

CITY OF WORCESTER



REQUEST FOR PROPOSALS WORKERS' COMPENSATION AND INJURED ON DUTY CASE ADMINISTRATION/MANAGEMENT

The City of Worcester is seeking competitive sealed proposals for Workers' Compensation and Injured on Duty Administration/Management services from qualified third-party administrators who have experience and expertise working with Massachusetts governmental subdivisions. The City intends to award a contract to be effective for the period commencing November 1, 2026 and ending October 31, 2028. The contract may be renewed for a third and final year, at the same rates, and at the sole discretion of the City. The City shall make this determination on extending near the end of the current term.

I. BACKGROUND

Approximately 6,753 city employees are covered by workers' compensation (M.G.L. Chapter 152) and approximately 893 public safety employees are covered by injured on duty (M.G.L. Chapter 41, §§ 100 and 111F).

The following chart summarizes the city's workers' compensation claims for the last 5 fiscal years:

City Claims	FY26	FY25	FY24	FY23	FY22
Indemnity	87	77	41	28	37
Medical	186	153	159	62	67
Precautionary	371	358	240	130	114
Totals	644	588	456	220	218

The following chart summarizes the city's injured-on-duty claims for the last 5 fiscal years:

City Claims	FY26	FY25	FY24	FY23	FY22
Indemnity	61	61	41	57	44
Medical	47	38	46	19	15
Precautionary	15	81	15	14	10
Totals	132	180	102	90	69

The following chart summarizes the city's medical expenditures on work related injury claims for the last 5 fiscal years:

City Claims	FY26	FY25	FY24	FY23	FY22
Workers' Comp	\$1,541,430.38	\$2,155,600.38	\$1,870,601.71	\$2,011,624	\$1,461,698
IOD	\$455,487.07	\$507,274.64	\$408,528.18	\$910,254	\$910,254

Of the total workers' compensation claims, public school employees make up approximately 60%; public works employees, 30%; and all other employees make up the remaining 10%. As of June 30, 2026, the city had a total of one hundred and forty-one (141) open workers' compensation claims: one hundred and nine (109) indemnity claims and thirty-two 32 medical only claims.

As of June 30, 2026, the city had a total of seventy-eight (67) open Injured on Duty claims.

II. SCOPE

The City's objective is to provide high-quality, cost effective workers' compensation/injured on duty administration and case management services for its employees in accordance with the Massachusetts General Laws and corresponding regulations, to include the administration of existing and future workers' compensation cases/injured on duty claims and loss control services. The City will continue to act as a self-insurer. Legal Services will continue to be provided by the City of Worcester.

III. EVALUATION CRITERIA

A. Minimum Criteria

All proposals must satisfy each of the minimum criteria below for further evaluation. Proposals shall include information demonstrating compliance with each of these criteria. Proposals that do not meet the minimum criteria will not be further evaluated.

- Bidders must be in the business of administering/managing of workers' compensation cases/injured on duty and have ten (10) years of experience in such business.
- Bidders must have successful experience with Massachusetts municipal workers' compensation/injured on duty business and have a minimum of four (4) current Massachusetts municipal accounts with public employers employing a minimum of 500 employees.
- Bidders must demonstrate that their company is financially and organizationally sound and provide 3 years of audited financial statements.
- Bidders must demonstrate knowledge of Massachusetts General Laws, chapter 152 and Massachusetts General Laws, chapter 41, sections 100 and 111F, and corresponding rules and regulations, and must be able to perform the services required in Section IV. **Please list each item by number and provide a detailed explanation of each.**
- Bidders must be able to meet monthly with Human Resources to go over the full case load. Necessary in those meetings is the claims adjuster. Upon request of the City, the nurse case manager and/or and project manager for the City of Worcester contract must also participate in such meetings. The platform and/or format of such meetings (in person, phone conference, video conference, etc.) shall be determined by the City.
- Bidders must be able to speak to Human Resources on any given work day to discuss issues with any case. This discussion can be in person, phone or virtual.
- Bidder must have a computerized file system that allows the Bidder and the City to access workers' compensation and injured on duty claim files, including notes, injury records, medical bills and reports, payments and employee contact information. The computerized file system must have the capability of generating reports regarding claims and payments, as requested by the City.
- The Bidder shall maintain complete, accurate, and readily accessible records relating to all workers' compensation and injury-on-duty (IOD) claims serviced under this Agreement. Upon expiration or termination of the Agreement, or upon the City's direction to transition claims to another service provider, the Bidder shall be able to timely receive or transfer to the City or its designated successor service provider all claim files and related records necessary for the continued administration of such claims.
 - The transfer shall include, without limitation, all electronic and paper claim records; claim correspondence; payment and financial records; medical records and medical treatment documentation; bills and payment histories; indemnity and expense payment information; reserves; claim notes and activity logs; litigation and legal records; reports; supporting documentation; and any other data or records maintained by the Bidder relating to the claims.

