disaster Management and Recovery Consultants to document insured and uninsured losses to maximize FEMA recoveries, to support overall disaster processes.

v. Email or fax directly from the claim system

Contractor's claim system(s) must have the ability to email and fax as of 2/1/2022. (Attachment A, Scope of Services Part II, Section B, # 4, p 69)

vi. Ability to store and intake claim from outside the US

By 2/1/2022, Contractor must establish both a toll-free telephone number and a secure electronic method for claims intake. Claims may also be received by fax or email. See Attachment A, Scope of Services Part I, Section A, #. Any of those methods may be used for claims intake from outside of the U.S. Contractor must be prepared to commence storage of all claims data as of 2/1/2022.

vii. Capture Garage State (AL) and Premium State (GL & Property)

These data fields as described are not required to be tracked.

viii. Generation of premium invoices

As of 2/1/2022, Contractor's IIS must be able to generate premium invoices to ORM's specifications. (Attachment A, Scope of Services Part II, Section B # 14, p. 70)

ix. Scheduling, conducting, scoring and tracking loss prevention safety audits (Page 70)

These functions must be available in Contractor's IIS by 2/1/2022. (Attachment A, Part II, Section B, Paragraph 11, p. 70)

	<p>x. Carrier Oversight (Page 89) <i>Contractor's IIS is expected to document claims reported to and correspondence with commercial insurance carriers as of 2/1/2022. (Attachment A, Scope of Services Part VI, Sections C&D, p. 89)</i></p>
16	<p>Loss Prevention -What type of LMS system does the State expect to have available through the TPA?</p> <p><i>The Learning Management System ("LMS") system must function as described in the RFP. ORM will not dictate the type of system Contractor must have.</i></p>
17	<p>Loss Prevention - what is the expectation of the TPA housing past building evaluations? How are past evaluations accessed?</p> <p><i>The TPA must house past building evaluations in its IIS and make them accessible to ORM. Past evaluations will be made available to the Contractor for storage.</i></p>
18	<p>Are the Required reports that are to be developed with ORM:</p> <ul style="list-style-type: none"> • reports built and provided to ORM for testing during implementation? • the same reports that are on the ORM Website? (Attachment A: Section III. A. 13 (p. 72 of the RFP? This requirement is repeated throughout the implementation phases.) <p><i>The types of reports that ORM has provided to prospective Proposers on the website are examples of some of the basic reports that Contractor will be required to provide regularly. During the Implementation Phase, ORM and Contractor will determine the order and priority of the reports to build. There will be some reports that ORM may require for data validation purposes only during the implementation period. Most reports developed during implementation will be needed on an ongoing basis.</i></p>

Workers' Compensation

19 Workers' Compensation - Please provide in an electronic Excel format for the most recent 12 months the following data elements for ORM pharmacy transactions.

1. Drug name
2. NDC
3. Quantity
4. Date of service (fill date)
5. Pharmacy name
6. Pharmacy NPI or NABP
7. Injury state
8. Claimant date of injury
9. Claim# or another identifier
10. Amount Paid

If this is not available, please provide the following data on the pharmacy benefit management program:

Pharmacy Benefit Management Information Request		
1-1-2021 to 12-31-2021	# of Prescriptions	Amount Paid
Retail Brand		
Retail Generic		
Mail Order Brand		
Mail Order Generic		
Totals		

A report titled "Addendum 2 Supporting Document - Prescription Data" containing the requested data is posted to the Supporting Documentation section under the Workers' Compensation header on the RFP website at <https://www.doa.la.gov/orm/rfps/rfp-2021-claims-management-and-loss-prevention-services/> . Claim Numbers are excluded.

