

**Company TBD**

**Request For Proposal**

**Risk Management  
Casualty Claims TPA Services  
For the period 4/1/2008 – 4/1/2011**

**Prepared By: Company Risk Management**

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# Introduction and Administration

## PURPOSE OF RFP

Primary Casualty Claims TPA

<b>RFP submission to participants – on/after</b>	<b>09/10/2007</b>
<b>Deadline for submission of RFP questions</b>	<b>09/21/2007</b>
<b>RFP responses due to CTBD</b>	<b>10/02/2007</b>
<b>Bidder presentations in City, St – 1 hour each (if CTBD determines necessary)</b>	<b>Week of 10/15/2007</b>
<b>Candidate firm selected –if any- and notifications and explanations released</b>	<b>10/23/2007</b>

## BACKGROUND

With annual revenues of approximately \$\$\$ billion, Company TBD (NASDAQ: CTBD) is the industry's premier paper-based packaging company. Company TBD is headquartered in City1 and in City2,State,Zip. The company was formed as a result of the merger between Company 1 and Company 2. Core business includes corrugated containers, which are supported by an integrated mill system with significant fiber resources, and reclamation. The company operates more than 200 facilities, primarily in North America.

For complete information, the corporate web site is: [www.companytbd.com](http://www.companytbd.com)

Industrial areas and products are:

- Containerboard and Corrugated Containers:
  - Container board,
  - market pulp,
  - corrugated containers,
  - packaging equipment.
- Recycling wood fiber, waste management services.

## Company Objectives

- To deliver to our customers (internal and/or external) timely, quality, cost effective, Third Party Administration (TPA) services for primary casualty claims management and claims administration for all casualty coverages: workers' compensation, employer's liability, general liability, products liability, automobile liability, etc.
- To enter into a multi-year services agreement with a qualified TPA to provide those services.
- To effect an immediate seamless electronic and physical transition for all products and services.
- To continue to improve our people, products and processes through an ongoing commitment to our philosophy of managing for continuous improvement.
- To continue to improve TPA products and services and Best Practices delivered to our customers: internal and/or external.
- To outperform our peers.
- To continuously reduce operating costs to ensure maximum profit potential from the existing asset base.

## Challenges

- Low profit margins in the industry as a whole
- Many highly dispersed facilities with very remote locations
- Multilingual environment to support (English, French, Spanish)
- Multiple cultures and systems as a result of aggressive acquisitions
- Open claims at closed locations
- Accelerated claims closure

## GOVERNANCE

### Confidentiality

This RFP and all materials submitted by Company TBD (CTBD) and its subsidiaries must be considered confidential. CTBD requests that this RFP not be forwarded to any third party for evaluation or for any other purpose without the express written consent of CTBD. When submitting confidential material to CTBD the bidder must clearly mark it as such.

### Acceptance of Terms and Conditions

The terms and conditions, and other provisions included and/or referenced in this RFP, should be thoroughly reviewed, and a statement of acceptance thereof, or specific exceptions (with detailed supporting rationale and prepared substitutions), must be included in your proposal.

### Right of Rejection and Disclosure of Proposal Contents

CTBD reserves the right to reject any or all proposals as well as waive any deviations it deems appropriate. CTBD reserves the right to use any information presented in any response to the proposal.

## Cancellation of RFP

CTBD retains the right to cancel this RFP at any time.

## CTBD Not Responsible for Preparation Costs

All proposals and other materials submitted become the property of CTBD and may be returned only at CTBD's option. CTBD is not responsible for the Supplier's preparation costs, including travel and expenses.

## Conflict of Interest

The Contractor and any individual working on the proposal cannot have a conflict of interest with respect to CTBD.

## Key Personnel

The Bidder must provide name, background (e.g., work history, training, and certifications) and geographic location for each of the key personnel who will be primarily accountable for servicing the account for the course of the engagement.

## Proposal Evaluation

A CTBD team will evaluate all complete proposals received by the due date identified below. Criteria for selection are at the discretion of the evaluation team, but will include completeness, methodology and approach, appropriate use of local (candidate firm) and CTBD resources, estimated total costs, and schedule adherence. CTBD is not obligated to disclose its specific ratings, evaluations, or comparisons to any bidder.

## Disclosures

You are not authorized to make public or cause to be made public any disclosure relative to this solicitation without the written approval of CTBD. Further, all information contained herein is to be treated as CTBD proprietary and confidential information.