B. Comparative Criteria

Each proposal meeting the Minimum Evaluation Criteria shall be further evaluated and rated according to the Comparative Evaluation Criteria to determine the relative merits of each proposal. The review will cover the objectives listed below. Within each category, the degree to which the proposal satisfies the stated objective shall be reviewed and rated on a system of “Highly Advantageous,” “Advantageous,” and “Not Advantageous.”

1. Bidder must be in the business of administering/managing workers’ compensation cases/
injured on duty.

More than 10 years together (at least five years each)	HIGHLY ADVANTAGEOUS
Between 5 and 10 (less than five years each)	ADVANTAGEOUS
Less than 5 years combined	NOT ADVANTAGEOUS

2. Bidder must have successful experience with four (4) or more current Massachusetts municipal accounts
employing the following number of employees.

1,000 or more employees	HIGHLY ADVANTAGEOUS
500 – 1,000 employees	ADVANTAGEOUS
Less than 500	NOT ADVANTAGEOUS

3. Bidders must demonstrate the ability to perform the services listed in Section IV

Bidder’s services are clearly explained in detail and exceed the criteria **HIGHLY ADVANTAGEOUS**

Bidder’s services are clear and complete to meet the minimum criteria **ADVANTAGEOUS**

Bidder’s services are not clear and not well detailed **NOT ADVANTAGEOUS**

4. Bidder must have a computerized file system and established procedures to monitor and ensure that
workers’ compensation and injured on duty claims, medical bills, legal bill, indemnity payments and
reports are reviewed and processed in a timely, accurate and thorough manner. Provider is able to
document, through reports or reference, that clients have experienced reduced costs due to the
effectiveness of these procedures.

HIGHLY ADVANTAGEOUS

Bidder must have a computerized file system and established procedures to monitor and ensure that
workers’ compensation and injured on duty claims, medical bills and reports are reviewed and processed
in a timely, accurate and thorough manner.

ADVANTAGEOUS

Bidder does not have computerized file system and has no established procedures to monitor and ensure
that workers compensation and injured on duty claims, medical bills and reports are reviewed and
processed in a timely manner.

NOT ADVANTAGEOUS

5. Bidder must be able to track all expenses per fiscal year whether or not the claim occurred in a prior fiscal year.

Expenses will be tracked by fiscal year
Some expenses will be tracked by fiscal year
Expenses cannot be tracked by fiscal year

HIGHLY ADVANTAGEOUS
ADVANTAGEOUS
NOT ADVANTAGEOUS

6. Bidder must have extensive experience with Massachusetts General Laws Chapter 41 §§ 100 and 111F and Chapter 152 and related regulations.

More than 10 years
Between 5 and 10
Less than 5 years

HIGHLY ADVANTAGEOUS
ADVANTAGEOUS
NOT ADVANTAGEOUS

7. Bidder must provide a designated senior level claims adjuster for the sole purpose of the administration of the injured-on-duty claims (IOD) and fitness for duty matters. The experience of this adjuster is paramount to the City's program. Therefore, proposals that provide for an adjuster with the most experience will be rated higher