20	<p>For the past year, how many COVID claims have been submitted by record only, medical only, and indemnity. What is the incurred value and actual spend for each category?</p>																								
	<table border="1" data-bbox="451 407 1240 850"> <thead> <tr> <th colspan="4">Covid Claims Reported Calendar Year 2020</th> </tr> <tr> <th>Category</th> <th>COUNT</th> <th>Total Incurred</th> <th>Total Paid</th> </tr> </thead> <tbody> <tr> <td>INDEMNITY</td> <td>45</td> <td>\$2,425,257.62</td> <td>\$1,335,267.71</td> </tr> <tr> <td>RECORD ONLY</td> <td>5</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>MEDICAL ONLY</td> <td>6</td> <td>\$1,731.66</td> <td>\$1,731.66</td> </tr> <tr> <td>Grand Total</td> <td>56</td> <td>\$2,426,989.28</td> <td>\$1,336,999.37</td> </tr> </tbody> </table>	Covid Claims Reported Calendar Year 2020				Category	COUNT	Total Incurred	Total Paid	INDEMNITY	45	\$2,425,257.62	\$1,335,267.71	RECORD ONLY	5	\$0.00	\$0.00	MEDICAL ONLY	6	\$1,731.66	\$1,731.66	Grand Total	56	\$2,426,989.28	\$1,336,999.37
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21	<p>How many files are referred for Utilization Review each year?</p> <p><i>The number varies each year. The historical figures are provided below:</i></p> <ul style="list-style-type: none"> • Calendar Year 2018 – 4,589 • Calendar Year 2019 – 4,761 • Calendar Year 2020 – 3,795 																								
22	<p>Is it possible to identify the average number of requests for medical treatment authorization submitted for approval each year?</p> <p><i>The number of requests for medical treatment authorization submitted for approval is not tracked.</i></p>																								
23	<p>How many files were escalated for a Medical Director review in the Utilization Review process?</p> <p><i>The historical figures are provided below:</i></p> <ul style="list-style-type: none"> • Calendar Year 2018 – 2,153 • Calendar Year 2019 – 2,139 • Calendar Year 2020 – 1,611 																								

24	Please provide for the past three years the annual percent of total claims that are medical only claims and percent lost time claims.												
	<table border="1" data-bbox="526 369 1166 630"> <thead> <tr> <th data-bbox="526 369 753 506">TYPE</th> <th data-bbox="753 369 891 506">Calendar Year 2018</th> <th data-bbox="891 369 1029 506">Calendar Year 2019</th> <th data-bbox="1029 369 1166 506">Calendar Year 2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="526 506 753 569">Lost Time</td> <td data-bbox="753 506 891 569">37.7%</td> <td data-bbox="891 506 1029 569">38.0%</td> <td data-bbox="1029 506 1166 569">41.6%</td> </tr> <tr> <td data-bbox="526 569 753 630">Medical Only</td> <td data-bbox="753 569 891 630">62.3%</td> <td data-bbox="891 569 1029 630">62.0%</td> <td data-bbox="1029 569 1166 630">58.4%</td> </tr> </tbody> </table>	TYPE	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Lost Time	37.7%	38.0%	41.6%	Medical Only	62.3%	62.0%	58.4%
TYPE	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020										
Lost Time	37.7%	38.0%	41.6%										
Medical Only	62.3%	62.0%	58.4%										
25	On annual basis for the past three years, what are the number of assignments to TCM, FCM, and VOC?												
	<ul style="list-style-type: none"> <li data-bbox="418 835 678 867">• <i>TCM Referrals</i> <ul style="list-style-type: none"> <li data-bbox="513 873 938 905">○ <i>Calendar Year 2018 – 386</i> <li data-bbox="513 911 938 942">○ <i>Calendar Year 2019 – 396</i> <li data-bbox="513 949 938 980">○ <i>Calendar Year 2020 – 438</i> <li data-bbox="418 1020 678 1052">• <i>FCM Referrals</i> <ul style="list-style-type: none"> <li data-bbox="513 1058 938 1089">○ <i>Calendar Year 2018 – 214</i> <li data-bbox="513 1096 938 1127">○ <i>Calendar Year 2019 – 329</i> <li data-bbox="513 1134 938 1165">○ <i>Calendar Year 2020 – 270</i> <li data-bbox="418 1205 756 1236">• <i>Vocational Referrals</i> <ul style="list-style-type: none"> <li data-bbox="513 1243 938 1274">○ <i>Calendar Year 2018 – 139</i> <li data-bbox="513 1281 938 1312">○ <i>Calendar Year 2019 – 154</i> <li data-bbox="513 1318 938 1350">○ <i>Calendar Year 2020 – 123</i> 												
26	What is the average Lag time (days) from DOI to the Date a TCM or FCM referral is made?												
	<ul style="list-style-type: none"> <li data-bbox="418 1535 1409 1608">• <i>TCM Referrals (Difference between First Begin Date and Last End Date on Closed TCM Cases)</i> <ul style="list-style-type: none"> <li data-bbox="513 1614 1409 1688">○ <i>Calendar Year 2018 – 155.4 days (46 days when claims greater than 500 days were removed)</i> <li data-bbox="513 1694 1409 1789">○ <i>Calendar Year 2019 – 118.8 days (56.1 days when claims greater than 500 days were removed)</i> <li data-bbox="513 1795 1409 1892">○ <i>Calendar Year 2020 – 186.7 days (55.9 days when claims greater than 500 days were removed)</i> 												