## Contract Term

This RFP is for services to cover a minimum period of three (3) years.

## Letter of Intent or Memo of Understanding

If appropriate, a letter of intent or memo of understanding will be issued.

## CTBD PROPOSAL GUIDELINES

### Response Date/Time and Location

Any questions regarding this proposal should be directed in writing to the addressee below. If CTBD determines it to be necessary, an updated RFP will be delivered to you by. Complete responses are required by **10/02/2007** in order to be considered for this opportunity. Softcopy responses can be emailed. Please notify us as well if you decline this opportunity, and why. Hard copies and correspondence should be addressed as follows:

*COMPANY TBD*  
*Attn: CTBD Risk Management*  
*Address*  
*City, ST, ZIP*

*Email: \_\_\_\_\_*  
*Fax: \_\_\_\_\_*  
*Phone: \_\_\_\_\_*

Selected Bidders will have the opportunity to present your solution to the CTBD IT PMO steering committee in an hour-long presentation on a day during the week of October 15, 2007. Bidders will be allotted a maximum of 1hour to present with an additional 15 minutes for Q&A. The team will be provided with a copy of your e-mailed proposal. The point of contact above will schedule times. If you wish to provide high-quality materials during your presentation, bring at least six (6) copies for your session on.

### Proposal Format and Content

Softcopies of the proposal are to be in MS Word 97/2000 or MS PowerPoint 97/2000. See the last section of this document, "*Supplier Statement of Solution*" for the requested format and content of the response.

### Disqualification Statement

Responses may be disqualified from consideration if incomplete (not containing all sections listed above), insufficient (short on detail or with questions unanswered), or submitted after the stated deadline without a negotiated extension.

### Optional Solutions

In addition to the requested proposal, Bidder may send an alternative solution provided that such solution is proven, standard, and well defined. Alternative solution should be sent to project manager during the Question Acceptance phase of the selection process.

### Right to Retract RFP

CTBD reserves the right to retract this RFP as business needs and priorities dictate.

## REQUIREMENTS

Contractor proposals are to be for BUNDLED and UNBUNDLED ancillary services, including and not limited to: pharmacy, medical bill review, managed care, etc. At a minimum, proposals must include the following components to be considered:

Contractor Statement of Solution: Each bidder should use the following format for organization and content of their response:

- 1) Contractor Background
- 2) Contractor Mission and Vision
- 3) Contractor Support Structure
- 4) Contractor Experience (as directly related to this engagement)
- 5) Contractor Strategic Partnerships
- 6) Contractor Annual Report/Financial Data
- 7) References (for engagements similar to this one)
- 8) Contractor Solution Description
  - a) Executive Summary
  - b) Objective
  - c) Scope
  - d) Approach
  - e) Schedule
  - f) Deliverables – detailed for each component
  - g) Detailed Pricing for each component
  - h) Assumptions for each component
  - i) Customer Responsibilities
- 9) Attachments

## CTBD STATEMENT OF OPPORTUNITY

### END USERS

The qualified Contractor (TPA) selected by Company TBD for primary casualty claims administration and/or management will be expected to work closely with: Company TBD individual plant administrative and/or operations personnel; area administrative personnel; risk management department, in particular the director of risk management, the casualty claims administrator and the casualty manager, and as required with members of the Company TBD legal department and designated outside counsel.;

### DATA SPECIFICS

Data is the property of CTBD. Claims data must interface seamlessly on a real time basis with any Company TBD risk management information system and/or payroll, benefits, accounting systems.

### CLAIM VOLUME:

- New claims – <1,000 per year – see attachment/appendix/exhibit for estimates by type of coverage.
- See Attachments - CD

### IT SYSEM PREFERENCES

- ***TBD CTBD ITD to advise when finalists are identified.***

### SECURITY REQUIREMENTS

The Contractor's claims database system(s)/RMIS will have:

- Access restricted by user ID and password.
- An audit report or log of all on-line data entry and/or updates showing User ID, date, time and record(s) updated.

### SERVICE STANDARDS

#### Authority/Notification Requirements

- Settlement Authority will be determined by CTBD in concert with Contractor. Obtain client approval for settlements exceeding authority level. See attachment/exhibit – current services agreement
- Reserve Notification level is \$10,000. Provide written notification of any initial reserve or reserve change of this amount or more.
- Narrative Report level is TBD. Provide narrative caption report to client when a claim incurred amount reaches this level.
- Excess Notification - Provide notification to excess carrier(s) of all claims or losses meeting the reporting requirements of the insurer/Company TBD. Evidence excess notifications to Company TBD Risk Management, Casualty Claims Administrator. Provide updates to insurer and Company TBD as required. Issue formal reports to excess carrier as may be required by insurer and not less than semi-annually.