Adjuster with three (3) or more years' experience with IOD

In the State of Massachusetts

HIGHLY ADVANTAGEOUS

Adjuster with two (2) or more years' experience with IOD

In the State of Massachusetts

ADVANTAGEOUS

Adjuster with less than two (2) years' experience with IOD

In the State of Massachusetts

NOT ADVANTAGEOUS

IV. SERVICES REQUIRED

A. WORKERS' COMPENSATION AND INJURED ON DUTY

1. Process all workers' compensation and injured-on-duty claims reported by the City of Worcester. Claims to be processed to conclusion.
2. Must have the ability to track all data separately for workers compensation and injured on duty. The data must also be tracked by fiscal year (July 1-June 30th)
3. Comply with all requirements of the Massachusetts Division of Industrial Accidents and Massachusetts General Laws Chapter 152 and Chapter 41 §§ 100 and 111F.
4. Preparation of vouchers for all payments of compensation and related and supplemental benefits. These will be forwarded to the City of Worcester for payment.
5. Payment of all medical benefits and other expenses related to claims in accordance with the prevailing Massachusetts Rate Setting Commission rates unless otherwise instructed by the City of Worcester.
6. Maintain contact with medical providers and coordinate medical care, second opinions, and rehabilitation services. Confer with Human Resources prior to commencing the utilization review and/or nurse case management process.
7. Preparation of quarterly reimbursement requests for supplemental benefits paid under the provisions of M.G.L. Chapter 152, § 34B.
8. Meet and confer with representatives of the City as requested to review open claims and to review reporting and administrative procedures designed to establish the most efficient flow of information.
9. Prepare pertinent files for litigation and cooperate with designated attorneys.
10. Track payments on each claim and request reimbursement from insurers or other entities, if applicable.
11. Work with and train supervisors/managers of the City of Worcester on protocols for incident claims reporting, maintaining contact with injured employees in order to track progress, to return them to work safely and expeditiously.
12. Review any recommended lump sum and other settlements with the City of Worcester Human Resources Office prior to discussion with other parties. (Approval of lump sum and other settlements is retained by the City.)
13. Provide for secure on-line access for inquiry, update, reporting of detailed claim and account information to the City of Worcester for designated HR representatives. This access should include module access to claim notes for HR representatives' communication with claim adjuster and/or nurse.
14. Provide monthly computerized loss runs showing claims, descriptions, compensation payments, medical payments, recommended reserves, and other appropriate data. Loss runs should indicate department. Prepare upon request all pertinent claim reports, such as claim counts, lost time, general data reports, injury type reports, etc.

15. Prepare liability reports for annual City Audit process including present and future values of each workers' compensation case.

16. In providing the above services the bidder shall:

- a. Provide professional advice and guidance on all matters of workers' compensation and injured on duty benefits.
- b. Receive first reports of workers' compensation and injured-on-duty benefits.
- c. Post and number and track each report and provide reports to designated departments and upon request by an HR representative
- d. Analyze every first report for facts, consistency, completeness and clarity.
- e. Respond to the Claim within the allotted time as outlined in relevant laws, regulations and collective bargaining agreements.
- f. Establish points of contact with applicable department for witness statements and injury confirmation.
- g. Work with the Human Resources Representatives in making determinations for all injured-on-duty cases.
- h. Confirm claims as lost time or no lost time.
- i. Establish claim status for payment or non-payment pending further review.
- j. File all necessary documents on behalf of the City of Worcester with the Massachusetts Department of Industrial Accidents.
- k. Review contested claims with the Human Resources Department of the City of Worcester.
- l. Prepare individual document file on each claim.
- m. Review all incidents without lost time for potential medical liability.
- n. Request medical reports from treating medical providers.
- o. Confirm whether the claimant has returned to work after the fifth day of the date of injury.
- p. Execute first payment vouchers for disability compensation as determined under Massachusetts General Laws, Chapter 152. Provide timely documentation to the City for indemnity payments in the form of stop/start letters.
- q. Review with utmost care all medical bills. Authenticate each as related to the incident pursuant to Chapter 152. Process all medical, expense, and other related payments timely.
- r. Authenticate medical payment rates pursuant to Massachusetts Rate Setting Commission, Chapter 6A.