	<ul style="list-style-type: none"> • <i>FCM Referrals</i> <ul style="list-style-type: none"> ○ <i>Calendar Year 2018 – 1,829 days</i> ○ <i>Calendar Year 2019 – 1,592 days</i> ○ <i>Calendar Year 2020 – 1,856 days</i>
27	<p>What is the Average Duration or Time a Claim remains OPEN in for TCM and FCM for each of the past three years?</p> <ul style="list-style-type: none"> • <i>TCM Durations</i> <ul style="list-style-type: none"> ○ <i>Calendar Year 2018 – 131 days</i> ○ <i>Calendar Year 2019 – 106 days</i> ○ <i>Calendar Year 2020 – 105 days</i> • <i>FCM Durations</i> <ul style="list-style-type: none"> ○ <i>Calendar Year 2018 – 163 days</i> ○ <i>Calendar Year 2019 – 181 days</i> ○ <i>Calendar Year 2020 – 206 days</i>
28	<p>How many invoices were processed through Bill Review during FY20 and the percentage and dollar amount of savings.</p> <p><i>55,288 medical bills processed</i></p> <ul style="list-style-type: none"> • <i>\$26,840,250 gross savings (48.5%)</i> • <i>\$26,589,216 net savings (48%)</i>

Medical Malpractice

29	Employed providers (physicians, RN, CRNA, PA) insured for medical malpractice - How many employees are insured for medical malpractice, with start/stop dates for coverage? Who keeps the roster? Where would the contractor obtain this information?
	<i>Coverage status of health care providers is a question of fact that must be determined in consultation with the insured agency on a case-by-case basis.</i>
30	The data provided for the medical malpractice appears to include assorted files (Claims and Suits). Do the agencies report medical malpractice incidents or potential claims? If so, what is that annual volume?
	<i>Rarely does an insured agency report a medical malpractice incident or potential claim to the TPA and/or ORM. The number of reported incidents is not tracked. The first notice of a claim is reported through a Medical Review Panel request or service of a suit.</i>
31	Medical Malpractice – Have there been any COVID 19 related medical malpractice claims made?
	<i>ORM has received two (2) COVID-19-related medical malpractice claims.</i>

Underwriting and Loss Prevention Services	
32	<p>Please describe the expected role of the Third Party Administrator in the Premium Development Process</p> <p><i>Contractor is not required to perform insurance premium development; ORM performs this function. Claims reports from the Contractor's IIS system must be available for ORM to perform the function. Contractor must be prepared to track premiums invoiced in its IIS (Attachment A Scope of Services, Part II, Section B, #14, p. 70; Attachment A, Scope of Services Part IX, Section G, p. 97). ORM will supply the premium data to the TPA to generate invoices and to track.</i></p>
33	<p>Loss Prevention - Can you provide more details about the value/participation with the LP training Schedule? How does this resource function?</p> <ul style="list-style-type: none"> • <i>Contractor is required to supply safety training, either in-person or virtual, to insured agencies to meet the requirements of the established statewide safety program as described in the Statewide Loss Prevention Safety Manual (https://www.doa.la.gov/media/p4tbitkn/statewide_loss_prevention_program_manual_effective_-07012020.pdf).</i> • <i>Contractor will set and maintain an annual LP training schedule to include required training and additional training courses on subjects of special interest as determined by ORM or requested by an insured agency. See Supporting Documentation on the website, Standard Loss Prevention Safety Training Courses for Insured Agencies at https://www.doa.la.gov/media/grfhlhh2/standard_loss_prevention_safety_training_courses_for_insured_agencies.pdf.</i>
34	<p>Loss Prevention - How will Contractor be notified of new buildings/changes in property ownership?</p> <p><i>ORM will send a list of new buildings and demolished/sold buildings in Excel format on the first and the fifteenth of every month.</i></p>
35	<p>Loss Prevention - Can you provide examples of when there is a need to investigate safety-related claims and complaints? What type of documentation is required as follow-up?</p> <ul style="list-style-type: none"> • <i>A safety-related investigation is needed when (1) there is loss of life, loss of limb, or other significant injury, (2) it is requested by an agency or ORM, or (3) it is recommended by the TPA's Loss Prevention staff.</i>