- Document insurer/Contractor notification requirements as per any contract between contractor and any insurer.
- Contractor's claims database/RMIS systems must interface with CTBD as determined by CTBD ITD.

## GENERAL INFORMATION

- General questions:
  - How many service locations do you have throughout the United States and Canada?
    - Please indicate location of each branch office
    - Please identify the number of personnel at each branch office by job function (e.g. professional/technical, clerical/support)
  - Provide an organizational chart of those persons who would be involved in providing this service in each office for WC, for AL, for GL, etc.
  - List the experience and qualifications of the "key" individuals who would be involved on the CTBD account.
  - Provide your company's "Best Practices" for:
    - Investigation
    - Reserving
    - Identifying and pursuing offsets
    - Settlement negotiation
    - Litigation management
    - Claim resolution
    - Excess reporting
    - Structured settlements
    - Oversight, tracking and reporting on status of all open claims and plans of action to take claims to closure
- Please provide Best Practices for
  - Workers' Compensation
  - Employer's Liability
  - General Liability
  - Products Liability
  - Automobile Liability
- Please list and detail all services which you can provide the client that may not have been addressed in other portions of this RFP.

## WORKERS' COMPENSATION CLAIM ADMINISTRATION

- Summary of current CTBD program needs – See Attachment - CD
- General questions
  - Do you provide the claim administration or do you contract with an outside provider for this service?
    - If so, what company and where are they located?
    - How long have you used this arrangement with them?

- Describe the methods used to effectively communicate with your TPA and cost containment vendors to coordinate services.
- Please provide information regarding the mechanism for payment of claims.
  - Who produces the checks?
  - What type of account/escrow account is necessary to accommodate the process?
  - What are the initial and ongoing parameters for funding
    - Who is responsible for management of the account
    - Who is responsible for reconciliation of the account
    - Etc.
- If at the end of a contract period, we choose to go to another provider or return to an insured plan, please detail what would happen to our claims.
  - Is runoff provided
  - What are the terms
  - Provide example(s)
- Fees
  - Please provide us with a fee schedule
    - Provide the fee schedule for each client location, if the pricing varies by state
    - Please detail ALL that is included in this fee
    - Please provide examples of that which is NOT included in this fee, if anything.
  - Define allocated costs
  - Define unallocated costs
  - Subrogation or Second Injury Fund recovery
    - Are there additional charges / fees
    - For subrogation
    - For Second Injury Fund recovery
    - If legal services are required for either
    - Please describe/detail how associated fees will be charged and give examples

## WORKERS' COMPENSATION CLAIMS MANAGEMENT

- Summary of current program needs
  - See attachments - CD:
    - Current Client Service Instructions
    - 40 Claims Audit
    - Annual Survey
    - Incentive Program
- General questions
  - Do we have choice of counsel outside your firm? Within your firm? Under what circumstances? Provide examples.
  - Referral to a managed care specialist for case management services
    - Detail the criteria and process by which a file is referred.
    - Is the process automated?
  - In order of volume/frequency, please provide a list of the firms you use for activity checks and length of relationship with each
  - How often will you conduct claims reviews?
  - Number of claims per claim professional:
    - What is maximum number of open LTC (lost time claims)?

- What is the average number of LTCs?
    - What is the number of MO (medical only) claims?
  - Describe specifically the process for assigning branches and claims professionals to client locations with a state.
    - What input will Company TBD have in the assignment, if any?
  - Do you provide legal services for subrogation of Workers' Compensation claims?
    - Are all claims reviewed for subrogation potential?
    - Describe briefly your criteria for establishing a subrogation file.
  - Do you provide legal representation for Second Injury Fund recovery? And, what are the terms?
- Fees
  - Please provide a fee schedule
    - Provide the fee schedule for each client location, if the pricing varies by state
    - Please detail ALL that is included in this fee, including charges for "travel" expenses
    - Please provide examples of that which is NOT included in this fee that is a necessary expense of self-insurance.
      - What filing fees are involved in which states?
      - Assessments?
      - Additional expense?
    - AND, what is NOT included here that is presumed to be included in the Service Fee quoted?