- s. Coordinate independent medical examinations.
- t. Assure medical appointments are kept and reports submitted are timely and complete.
- u. Review each claim with respect to appropriateness of treatment.
- v. Establish reserves for estimated future contingencies.
- w. Provide adjustment and settlement recommendations to the City of Worcester.
- x. Maintain close association with the City's legal counsel. Assure counsel's files are current.
- y. Continue all above until each case is closed.
- z. Prepare detailed monthly experience reports.
- aa. Report to the self-insurer each month on the type and frequency of work-related incidents by each department.
- bb. Report to the self-insurer each month on the cost of all work-related incidents by each department.
- cc. Prepare, each quarter, a comprehensive written review of every open case, with recommendations for specific action on each case.

17. Provide a designated senior level claims adjuster available to work with the City of Worcester Human Resources Department. The adjuster must work and be available to Human Resources representatives on a daily basis between Monday and Friday for at least 40 hours per week between the hours of 8:30 a.m. and 5:00 p.m., for the sole purposes of the administration of the injured-on-duty claims.

- a. Claims adjuster must be able to establish important professional relationships with area physicians including the City physician.
- b. Claims adjuster must be able to schedule "fit for duty exams" for city employees as requested by the Chief Human Resources Officer or their designee. Claims adjuster must be able to provide information to the City physician and or his staff verbally and in writing for these particular exams.
- c. Claims adjuster must work as a team member of the City of Worcester Human Resources Department as much as possible.
- d. When the claims adjuster is absent or unavailable, the bidder must provide a temporary backup adjuster.

18. Provide access to the City of Worcester Human Resources representatives and Legal Counsel to the case management database utilized to administer all work-related injury claims of the City of Worcester.

19. Provide nurse case management services for workers' compensation claims and Injured on duty claims as requested and approved by the Human Resources Department. The City will not approve nurse case management or medical case management for all claims.

20. Responsible for compliance with Centers for Medicare/Medicaid Services (CMS) as defined by Medicare/Medicaid laws, Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA). Provide the Human Resources Department with recommendations for timely claim resolution.
21. Arrange for surveillance/private investigations services per request by the Human Resources Department.
22. Provide other assistance necessary to promptly and properly investigate and process claims.

B. SERVICES REQUIRED-LOSS CONTROL

1. Assist with the implementation of policies, procedures, requests for the establishment of a loss control program and standards.
2. Provide written loss control recommendations, including – a review and analysis of accidents.

V. DATA TO BE SUBMITTED WITH PROPOSALS – please list by number in the proposal response

1. A list with the name, address, telephone number and contact person's name for a minimum of four (4) Massachusetts municipal accounts serviced by the bidder. Please include the municipality's number of covered employees, years of service provided, and the number of new and open claims handled per year. (large size municipal references preferred)
2. List at least two former clients, for whom the firm's services were provided within the last five years, including number of covered employees, years of service provided, and the number of new and open claims handled per year.
3. Detail significant results attained for three current/past clients in Massachusetts over the last five years including achievements and savings.
4. Provide an organizational chart of those individuals who would be involved in providing services to the city.
5. List the qualifications and experience of key personnel who will be responsible for claims management and loss control activities. Please identify their function and availability to the city and detail their qualifications, relevant past experience, education, training, etc.
6. If any portion of the bidder's work is to be subcontracted, please identify including a description of services, qualifications, and capabilities of the subcontractor. **(DO NOT show fees or pricing except in the appropriate price proposal.)**
7. Outline how the firm would transition existing cases.
8. Describe the firm's handling procedures and protocols for case management, Claims Investigation, utilization review, document retention and other services.
9. List the steps that are taken to assure prompt, accurate payments of wages and medical bills.
10. Describe claim procedures/business practices for medical only, report only and lost time claims.
11. Describe the process taken to ensure decisions and actions on claims are made in a timely manner including any diary system and quality review procedures.
12. Describe the provisions for prescription drug and medical equipment services.
13. Explain how the bidder's services will reduce the city's workers' compensation and injured on duty medical and indemnity costs.
14. Describe the procedures used to maintain contact and communication with the injured employee, their supervisors, doctors, and the Human Resources Office, up to and including the return-to-work process. Please include sample communications.
15. State the average caseload for your claims adjudication staff (at any given time). Specify medical-only vs. lost time claims and specify supervisors vs. claims adjusters.
16. Explain and provide samples of monthly, quarterly, annual, and YTD reports available to the city.

