City of Jacksonville, Florida

ONE CITY. ONE JACKSONVILLE.

Lenny Curry, Mayor
Division of Insurance and Risk Management
117 West Duval Street
Suite 335
Jacksonville, FL 32202
(904) 630-7521
www.coj.net

MEMORANDUM

August 2, 2018

TO: Gregory Pease, Chairman
Professional Services Evaluation Committee

FROM: Twane Duckworth, Chief
Finance and Administration Department/Risk Management Division

Barbara Holton, Manager, Workers Compensation BH
Finance and Administration Department/Risk Management Division

Subject: Fee and Contract Negotiation Report Letter for P-19-18 Workers Compensation Managed Care Services

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The Risk Management Division has negotiated with USIS, Inc. dba Amerisys, the number one ranked firm that submitted a proposal for Workers Compensation Managed Care Services RFP and was selected to provide the services resulting in the attached Exhibit "A" Scope of Services and Exhibit B, Contract Fee Schedule.

Accordingly, Risk Management is recommending that the City of Jacksonville enter into a contract with USIS, Inc. dba Amerisys., to provide the Workers Compensation Managed Care Services as described in Exhibit "A" Scope of Services and Exhibit "B" Contract Fee Schedule. The initial contract period will be for twelve months from October 1, 2018 to September 30, 2019 with four (4) one-year renewals at terms and conditions mutually agreeable. The maximum indebtedness to the City will be for a not-to exceed amount of $339,500.00, to a new total maximum indebtedness of $339,500.00. All other terms and conditions of the Contract are per the City's standard contract language and as provided in the Request for Proposals.

Attachments:
Exhibit "A" Scope of Services
Exhibit "B" Contract Fee Schedule

REQUEST FOR PROPOSAL

Workers' Compensation Managed Care Services
P-19-18
For
City of Jacksonville, Florida

SECTION 1
(Specific Information Regarding this RFP)

1.1 Introduction

The City of Jacksonville ("**Buyer**") intends to hire an individual or firm ("**Consultant**") to provide the professional services described in Section 1.2 of this Request for Proposal ("**RFP**"). Persons interested in submitting a response to this RFP (a "**Proposal**") should carefully review this RFP for instructions on how to respond and for the applicable contractual terms. This RFP is divided into the following sections:

Section 1	Specific Information Regarding This RFP
Section 2	General Instructions
Section 3	General Terms and Conditions of Agreement
Section 4	Description of Services (if referenced in Section 1.2 below)
Attachment A	Response Format
Attachment B	Evaluation Matrix
Attachment C	Equal Business Opportunity Program Requirements JSEB Form 1 Schedule & JSEB Form 2 Letter of Intent
Attachment D	Sample Contract
Attachment E	Performance Standards
Attachment F	Indemnification
Attachment G	Insurance
Form 1 -	Price Sheet
Form 2 -	Conflict of Interest Certificate
Form 3	Insurance Agent Acknowledgement
Form 4	Drug Free Workplace
Form 5	Mandatory Proposal Forms
Form 6	Responder's Warranty
Form 7	Deviation From Services Requested in RFP

In the event of conflicting provisions, the following sections of this RFP will have priority in the order listed: Section 1, Section 4, Section 2, Section 3, the Attachments, and the Forms.

1.2 Scope of Services.

The general purpose of this Request for Proposals (RFP) is to solicit proposals for various workers' compensation program managed care services for the Self-Insurance Program of the City of Jacksonville, Florida ("City") in accordance with Chapter 128 of the Jacksonville Municipal Code.

This RFP shall not be construed to create any obligation on the part of the City of Jacksonville nor its independent agencies to enter into any contract with any Consultant, nor to serve as a basis for any claim for reimbursement for expenditures or costs related to any Consultants' development and/or submission of a proposal in response to this RFP.

See Section 4 for a full description of the services and deliverables required under this RFP.

Section 4
Description of Services and Deliverables

Background.

The City of Jacksonville is a consolidated municipal government and authorized by the laws of the State and City ordinances to self-insure certain risks. Included in the City's Self-Insurance Program (the "Program") is workers' compensation in accordance with Chapter 128 of the Jacksonville Municipal Code.