#### WC MANAGED CARE SERVICES: 1) BUNDLED AND 2) UNBUNDLED

- Early Intervention
  - Describe your early intervention program and how effective and timely communication occurs to the injured employee, the client and all providers
  - What are your standards for telephonic and on-site contact with injured employees and employers?
    - What on-going telephonic contact with the injured employee takes place?
  - When will medical providers follow up with your claim representatives to review diagnosis, proposed medical treatment plan, and targeted return to work date?
    - How does this occur?
- Medical Bill Review / Utilization Management
  - Describe your medical bill review services when reviewing Workers' Compensation medical bills, and include:
    - Identify up-coding
    - Identify unbundling of outpatient surgery, laboratory, or diagnostic procedures
    - Application of State Fee Schedule
    - Identification of Reasonable and Customary rates
    - Identification of unnecessary services/procedures
    - Identification of duplicate billings and partial duplicates
    - Identification of preferred provider (PPO) discounts
  - Do you screen all Workers' Compensation medical bills?
    - If no, what dollar thresholds do you use to screen WC medical bills?
  - Describe how you charge for medical bill re-pricing services (fee schedule, UCR and network), and for utilization review services.
  - Do you provide discounts on out of network bills?

- Describe the credentials of staff conducting manual bill reviews
- What is your turnaround time standard for processing/paying medical bills
- Are all medical bills paid at appropriate rates set by the jurisdiction?
  - If no, what are the exceptions?
- What return on investment in audits is anticipated?
  - Are retrospective audits performed on high volume health care providers or high dollar bills such as hospital bills?
- Do you have criteria for identifying excessive/inappropriate medical treatments?
  - Do you use software to determine thresholds for treatments?
  - Is software purchased/leased or is it your own custom product?
- Do you have nurses conducting utilization management?
  - Do non-health care professionals conduct any utilization management?
- What is the source of your clinical guidelines for determining if a recommended medical treatment or program is medically necessary?
- Provide a breakdown of all of the elements that are included in your savings calculations
  
- Do you have an appeals process for challenged claims from medical providers (i.e., rebundled surgical procedures, revisions to state Workers' Compensation fee schedule, etc.)?
  - Describe.
- Describe discounts where you can obtain greater reductions than given under the State Workers' Compensation fee schedule
- Is your company accredited by the Utilization Review Accreditation Commission (URAC)?
  - If NO, are you planning to apply for accreditation?
- Preferred Provider Organization (PPO) Networks
  - Are your PPO network(s) owned or leased?
    - Identify for each state your PPO relationships (i.e., owned, leased, or no presence)
  - Identify your relationship in states with Workers' Compensation Managed Care programs.
  - Describe in detail your credentialing process for hospitals, medical centers, ambulatory, and surgi-centers.
  - Describe how you direct treatment in your networks
  - How many times a year are Network Provider listings updated?
  - Does your Network provide a toll-free number to access medical providers based upon their geographic distance to employee and clients' locations?
  - Identify any discount purchasing plans or specialty provider networks that you have access to such as:
    - Prescription drugs
    - Diagnostics
    - Home health care services
    - Durable medical equipment
    - Physical and occupational therapy
  - Do you charge a network access fee?
- Disability Case Management
  - Describe your WC Disability Case Management Program
  - Does your WC Disability Case Management include telephonic and on-site services?
    - What criteria triggers a WC case transfer from telephonic to on-site?
  - Do Registered Nurses or non-health care professionals provide WC Disability Case Management?