17. Description of nurse case management and/or medical case management services, including the procedures for assigning such services and the costs for such services. The City of Worcester will not approve nurse case management or medical case management for all claims.
18. Explain the process for paying medical bills using the Department of Industrial Accidents' rates; determining when different rates should be utilized; and how rates may be negotiated.

VI. ADDITIONAL TERMS AND CONDITIONS

1. All claim files belong to the City of Worcester.
2. Given proper and reasonable notice, the City of Worcester reserves the right to inspect files on the Administrators' premises.
3. Legal services will continue to be provided by the City of Worcester.
4. The City reserves the right to choose separate vendors to administer workers' compensation and injured on duty services.
5. Independent Contractor: The successful bidder must certify that he / she is not an agent or employee of the City and is not authorized to act on behalf of the City of Worcester.
6. Sub-Contractors: Bidders shall not engage any other company, sub-contractor or individual to perform any obligation hereunder, without the prior written consent of the City of Worcester.
7. Return of Property: Upon termination, Contractor shall immediately return to the City of Worcester without limitation, all documents, plans, drawings, tools and items of any nature whatsoever, supplied to the Contractor by the City of Worcester or developed by the Contractor in accordance with this Contract.

ATTACHMENT A1

PRICE PROPOSAL

TO BE SUBMITTED UNDER SEPARATE COVER AS PER
SUBMISSION REQUIREMENTS CONTAINED HEREIN

In considering the most cost effective method to administer workers' compensation and injured on duty claims management, the city requests that bidders include two separate methods of pricing their services: A) based on a flat annual cost; and B) based on a per case cost. Price proposals must be inclusive of all services required and outlined in Section IV*.

The City will award to the lowest cost price proposal that is determined to be the most advantageous.

A. Pricing Based on Flat Annual Fee for Services:

1. Workers' Compensation: _____

2. Injured on Duty: _____

(includes one full time employee employed by the Vendor but assigned to the City of Worcester Human Resources office)

* The bidder must disclose the costs of all services which it will perform at an additional cost to the City of Worcester to manage claims, medical case management, nurse case management, medical evaluations, utilization review, investigation, loss control, surveillance and private investigation, etc. Any additional costs not covered in the prices stated above must be submitted in a list of supplementary services. Please include a method to determine an average annual cost of these supplemental services based such as an industry average annual usage based on the city's (2024/2025/2026) caseload.

PRICE PROPOSAL - Continued

TO BE SUBMITTED UNDER SEPARATE COVER AS PER
SUBMISSION REQUIREMENTS CONTAINED HEREIN

In considering the most cost effective method to administer workers' compensation claims management, the City requests that bidders include two separate methods of pricing their services: A) based on a flat annual cost; and B) based on a per case cost. Price proposals must be inclusive of all services required and outlined in Section IV*.

The City will award to the lowest cost price proposal that is determined to be the most advantageous.

B. Pricing based on a Cost per Case Basis:

1. Workers Compensation (only):

a. Indemnity Cases		\$	
b. Medical Only Cases	+	\$	
c. Report Only Cases	+	\$	
Total All Items (a,b,c)		=	\$

2. Injured on Duty (only):

a. Indemnity Cases		\$	
b. Medical Only Cases	+	\$	
c. Report Only Cases	+	\$	
Total All Items (a,b,c)		=	\$

*Injured on duty includes one full time Sr. Claims adjuster employed by the Vendor
But working from the Human Resources Department with the City of Worcester.*

The city will not accept pricing for any items which it considers unreasonable. Price proposals that are unbalanced or overvalued for specific items may be rejected.

* The bidder must disclose the costs of all services which it will perform at an additional cost to the City of Worcester to manage claims, medical case management, nurse case management, medical evaluations, utilization review, investigation, loss control, surveillance and private investigation, etc. Any additional costs not covered in the prices stated above must be submitted in a list of supplementary services. Please include a method to determine an average annual cost of these supplemental services based such as an industry average annual usage based on the city's (2024/2025/2026) caseload.