	<ul style="list-style-type: none"> TPA will submit its investigation results on a consultation report form and include supporting documentation and pictures as applicable. See Loss Prevention Example Consultation Report Form in Supporting Documentation on the website (https://www.doa.la.gov/media/bbmbw20c/example_loss_prevention_consultation_report_form.pdf).
36	<p>Coverage Summary from Website - If the coverage limits have changed over time, can we get a historical summary of the limits?</p> <p>ORM has provided the Summary of Coverages document for an additional two (2) fiscal years which can be found in Supporting Documentation under the Underwriting and Loss Prevention Header at https://www.doa.la.gov/dao/orm/rfps/rfp-2021-claims-management-and-loss-prevention-services/.</p>
37	<p>Underwriting - What is the expected frequency of policy/Agency changes? Monthly? Weekly? Daily?</p> <p>Insurance policies normally renew annually on July 1st. Policies may be endorsed to modify coverage terms as necessary throughout the policy year. Insured agency additions or removals typically occur at or around July 1st also.</p>
38	<p>Underwriting - Recreation or reprint of invoices – if a pdf copy of the invoice provided is saved in attachments, will this also work, or does the system need to re-run the batch?</p> <p>PDF copies will suffice in most cases, however the IIS must have the ability to re-run a batch or a single agency invoice if needed. The logistics of invoice recreation or reprints will be negotiated with Contractor during the transition period.</p>

	Property and Catastrophe/ Disaster/ Emergency
39	Please provide a job description and qualifications required for the Lead Program CAT for which an hourly rate is required on Attachment E: Cost Proposal Worksheet (page 120).
	<i>The Lead Program CAT Adjuster is responsible for adjusting the overall catastrophe event and providing consistent and timely reports to the commercial insurers to meet their needs. The property insurance program is layered with multiple commercial insurers in each layer. The Lead Program CAT Adjuster should have experience with reporting on large-scale losses involving not only a large dollar value but a large number of buildings impacted and coverages triggered. The Lead should have strong communication skills both written and verbal.</i>
40	<p>LA ORM Website RFP Documents - Loss Runs – What is the scope of the non-catastrophe property claims vs. catastrophe claims. Can you provide a break out of non-catastrophe and catastrophe by year for 2016, 2017, 2018, 2019 and 2020?</p> <ul style="list-style-type: none"> • <i>Emergency Disaster and non-Emergency Disaster claims will be handled as described in the Scope of Services and Client Instructions. See Attachment A, Scope of Services Part VI, pp. 87-89; Property Program Client Instructions under the RFP tab on the ORM Website at https://www.doa.la.gov/media/uvulx4fr/property_program_client_instructions.pdf.</i> • <i>A report titled “Addendum 2 Supporting Document - Claim Summary - Cat-NonCat Report Last 5 Years” containing the requested data is posted to the Claims Informational Reports section under the header on the RFP web site at https://www.doa.la.gov/dao/orm/rfps/rfp-2021-claims-management-and-loss-prevention-services/.</i>
41	<p>Business Interruption: The property coverage includes Business Interruption. Should business income loss adjustment fees including calculation be included in the fee schedule or be considered as an Allocated Loss Adjustment Expense to the file? Should Extra Expense loss adjustment fees including calculation be included in the fee schedule or be considered as an Allocated Loss Adjustment Expense to the file?</p> <p><i>Whether the adjustment fees would be included in the Fee Schedule or as Allocated Loss Adjustment Expense (ALAE) would depend on the size and complexity of the business income (BI) loss. If a business income loss coverage is triggered, Contractor should report whether the adjuster has the ability and experience to calculate the business income loss. Less complex BI claims, such</i></p>

