



The City of **WORCESTER**

Administration & Finance – Purchasing Division
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September 14, 2023

To All Proposers:

Subject: **RFP #: CR-8073-W4, Administration & Management – Workers Compensation & IOD / HR**

ADDENDUM NO. 1

To Whom It May Concern:

With reference to our proposal request relative to the above subject, please refer to the changes/modifications/clarifications to the original proposal request.

- **PLEASE SEE QUESTIONS RECEIVED AND RESPONSES FROM CITY**

Who is your current TPA partner? **Our Current TPA is FutureComp**

What is the current fee of the existing TPA? **Please see attached contract pricing.**

Do you have an Excess WC policy in place? If so, what is SIR and who is the carrier?- **No we do not have an excess WC policy.**

On page 1 # 4 of the RFP "a performance bond may be required". Please advise if a bond is required and at what limit? **Performance bond is not required.**

Do you use in house counsel for defense, or an outside firm? If in house, do you track internal legal expenses? Do they handle subrogation pursuit & recovery? **We use in house counsel for defense. Legal expenses are submitted to the TPA for processing and are tracked with each claim. The TPA does handle subrogation.**

Will there be any Takeover claims?- **Yes**

Could you please provide new claims reported for the last 5 years broken down identifying the number of Indemnity, Medical Only and Record Only reported annually? **This was provided in the RFP, our use of the word "precautionary" can be interchangeable with the Record Only.**

Proposers are requested to acknowledge and/or include this addendum with submission. All other terms, conditions and specifications remain unchanged.

Very truly yours,

Christopher J. Gagliastro
Purchasing Director



Contract # 17-1662W - Pricing

Pricing shall be based on an annual flat fee for services as follows:

1. Workers Compensation: \$ 90,455.00
2. Injured on Duty (IOD): \$ 98,550.00

Additional Costs Allocated to the Claims File

- Medical Bill Review: \$ 1.10 per line (average 4 lines)
- PPO: The 25% of the PPO network savings will be applied after the medical bill has been reduced to through the medical review process. The savings is returned to the City.
- Pharmacy Benefit Management Retail: AWP – Average Wholesale Price
Brand – AWP minus 17%
Generic – AWP 73%
(\$ 2.00 dispense fee)
- Mail Order: AWR – Average Wholesale Price
Brand – AWP minus 19%
Generic – AWP minus 73%
(\$ 1.00 dispense fee)
- Utilization Review: \$ 80.00 per certification
- Medical Case Mgt.: \$ 80.00 per hour
- Loss Control: \$ 105.00 per hour