City Ordinance establishing the Program authorizes independent agencies of the City of Jacksonville to participate in the Program. Currently, the City and the following independent agencies are participants of the Program:

1. City of Jacksonville
2. Jacksonville Port Authority (JaxPort)
3. JEA (Electric Business Unit)
4. JEA (Water/Sewer Business Unit)
5. Jacksonville Housing Authority
6. Jacksonville Airport Authority

The City has been self-insured and self-administered for its Workers' Compensation Program since October 1, 1977. The City's Risk Management Division manages the Program on behalf of the participants shown above for an employee population of approximately twelve thousand during the peak summer months.

The City has a $1,500,000 retention per occurrence. A team of approximately ten (10) City employees provides the day-to-day program services comprised of a manager, seven (7) Adjusters and two (2) support staff.

The City currently uses the Coventry provider networks accessed via their contract with Amerisys. The City currently contracts with Amerisys to provide specific services, including bill review services, check writing services, electronic data interface (EDI) services and other services as detailed in the Scope of Services section. The expiration of the current contract is September 30, 2018.

The City's Risk Management Division provides all intake and first report of injury services. The majority of case management and care coordination type service is provided directly by the adjuster for each claim; therefore, telephonic case management and field case management is not being requested at this time.

The City of Jacksonville has a stable population of employees including the two largest departments, the Fire Rescue Department and the Jacksonville Sheriff's Office. A number of Workers' Compensation cases remain open for continuing treatment as well as additional accidents and injuries for this population of employees.

There are currently 1,348 open cases. The breakdown is as follows: 605 are indemnity cases; 658 medical only cases.

The number of medical bills from providers was 27,176 in FY 17. The City funds the payment for approximately 2,265 bills on a monthly basis.

EXHIBIT 'A'

Contents

4.1 Access to Data
4.2 Ownership of Claims Data
4.3 Audit of Files and Procedures
4.4. Disclosure of Rebates and Overrides
4.5 Account Manager
4.6 Performance Standards
4.7 Medical Bill and Audit Services
4.8 Compliance with State of Florida Rules of Division of Workers' Compensation (DWC) Including Electronic Data Interface (EDI) Services
4.9 Check Writing Services
4.10 Network Access Services
4.11 Pharmaceutical Management Services
4.12 Statistical Data
4.13 Cost of Services

4.1 Access to Data. Consultant must provide the City with real-time electronic access to all claim file data maintained by the Consultant and created as a result of the services provided for the City. Consultants will be required to download data into the City's claim management database system, currently the Marsh Clearsight – Clearsight Platform on a regular basis. Consultants will also be required to accept downloaded data from the City's claim management database system on a regular basis.

The Consultant must download, at regularly scheduled, agreed upon, intervals, all payment information, such as imaged medical bills and documents and EOR data into the City's claims database system, currently the Marsh Clearsight – Clearsight Platform.

If, during the term of the agreement between the City and the Consultant, the City changes claims management database systems, the Consultant will be responsible, at no additional cost to the City, for making necessary adjustments so that the Consultant can continue to download all payment information, such as imaged medical bills and documents, and EOR data into the City's new claims database system.

Additionally, the Consultant will be responsible for coordinating with the City's I.T. Department to resolve any internet interface issues. The City will provide an I.T. Department point person.

4.2 Ownership of Claims Data. The City shall have all right, title, interest, and ownership to all loss statistics and claim file data created as a result of the services provided. Further, at the sole option of the City and upon ten (10) days written notice, the Consultant shall provide the City with computer media containing all such loss statistic and claim file data. Such data shall be made available in an excel spreadsheet format for claims administration and bill review services.

The fees proposed must include the cost of the transition of the loss statistics and claim file data at the conclusion of this agreement.

4.3 Audit of Files and Procedures. At the request of the City, the Consultant shall provide, at no additional cost to the City, a current copy of Statement of Standards for Attestation Engagements ("SSAE")-16 report.

The City shall have the right to audit during the contract period and for five years following the termination of the agreement.

4.4 **Disclosure of Rebates & Overrides.** Consultant must agree to provide full disclosure to the City of all payments and fees relating the services provided for the City. Consultant must agree to remit to the City, in the form of a credit, all rebates, overrides or other similar financial consideration received by Consultant relating to the services provided for the City.

4.5 **Account Manager.** Consultant must agree to provide a mutually acceptable account manager for the City's account who will be the City's single point of contact for all service issues relating to this contract. The account manager is expected to attend periodic meetings in Jacksonville at the discretion of the City's Risk Manager. The expenses for travel will be included in the overall contract price and not billed per trip.