	<p><i>as a small loss of rents for example, may not require the use of an accountant and thus would be included in the Fee Schedule or Emergency Fee Schedule. Otherwise, an accountant would be retained (with ORM's approval) and the cost associated with the contracted accountant's services are ALAE.</i></p> <p><i>With regard to extra expense coverage, and similar to BI, less complex extra expense items are subject to the desk adjuster's (not Cat adjuster) review and recommendation to ORM, and thus would be included in the Fee Schedule or Emergency Fee Schedule. If an accountant has been assigned to a BI claim, the accountant would also review cost and documentation related to extra expense, as it may impact the amount of the BI claim. In this case, the contracted accountant's services are ALAE.</i></p>
42	<p>Are there current inventories of business personal property available which would include description, ages, replacement cost and ACV?</p> <p><i>The insured agencies are obligated to maintain the inventory of business personal property per building. Each agency reports total exposure values in various moveable property categories to ORM at least bi-annually. ORM maintains and updates these totals in a proprietary database application. The values are extracted at the time of a loss to support the claim payment.</i></p>
43	<p>Business Personal Property - Are title searches required on losses over specific values? Is this considered Allocated Loss Adjustment Expense?</p> <p><i>No. Title searches are not required.</i></p>
44	<p>FEMA – Public Assistance Program: [Identified Entity] has experience and expertise providing services for FEMA regards to the Public Assistance Program including development of the Public Assistance Loss Adjustment manual. Will the services include entire separation, documentation, and valuation of damages eligible for the Public Assistance Program, and handling the presentation and disbursement of proceeds? We assume the RFP is expecting this detail and this is this part of the catastrophe pricing schedule and fees are based on gross value of all damages – Covered loss <i>and</i> non-covered/eligible for Public Assistance proceeds. Is this correct?</p> <p><i>Contractor supports the FEMA Public Assistance Program process only. Contractor is not expected to manage federal and state disaster losses and recovery. Contractor is required to support ORM and ORM's Disaster Management and Recovery Consultant(s) in the recovery process by generating claims reports and allowing access to the IIS system to research claims as needed. The Cat adjuster(s) will be required to maintain separate estimates and</i></p>

	<p><i>scopes for insured and uninsured damages (Attachment A, Scope of Services Part II, Section B, Paragraph 7, p. 69) and collaborate as needed with ORM's Disaster Management and Recovery consultants to document insured and uninsured losses to maximize FEMA recoveries.</i></p> <p><i>The proposed Emergency Disaster Service Fee Schedule (Attachment E, Part 3 – Emergency Disaster Service Fees) would apply to the gross value of both insured and uninsured estimates.</i></p>
45	<p>Interim Billing: Are there interim billing and payments for property adjusting services?</p> <p><i>The Service Fee Schedule (Attachment E, Part 2 – Service Fees) will be invoiced as described in RFP Item 1.34, pp. 46-47. Specific terms may be negotiated and clarified during contract negotiations.</i></p> <p><i>The Emergency Disaster Service Fee Schedule (Attachment E, Part 3 – Emergency Disaster Service Fees) is triggered by an approved disaster event. These fees may be billed as the adjuster estimates are completed. If an adjuster estimate is revised and the revision places the estimate into a different service fee range, the service fee amount owed will be modified based on the difference between the two tiers of the Schedule.</i></p>
46	<p>Fee Schedule: Is the non-catastrophe fee schedule based on each building, each insured, or each location? Also, are values based on covered loss and damages, or value of all loss and damages.</p> <ul style="list-style-type: none"> • <i>The Property Program's Service Fee reflects the Proposer's estimated cost to perform all of the required tasks in this line of service based upon the contents of the RFP and the Client Instructions.</i> • <i>ORM will not advise Proposer on how to determine its proposed Service Fees.</i>
47	<p>Will ORM permit partial billing based on percent of completion on any CAT claim over 60 days?</p> <p><i>See answer to question number 46.</i></p>
48	<p>Would property handling include the handling of any builders risk losses, including field appraisals that might need to be completed for same?</p> <p><i>No. ORM does not provide Builders Risk coverage at this time.</i></p>

49	Builders Risk: Will Builders Risk coverage/claims be included for new buildings, and is soft costs coverage afforded? Volume projection?
	<i>No. ORM does not provide Builders Risk coverage at this time.</i>
50	Codes or Upgrades: Is there Increased Cost of Construction coverage provided when enforced per code?
	<i>Yes. ORM provides 25% of the scheduled building replacement cost for increased cost of construction and demolition as required by current code.</i>

AMENDMENTS TO RFP:

Amendment 1:

Update: Links to website

The new website requires the insertion of “www” into URLs that access documents. While this is standard for many websites, ORM seeks to clarify the format of the links previously provided in Addendum 1. A table containing the correctly formatted links is attached to this addendum as Exhibit A.