- What are their credentials?
  - Do you lease or subcontract your telephonic WC disability case managers or your on-site WC Disability Case Managers?
    - Identify the vendors that you use nationally and regionally.
  - Describe your methods for measuring results/outcomes with WC disability case management.
    - How do you quantify “soft savings”?
  - What is your average timeframe (number of hours, number of visits) for lost time cases for telephonic and on-site Disability Case Management?
  - How are Disability Case Management activities, updates and results reported to Clients?
    - How frequently are progress reports and telephonic updates made to Clients?
    - Include copies of sample reports
  - Identify any of your certifications and/or accreditation for WC disability case management services.
  - Do you have physician advisors available for WC Disability Case Management?
    - When do you refer a WC case to a physician advisor?
  - What is the source of your WC Disability Case Management standards and clinical criteria?
  - What special programs, approaches and resources do you have to facilitate return to work
    - Describe each.
- Claims/Risk Management Information Systems / Managed Care Reports
  - Do you supply utilization data necessary for evaluating:
    - Client utilization by geographic area
    - Over/under-utilization of physicians and/or other services
    - Top Medical providers by client locations
    - Top Medical Treatments/Services by client location
    - Utilization of Chiropractic services
  - For cases, is your system capable of reporting:
    - Diagnostic Codes (ICD-9)
    - CPT-4 Codes
    - DRG's
    - Aggregate number of office visits per injury
    - Readmissions
    - Length of Hospital Stay
- Fees For Managed Care
  - What are the costs to provide reports listed above
    - Identify each report and the associated cost
    - Is the cost included in the administrative fee?
  - What charge, if any, is there for ad hoc reports?
    - Flat
    - T&E
  - Describe how cost savings are presented to the client
  - Include a sample of any savings reports
  - Include a sample of any provider utilization reports
  - How frequently are cost savings reports provided to the client?
    - Identify the cost, if any, to provide reports in addition to “standard” reporting schedule
  - What additional fees are charged for MANUAL medical bill review?
  - What additional fees are charged for MANUAL hospital bill review?

- Describe in detail how clients are charged for WC POP services
- Describe in detail how you charge for
  - Telephonic Disability Case Management services
  - On-site Disability Case Management Services
- Describe in detail the capitation models that you have or are using for WC treatment modules (i.e. Physical Therapy, Chiropractic, Occupational Therapy).

**COMPANY TBD STANDARD TERMS & CONDITIONS**

E0000322 - On-Site Service Terms & Conditions Addendum – see CD

**COMPANY TBD STANDARD REPORTS**

See CD – TPA RFP “Attachments”

**COMPANY TBD CURRENT CLAIMS HANDLING & PROCESSES**

See CD – “Claims.ppt”

## ATTACHMENTS

S:\RISKMGMT\Z\Claims\RFP - TPA Services\Attachments

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Copy of monlschd.xls	30 KB		Microsoft Excel Worksheet
Copy of qtrlschd.xls	32 KB		Microsoft Excel Worksheet
080107_Data Standards - Sample RFP Language[1].doc	27 KB	1	Microsoft Word Document
altpdchg.doc	50 KB	1	Microsoft Word Document
Casualty_Claims_Incentive_Audit_TPA .doc	28 KB	1	Microsoft Word Document
DetailWorkCompOnlyMonthlyLossChangebyDivision.doc	352 KB	1	Microsoft Word Document
FORMERCPDMonthlyChangeAllCoverages.doc	65 KB	1	Microsoft Word Document
MedBillSav_ByLocation.doc	954 KB	1	Microsoft Word Document
MedBillSavings_ByDivision.doc	362 KB	1	Microsoft Word Document
MonthlyCheckRegister_ByLocation.doc	41 KB	1	Microsoft Word Document
MonthlyCheckRegister_ClosedLocation.doc	54 KB	1	Microsoft Word Document
MonthlyWOnlyChangeInotalIncurredByDivisionByLocationByClaim.doc	1,585 KB	1	Microsoft Word Document
MonthlyWOnlyChangeInTotalIncurred.doc	55 KB	1	Microsoft Word Document
On_SiteServicesTsandCsE0000322 .DOC	326 KB	2	Microsoft Word Document
OpenClaimsPriorYrsandCurrentCalYr.doc	74 KB	1	Microsoft Word Document
OpenWorkCompClaims_byDivision.doc	739 KB	1	Microsoft Word Document
PayGOQuarteDetailWOnlyChangeInotalIncurredByDivisionByLocation.doc	155 KB	1	Microsoft Word Document
PayGoQuarterDetailWorkCompOnlyLossChangebyDivision.doc	128 KB	1	Microsoft Word Document
PayGoQuarterDetaiWOnlyChangeInTotalIncurredbyLocation.doc	110 KB	1	Microsoft Word Document
PayGoQuarterTotIncurChg_WOnly_ByDivByRegionByLocation.doc	71 KB	1	Microsoft Word Document
PayGoQuarterTotIncurChg_WOnly_DetailByLocation.doc	80 KB	1	Microsoft Word Document
PharmacySavingsMonthlyByDivision.doc	56 KB	1	Microsoft Word Document
PharmacySavingsMonthlyByLocation.doc	31 KB	1	Microsoft Word Document
xfacumzp.doc	33 KB	1	Microsoft Word Document
Template_CheckRegister.txt	1 KB		Text Document
Template_DisabilityChecks.txt	1 KB		Text Document

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