



REQUEST FOR PROPOSAL

(RFP)

WORKERS' COMPENSATION CLAIMS AUDIT SERVICES

DECEMBER 2020

QUESTIONS AND ANSWERS

Listed below are the questions received as of December 18, 2020 and answers:

- Please confirm the number of open and closed claims itemized in Exhibit 1 of the RFP all occurred with the LAWCX coverage period for the particular member.

Yes, the amounts listed in Exhibit 1 are for the years LAWCX provided coverage to each member.

- Specific to members that have a minimal number of open or closed claims over the listed retentions, would you want to stay with 20% or consider a minimum number of files be reviewed?

A minimum of 10 files should be reviewed for each entity. If there are less than 10 files that meet the audit criteria, all files should be reviewed.

- Can you list what claims system each Third Party Administrator (TPA) utilizes?

AdminSure and Keenan uses iVos, AIMS and ICS administers their claims in NavRisk, LWP uses Origami, and proprietary claim systems are used by Athens, CorVel, Intercare, and Sedgwick.

- Regarding the RFP requirement that we provide the auditor's determination of "*Annual net savings of bill review fees for two years prior to claims audit,*" are there reports that will be able to be run out of the TPA claims management systems to evaluate these savings, or will these need to be calculated by the auditing firm on a claim by claim basis?

The TPA or bill review vendor should provide the reports to evaluate the savings. The auditor will only report the findings.



- Will the scheduling of each audit be done directly between the auditing firm, the member, and the TPA, or will the scheduling be coordinated by LAWCX?

The auditor is responsible for scheduling the audits directly with the TPA. LAWCX's Claims Manager and member should be included in the email to the TPA.

- Who is the current auditing firm being utilized? Can you share their most recent member audit report with the "*weighted scoring*" worksheet as well as a copy of a "*Summary of Audit*" report?

Farley Consulting Services (FCS) is LAWCX's current claims auditor. The "*weighted scoring*" worksheet is a work product of FCS and will not be provided. Since a report is provided for each audit conducted, prior audit reports will not be provided due to the size of each report.

- Is LAWCX happy with the currently utilized audit reporting format?

LAWCX does not have a preference to the format of the reports.

- Specific to the RFP section E. Cost Data, you request that our proposal *should contain a complete breakdown of all costs relating to the contents of the proposal, including the maximum total cost for a single-year and multi-year contract*. For the single and multi-year contract pricing should our costs be presented in two-year increments?

Pricing should be provided in two-year increments to ensure all members are audited every two years.

- To more easily compare pricing between proposals, we want to be able to provide you your preferred pricing format with as much detail as possible. Do you have a preferred pricing structure? Such as proposed time per audit, not to exceed flat fee per audit, cost per file reviewed, etc.? Also do you want the costs broken down by each member audit?

LAWCX prefers a flat fee for each two-year increment(s). This allows us to budget accordingly for each fiscal year.