Amendment 2:

Update: Legal Billing System:

Acuity, through Mitrtech, is ORM’s current enterprise legal management (ELM) application that provides a contract attorney billing platform and tracking. ORM is in the process of negotiating upgrades to this application. In the future, Acuity/Mitrtech may not be the company that provides this application. ORM will continue to provide and pay for an ELM application for attorney billing and case management document submissions. Sufficient licenses for the TPA Contractor to utilize the ELM Software will continue to be made available at ORM’s expense. In accordance with this information, the following sections are revised as follows:

- **RFP Section 1.5, p.10 Definitions of “Acuity ELM”**

Change from:

“Enterprise Legal Management software that ORM requires its TPA and attorneys to use for certain activities related to management of legal services.

<https://mitratech.com/products/acuity-elm-essentials/> “

Change to:

“Enterprise Legal Management software that ORM **currently** requires its TPA and attorneys to use for certain activities related to management of legal services. ORM currently uses Acuity, but has the right to change ELM Software in the future.

- **RFP Section 1.5, p 11, Definitions – between “DOA: and “Financial Statement”**

Insert Definition of “ELM”

Enterprise Legal Management. Application which the TPA and attorneys use for invoices, budgets, and case management reports. ORM will provide licenses for TPA’s staff to use the contracted ELM application.

- **RFP Section 4.1, third bullet point on p. 59**

Change from

Periodic audits of defense attorney billing submitted through the **Acuity** application and the payment of those invoices. Contractor is expected to provide continuous review of incoming invoices and manage payments according to the published billing guidelines to avoid overpayments and undocumented payments.

Change to

Periodic audits of defense attorney billing submitted through the **ELM** application and the payment of those invoices. Contractor is expected to provide continuous review of incoming invoices and manage payments according to the published billing guidelines to avoid overpayments and undocumented payments.

- **Attachment A, Scope of Services Part II, Section B, # 9, p. 69**

Change from:

IIS shall support monthly file transfers, such as the upload of payments and documents from the Attorney General’s Office, backup documentation that supports road hazard liability appropriated payments, refund and recovery documents associated with FEMA disaster grants, and the **Acuity** contract attorney payment application. These uploads are normally between 1 and 5 MBs per upload.

Change to:

IIS shall support monthly file transfers, such as the upload of payments and documents from the Attorney General’s Office, backup documentation that supports road hazard liability appropriated payments, refund and recovery

documents associated with FEMA disaster grants, and the **ELM** contract attorney payment application. These uploads are normally between 1 and 5 MBs per upload.

- **Attachment A, Scope of Services, Part IV. Section C, p. 81**

Change from:

Contractor shall review and examine assigned defense counsel's billing and invoices to ensure compliance with ORM's Billing Guidelines, and shall ensure that proper documentation is received to support the billing. ORM contracts with **Acuity** for a software application that manages contract defense counsel billing. Contractor will be required to utilize this system for review and monitoring this billing. Access to **Acuity** will be at ORM's expense. See <https://mitratech.com/products/acuity-elm-essentials/>.

Change to:

Contractor shall review and examine assigned defense counsel's billing and invoices to ensure compliance with ORM's Billing Guidelines, and shall ensure that proper documentation is received to support the billing. ORM contracts with **an ELM** for a software application that manages contract defense counsel billing. Contractor will be required to utilize this system for review and monitoring this billing. Access to **ORM's ELM** will be at ORM's expense.

- **Attachment B, An Introduction to State of Louisiana Office of Risk Management, Statewide Programs and Functions, Administrative and Other Support Personnel, last bullet point on page 105.**

Change from:

The Administrative Program Specialist for Casualty Claims interacts frequently with TPA staff related to claim management information retrieval needs and to request changes and/or corrections to existing claims data. This position also has responsibility for credentialing healthcare providers, which requires extensive use of the claim information system; and serves as the ORM **Acuity** legal billing account administrator.

Change to:

The Administrative Program Specialist for Casualty Claims interacts frequently with TPA staff related to claim management information retrieval needs and to request changes and/or corrections to existing claims data. This position also has responsibility for credentialing healthcare providers, which requires extensive use of the claim information system; and serves as the ORM legal billing account administrator.