



The City of Seattle

Request for Quote

Limited Medical Fee/Charge Negotiation for the City of Seattle Workers' Compensation Program

RFQ Release Date: July 10, 2009

Information Due Date: August 3, 2009

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1.0 INTRODUCTION

The City of Seattle is requesting quotes for qualified providers of medical fee negotiation services to support the bill adjudication and cost management activities of the Workers' Compensation and Accounting Units of the City of Seattle's Personnel Department for the period September, 2009 through December 31, 2012.

The City is self-insured and self-administered for workers' compensation and pays bills on 1,300 to 1,600 filed claims annually. These claims are generated by a workforce of approximately 10,800 regular and 200 temporary employees, including but not limited to police officers, firefighters and utility workers. In 2008, 27,430 medical and expense payments were made (an average of almost 2,300 payments per month) with a total payout of \$8,905,166. (These figures do not include time loss payments, pension payments or permanent disability awards.)

All claims are adjudicated in accordance with Washington State Industrial Insurance laws by the Workers' Compensation Unit in the Employee Health Services Division, and bills are re-priced and paid by the Accounting Unit of the Management Services Division; both divisions are part of the City's Personnel Department. Currently certain complex bills – those exceeding \$5,000 are currently sent to an outside vendor for review of the consistency of the services provided with the diagnosis, treatment plan and place of service, as well as the reasonableness of charges.

1.1 PURPOSE OF REQUEST FOR QUOTE

Through this Request for Quote (RFQ) the Personnel Department of the City of Seattle (City) is seeking to identify interested and qualified service providers. It is the City's objective to contract with a vendor for review of the consistency of the services provided with the diagnosis, treatment plan and place of service, as well as the reasonableness of charges, for bills exceeding \$5,000, and for fee negotiation services associated with those bills.

1.2 SCHEDULE

The beginning date for the contract will be September 1, 2009. The duration of the contract will be through December 31, 2012 and may be renewed for up to two (2) periods of up to one year each. In the event the City elects to have additional work elements performed by the selected Proposer, the contract may be amended.

Task	Tentative Date
Publish Notice of RFQ	July 10, 2009
Responses Due	August 3, 2009
Proposer Interviews	Week of August 10, 2009
Select Proposer (s)	Week of August 17, 2009
Finalize Contract	August 28, 2009

Task	Tentative Date
Contract signed by both parties	August 31, 2009

1.3 PROJECT OVERSIGHT AND MANAGEMENT

The Director of the Personnel Department or his designee will provide both contract oversight and management. In addition, the Proposer selected to serve as the Vendor will report to the Personnel Director or his designee.

2.0 OVERVIEW OF PERSONNEL DEPARTMENT

For general information about the Personnel Department, visit our website at <http://www.seattle.gov/Personnel/> . For general information about the City of Seattle visit our website <http://seattle.gov/> .

3.0 PROJECT SCOPE OF WORK AND DELIVERABLES

3.1 SCOPE OF WORK

GENERAL

- a. Review and negotiate specific medical bills within ten (10) days of receipt to ensure payments are appropriate and reasonable, and that payments can then be made well within State time limits.
- b. Determine if procedure-related provider services, and the location of care (inpatient vs. outpatient) are consistent with the respective claimant’s diagnosis(es) and level of severity, and nationally-accepted standards of practice for treatment of the condition(s).
- c. Within 45 days of the end of each quarter and calendar year, provide quarterly and annual reports as appropriate, showing such measures as: number of bills reviewed by type, charged vs. negotiated/allowed amounts, gross reductions from charges, and net reductions from charges (after your fees). Savings should be reported in the form of mutually agreed-upon measures, but may not be based on simple application of the Washington State Department of Labor & Industries' (L&I) Professional Services Fee Schedule.

SPECIFIC

- a. Provide a secure means to receive and return workers' compensation bills and supporting documentation (e.g., chart notes) within 10 days
- b. Offer review services to:
 - Screen for inconsistencies between procedure codes and diagnosis codes, as well as inappropriate site or type of care.
 - Screen for unwarranted unbundling of services.
 - Create brief commentaries (with recommendations) for our Claim Analysts, along with re-priced bills. (These may be electronic.)
- c. Provide for connectivity with the City's workers' compensation system(s) to facilitate downloads of re-priced bills, payment instructions, utilization review decisions and other data. The downloaded data will be used by the City for claim management purposes, and in conjunction with the City's financial package, SUMMIT, for issuance of provider payments and for financial monitoring and reporting.
- d. Answer provider questions about re-pricing, and participate in appeals.
- e. Be available to consult with Claim Adjusters, upon special request, on provider-proposed treatments including but not limited to upcoming hospitalizations and surgeries.
- f. Be available for questions and collaboration with City Workers' Compensation and Accounting staff.