4.6 **Performance Standards.** Consultant must agree to performance standards. Sample standards are included in this RFP as Attachment E. Consultants are asked to indicate if they will agree to these standards or provide an alternate standard.

4.7 **Medical Bill Review and Audit Services.**

(1) Medical bills must be electronically stamped with the date received by the Consultant.

(2) Promptly review all medical bills (in and out of network) for accuracy including, but not limited to, as they relate to the following:
   a. Duplicate billings
   b. Unbundling of charges
   c. Upcoding of charges
   d. Approval and appropriate precertification

(3) Review all medical bills that:
   a. Are not subject to fee schedule coding
   b. Are for services not specifically addressed in the fee schedule
   c. Need an in-depth medical interpretation of the rules and regulations
   d. For which the City specifically requests a review
   e. In the exercise of professional judgment, specifically, warrant review

(4) Appropriately reprice all medical bills applying fee schedule, network fee arrangement and, when applicable, special City negotiated provider agreements. Consultant will communicate with the medical care providers when necessary to obtain additional information regarding the bill.

(5) Consultant will scan all medical bills and download data so that scanned images are linked to the individual claim record in City's claim management database in the format prescribed by the Marsh Clearsight – Clearsight Platform. Consultant will request adjuster approval for all bills via a web-based interface with the City's claim management database. The City would like to see enhancement in the interface data to include the date of treatment/service along with the date the bill was received on the payment review and authorization screen. **No bills will be paid without adjuster approval**. City and Consultant will agree to appropriate supervisory intervention when adjuster does not approve or reject bill within reasonable timeframes.

(6) The Consultant will develop a code for "deny" included in the adjuster codes in the bill paying process. The Consultant will generate an EOR that states this bill has been denied and include the reason with sufficient detail for the provider to understand. The Consultant will be responsible for sending out the EOR's on denied bills directly to the medical providers.

(7) The Consultant must provide an access point via e-mail and/or phone to directly address a provider's billing inquiry if the provider has a question or concern.

For Medical Bill Audit services:

(1) The Consultant will audit in-network and out-network hospital/provider bills:
   a. Exceeding $10,000; and
   b. For which the City specifically requests an audit

(2) Develop and follow written procedures to perform both desk and on-site audits by experienced medical professionals.

4.8 **Compliance with State of Florida Rules of Division of Workers' Compensation (DWC) Including Electronic Data Interface (EDI) Services.** Consultants must be approved by the appropriate state authority to provide the proposed services. It shall be the responsibility of the Consultant to comply with all rules and regulations promulgated by the various state agencies prescribing the practices and procedures for the services provided.

Consultant must perform all medical EDI filing with the State of Florida Division of Workers' compensation in accordance with State of Florida statutory and regulatory requirements. Consultant must correct and resubmit rejected transaction information within 3 - 5 business days after the file has been rejected.

Any fines, penalties, or assessments charged against the City of Jacksonville for failure to comply with the Division Financial Services rules and regulations, including EDI reporting, must be timely paid by the Consultant directly to the Division of Financial Services, if such fines, penalties, or assessments are associated with the performance or responsibilities of the Consultant.

4.9 **Check Writing Services** The Consultant must pay the medical care providers for their services and handle all IRS Form 1099 reporting requirements.

On weekly intervals, at a regularly scheduled time and day of the week as mutually agreed upon, the Consultant will provide the City with a prepayment register weekly in Microsoft Excel prior to the City advancing funds. The City will advance funds, after approval and review of the prepayment register, for the purpose of paying claims to the medical care providers. The Consultant will have a system for documenting the date the checks are mailed to the providers, as required by the State.

Currently, the City has placed a retainer of $250,000 available if the funds advance is delayed. Proposers are requested to detail any retainer or similar requirements that they will have and indicate their willingness to negotiate the amount of any retainer.

The disbursement account used by the Consultant must have a fraud prevention controls to protect against altered, forged, and counterfeit checks. The Consultant will be responsible for all bank fees and fraudulent cashed checks and charges.

The Consultant will be responsible for either paper mailing or electronic transfer of Explanation of Review forms (EOR) and funds to the medical providers after the City approves the disbursements and provides the funding.