CONTRACTUAL

- a. The City will not be responsible for any costs incurred by the selected contractor should its staff duplicate internal review efforts, for document scanning and storage, for the purchase of hardware or software and other normal costs of doing business, etc., unless authorized in writing by the Personnel Director or his designee.
- b. The City will not pay for provider payment reductions based solely on the difference between provider charges and the State fee schedule, or for fee reductions based on the disallowance of charges not normally covered under workers' compensation (e.g., private room charges, special services charged by the claimant).

4.0 QUOTE ADMINISTRATIVE REQUIREMENTS

4.1 Introduction

This section of the RFQ details the procedures that the City has established for managing and directing the RFQ process. The purpose of these procedures is to ensure the City receives quotes that are the result of an open, competitive process, and to ensure that Proposers receive fair and equitable treatment in the solicitation, receipt, and review of their quotes.

The City may reject the quote of any Proposer who fails to comply with any of the requirements of this Section.

4.2 COMMUNICATIONS WITH THE CITY

All Proposer communications concerning this RFQ should be directed in writing via mail, fax, or e-mail to:

Florence Katz, Director of Employee Health Services
City of Seattle, Personnel Department
PO Box 34028
Seattle, WA 98104-4028
Telephone: (206) 684-7957
Fax: (206) 615-0202
florence.katz@seattle.gov

No other City official or employee is empowered to speak for the City with respect to this RFQ Process. Proposers who seek to obtain information, clarification, or interpretation from another City official or employees are advised that such information is used at the Proposers' own risk, and the City will not be bound by any such representations. Any attempt to bypass this process may be grounds for rejection of the Proposers' quote.

4.3 ADDENDA

Changes or amendments to this RFQ will be posted on the Personnel Department's City website at <http://www.seattle.gov/Personnel/>.

4.4 QUOTE INSTRUCTIONS

a. Organization and Copies

To be considered responsive, responses must include the information requested in Section 5, Quote Content.

Proposers must provide the City with one original and four (4) copies of their Quotes. (Double-sided copying and recycled paper is encouraged).

b. Format

To the extent possible, responses should be prepared on 8 1/2" x 11" paper and bound or stapled. Responses should not exceed 20 pages. Supplemental information and examples of report formats may be attached as appendices.

c. Readability

Respondents are advised that the City's ability to conduct a thorough evaluation of responses is dependent on the Proposers' ability and willingness to submit information, which is well ordered, detailed, comprehensive and readable. Clarity

of language and adequate, accessible documentation is the Respondents' responsibility

4.5 DELIVERY OF QUOTES

One original and four copies of your response must be submitted to and received by the City of Seattle no later than August 3, 2009 at 12:00 noon (PDT). No fax or e-mail transmissions will be accepted. All Quotes become the property of the City and will be subject to the Public Disclosure Act. Proprietary information, which you wish to remain confidential, should not be included in response materials.

Required written documents as delineated herein must be received before the stated deadline. Failure to submit one or more items will be grounds to reject the Quote from the review and selection process.

Delays caused by any delivery service, including the U.S. Postal Service, will not be grounds for an extension of the Quote due date and time. Quotes received after the due date and time will be returned unopened.

Quotes shall be delivered to the following address:

Florence Katz, Director of Employee Health Services
City of Seattle, Personnel Department
PO Box 34028
Seattle, WA 98104-4028
Telephone: (206) 684-7957
Fax: (206) 615-0202
florence.katz@seattle.gov

or, physical location for hand delivery:

City of Seattle, Personnel Department
700 5th Avenue
Suite 5400
Seattle, WA 98104

4.6 COST OF QUOTE

The City will not be liable for any costs incurred by Proposers in the preparation and presentation of Quotes submitted in response to the RFQ or in the participation in demonstrations.

4.7 REJECTION OF QUOTES

The City reserves the right to reject any or all Quotes at any time with no penalty and/or waive immaterial defects and minor irregularities in Quotes.

4.8 QUOTE DISPOSITION

All material submitted in response to this RFQ, except for proprietary material, shall become the property of the City upon delivery.

5.0 QUOTE CONTENT

5.1 FORMAT

The Quote will be the basis for negotiating the final contract documents and therefore should be signed by an individual authorized to commit your organization to the procedures and fees contained in your Quote. The total Quote should not exceed twenty pages. Supplemental information (e.g., brief professional biographies and examples of report formats) may be attached to the formal Quote.