At regularly scheduled, agreed upon, intervals, the Consultant must post a payment file including bill detail at line level to the City's claim management database in the format prescribed by the Marsh Clearsight - Clearsight Platform. The Consultant will provide the City with an error report that details unmatched bills to City's claim files. No payment can be made without matching the bill to the correct file. Also, no payment can be made on closed files. On

a daily basis, the Consultant must post pending bills and reports via a web-based interactive process with the adjusters.

Additionally, the Consultant must download, at regularly scheduled, agreed upon, intervals, all payment information including imaged medical bills and documents and EOR data into the City's Marsh Clearsight - Clearsight Platform.

The funds advanced by the City will be held in the agreed upon account and will not be commingled with any other funds of the Consultant. **Under no circumstances will the Consultant make payments to itself from this bank account.**

At no additional cost to the City, the Consultant will be responsible for maintaining appropriate IRS W9 forms from all medical providers and for the issuance of IRS 1099 forms annually on behalf of the City. At the City's request, the Consultant will provide copies to the City. The Consultant will be responsible for the cost of any penalties or interest incurred due to the erroneous or late filing of IRS forms.

The Consultant will be responsible for all postage fees associated with meeting the requirements of this section.

4.10 Network Access Services. The City currently uses Coventry provider networks. Coventry currently provides credentialing, peer review, grievance, and dispute resolution services regarding medical care when appropriate. Proposals which include continued access to the Coventry provider networks will be preferred.

Consultant must also provide access to an approved grievance process. The Consultant will respond to grievances that are filed on behalf of the City of Jacksonville.

4.11 Pharmaceutical Management Services. The City currently uses the MyMatrix pharmaceutical management service. Proposals which include continued access to the MyMatrix pharmaceutical management services will be preferred.

If Consultant does not provide prescription management services, Consultant shall have established relationships with a prescription management service provider. Consultant will be expected to provide information and recommendations to the City regarding the evaluation of a prescription management delivery system which is oriented to allow injured workers ease of prescription procurement, reasonable utilization review systems, ability of adjusters to electronically establish claimant level formulary criteria, provide the City with timely and useful prescription management statistical data and provide drug purchase discounts.

It is anticipated that the Consultant will subcontract with the prescription management vendor on behalf of the City. The Consultant's fee structure should anticipate the management and oversight of this service. The Consultant will resolve billing disputes directly with the prescription management vendor. It is anticipated that the prescription management vendor will have fees below the Florida State Mandated Workers' Compensation Fee Schedule for prescription products.

The Consultant will be responsible for coordinating the necessary data transfers from the prescription management vendor, the City and the Consultant.

4.12 Statistical Data. Consultant will provide the City with monthly reports regarding bill activity. Consultant will include sample reports in its Required Proposal Form (Attachment A). Consultant must have the ability to tailor reports to the City's needs. The contract fee from the Consultant must include the cost to produce these reports in its overall global price for services.

Additional reports can be requested by the Chief of the Division of Risk Management or designee without any additional charges during the contract year.

Proposers who can also provide access to run reports directly from their system will be preferred.

4.13 Cost of Services. In order to compare proposals and establish budgets, it is critical that all proposals be based upon an objective and comparable basis. Only proposals which include a flat non-adjustable annual cost will be considered. Only five year fixed cost guarantees will be considered. PROPOSALS WHICH INCLUDE PER BILL AND/OR PERCENTAGE OF SAVINGS FEES FOR BILL REVIEW AND NETWORK ACCESS WILL NOT BE CONSIDERED.

(End of Section 4 - Remainder of page intentionally left blank)

EXHIBIT 'A'

Form 1 - Price Sheet

NAME OF CONSULTANT USIS, Inc. dba AmeriSys

Proposal Number P-19-18

Proposed Flat Annual Cost for ALL REQUESTED SERVICES:

Term	Proposed Cost
October 1, 2018 – September 30, 2019	$339,500.00
October 1, 2019 – September 30, 2020	$348,000.00
October 1, 2020 – September 30, 2021	$356,750.00
October 1, 2021 – September 30, 2022	$365,500.00
October 1, 2022 – September 30, 2023	$374,750.00

Please outline ALL variable costs which are not included above.
No variable costs.

Please confirm that all services outlined in the Transition Phase are included in above pricing.
All services outlined in the Transition Phase are included in the above pricing.

EXHIBIT 'B'