5.2 QUOTE CONTENT

Quotes should include a historical summary of the firm's experience in conducting workers' compensation medical fee negotiation in Washington State and key business data about the organization. It should identify the key individuals in the firm who will work with the City to manage this account and include brief resumes as discussed in Section 5.4 of this RFP.

The Quote should identify the service(s) you want to provide for the City that address the services requested in Section 3.1 of this RFP. The quote should outline proven practices and procedures that will be used to perform the requested services.

The Quote should also include your organization's fees for the services proposed. Multiple, alternative forms of compensation (fee for service, per claim fees, other) will be considered. The Quote fee schedule will enable the negotiation of a contract for professional services, associated reimbursement terms and any cap on reimbursement for the first year of the contract period and provide the basis for adjusting reimbursement terms for subsequent years of the contract.

The Quote should identify a minimum of five current, major clients, particularly other governmental entities, with contact names and telephone numbers. The list must include at least two clients that directly address Washington workers' compensation claims as a self-administered employer or as a claim service organization (third-party administrator). Indicate how long your firm has provided medical bill negotiation services to these clients and the approximate number and type of such services conducted for each organization annually.

5.3 COVER LETTER

A cover letter should be included with the Quote submittal identifying one contact person by name, address, telephone number, email address and FAX number that will be designated as the City's customer service representative, and briefly outline how the firm will meet the needs for conducting occupational medical bill review for a large, complex employer such as the City of Seattle.

5.4 PROJECT STAFF

The Proposer will identify the staff (including any and all subcontractors) that will provide the services defined in this RFQ. For each proposed staff member, please provide the following information:

- a. Identify an Account Manager as a primary contact with the City for the duration of the contract. Also identify the location of the Proposer's office that will serve this contract.
- b. For each member of the team, describe the role that s/he will serve. Indicate those members of the team who will work closely and/or on-site with City staff.
- c. Please indicate the members of your project team who are sub-contractors (if any) to your organization. What is the ratio of staff to subcontractors in your proposed project team?
- d. Provide a resume for each of the key project staff members as appendices. Resumes should be no longer than two (2) pages and should contain the following information about each project member:
 1. Position with the Company and work location
 2. Years with the Company
 3. Education, Licenses, and Certifications
 4. Work experience related to purpose of contract

6.0 QUOTE EVALUATION PROCESS AND CRITERIA

6.1 Evaluation Process

Written Quotes will be evaluated and rated by an Evaluation Committee comprised of appropriate City staff. Quotes receiving the highest ratings will be scheduled for an interview with the Evaluation Committee. Ratings will be based on the Proposers' experience providing similar services for a public employer of the size and complexity of the City of Seattle; experience with Washington workers' compensation programs; reasonableness of proposed reimbursement and basis for periodic adjustment; and ability to provide appropriate levels of staffing support and service to and in coordination with City staff.

- a. The Evaluation Committee will also contact references to help verify the Proposers' ability to perform the scope of services outlined herein.
- b. Based on the results of the evaluation of written Quotes, interviews and references, the Committee will make its recommendation to the Personnel Director.
- c. Contract negotiations will commence with the selected Proposer. Proposers not selected will be notified in writing of the selection outcome.

The City of Seattle reserves the right to:

1. Request a consultant submitting an application to clarify its contents or to supply any additional material deemed necessary to assist in the selection process.
2. Negotiate the program scope, materials and costs with the selected consultant. If a contract cannot be negotiated with the selected consultant, the City of Seattle may cease negotiations and commence negotiations with another well-ranked Proposer.
3. Modify or alter any of the requirements herein and identify additional tasks to be accomplished prior to executing a formal contractual agreement.
4. Select the Proposer with the best project approach and ability to meet the City's program needs regardless of cost.
5. Visit a Proposer's office to meet with respondent's staff or view its medical bill review processes.
6. Reject any or all applications at any time without penalty.
7. Retain all original data and working papers generated during this RFQ process.

6.2 Evaluation

6.2.1 For the selection of the Proposers, written Quotes will be scored using the following criteria:

Item	Considerations	Maximum Points
Proposed Method of Performance including Customer Service	Cite examples of reference sources used to assess billed provider services; techniques used to negotiate payment reductions; statistics on cost savings, response time, challenges/appeals, etc.	35 points
Cost	Clear and detailed explanation on how costs for medical bill review will be structured, how and when the City will be billed for services, etc.	30 points
Proposer Qualifications, Expertise, and Experience	Cite examples of training and experience of project staff; client list; similar in-force contracts, etc.	35 points