

**REQUEST FOR PROPOSAL
FOR WORKERS' COMPENSATION
MEDICAL SERVICE COST REVIEW AND CONTAINMENT**

**CITY OF LOS ANGELES
Personnel Department
Workers' Compensation Division
700 E. Temple St., Room 210
Los Angeles, CA 90012**

DATE ISSUED: 12/2/08

TITLE: Workers' Compensation Medical Service Cost Review and Cost Containment

DESCRIPTION: The City of Los Angeles, self-insured for all its workers' compensation obligations, is seeking Proposals for related medical service cost review and cost containment including Medical Bill Review, Preferred Provider Organizations (PPO's), Medical Provider Networks, Pharmacy Benefits Management, Durable Medical Equipment PPO's, Radiology, PPO's, and Utilization Review.

INITIAL TERM: *Three years*

RENEWAL OPTIONS: Two one-year options

DEADLINE FOR SUBMISSION OF PROPOSALS: Tuesday, 2/11/09, 4:00 PM

PROPOSAL DELIVERY ADDRESS:

**City of Los Angeles
Personnel Department
Workers' Compensation Division
700 E. Temple St., Room 210
Los Angeles, CA 90012**

Attn: Manny Gagar

**DEADLINE FOR RECEIVING WRITTEN QUESTIONS FOR PRE-PROPOSAL
CONFERENCE: 12/9/08**

MANDATORY PRE-PROPOSAL CONFERENCE:

**12/18/08, 9:00 AM
City of Los Angeles
Personnel Building
700 E. Temple St. Room 350
Los Angeles, CA 90012**

CONTRACT ADMINISTRATOR: Manny Gagar

PHONE: (213) 473-3365 FAX: (213)-473-3333

E-MAIL: emmanuel.gagar@lacity.org

1. INTRODUCTION.....	4
2. GENERAL TERMS AND CONDITIONS	6
2.1. Definition of terms	6
2.2. Proposal Format and Submission Requirements	6
2.2.1. In Writing	6
2.2.2. Cover Letter	6
2.2.3. Authorized Signatures.....	7
2.2.4. Number of Copies Required.....	7
2.2.5. Information Requested and Not Furnished	7
2.2.6. Alternatives	7
2.2.7. Optional Materials/ Services	7
2.2.8. Proposal Errors	8
2.2.9. Waiver of Minor Administrative Irregularities	8
2.2.10. Interpretation and Clarifications.....	8
2.3. Cost to Respond to RFP	8
2.4. Pre-Proposal Conference	8
2.4.1. Purpose of Pre-Proposal Conference	8
2.4.2. How to Prepare Questions	9
2.5. Proposer's Address	9
2.6. Multiple Proposals	9
2.7. Proposal Due Date	9
2.8. Late Proposals	9
2.9. Withdrawal of Proposals.....	10
2.10. Americans With Disabilities Act.....	10
2.11. Rejection of Proposals	10
2.12. Addenda.....	10
2.13. Pre-Award Negotiations	10
2.14. Award of Contract.....	11
2.15. Prime Contractor	11
2.16. Execution of Contract.....	11
2.17. Protest to Award.....	11
2.18. Subcontractors/Joint Ventures	12
2.19. Supplier Performance Feedback Meetings	12
2.20. Replacement of Contractor's Staff	12
2.21. Term.....	12
2.22. Option to Renew	12
2.23. Payment and Invoices.....	13
2.24. Adjustments to Total Fees Paid	14
2.25. Adjustments for Overpayment, Fine Penalty, or Other Cost.....	14
2.25.1. Such failure includes but are not limited to the following:.....	14
2.26. Subcontractors' Requirements	14
2.27. Statutory Requirements.....	15
2.28. Governing Law	15
2.29. California State Sales Tax.....	15
2.30. California State Board of Equalization Permit	15
2.31. Federal Excise Taxes.....	15
2.32. Periodic Independent Audit	15
2.33. Financial Audit.....	15

2.34. Contractor Evaluation Program	16
2.35. Property of City/Proprietary Material	16
2.36. Conflict of Interest	16
2.37. Confidentiality.....	17
3. STATEMENT OF WORK SPECIFICATIONS – PROPOSAL/QUOTE SECTION	18
3.1. Deliverables	18
3.1.1. General information regarding the entity submitting the Proposal:.....	18
3.1.2. Business Organization	18
3.1.3. Client References.....	19
3.1.4. Proposed Subcontractor Information.....	19
3.1.5. Key Personnel.....	20
3.1.6. Other Personnel	20
3.1.7. Legal Issues.....	20
3.1.8. Past Failure to Complete Work Awarded	21
3.1.9. Information Management Requirements	21
3.1.10. Reports	22
3.1.11. Quality Control Program.....	22
3.1.12. Account Servicing	23
3.1.13. Partnership/ Contractor Issues.....	23
3.1.14. Additional Data.....	23
3.1.15. Implementation Requirements	24
3.2. Specific Program Proposal Requirements.....	24
3.2.1. Bill review	25
3.2.2. Capturing Non-Medical Non Reviewable bills for Reporting.....	29
3.2.3. Preferred Provider Organizations Network.....	30
3.2.4. Medical Provider Network	33
3.2.5. Pharmacy Benefits Management and Durable Medical Equipment	36
3.2.6. Radiology Preferred Provider Organization.....	38
3.2.7. Utilization Review Services	38
3.2.7.1. Medical/Disability Case Management (CM)	42
3.3. Electronic Data Interchange (EDI) Requirements	44
3.4. Program Costs	45
4. SELECTION PROCESS AND EVALUATION CRITERIA	45
4.1. Evaluation Factors	46
4.2. Selection of a Successful Proposer(s).....	47
5. CONTRACT APPENDICES	48
6. REQUEST FOR PROPOSAL (RFP) SCHEDULE	49
7. PROPOSER SIGNATURE DECLARATION PAGE.....	50
 APPENDIX 1: PHARMACY/NON-PHARMACY PROVIDERS.....	 51
APPENDIX 2: 25 SAMPLE MEDICAL BILLS.....	56
APPENDIX 3: SYSTEMS HANDOUT	57
APPENDIX 4: 20 SAMPLE PHARMACY BILLS	70
APPENDIX 5: 20 SAMPLE DURABLE MEDICAL EQUIPMENT BILLS	71
APPENDIX 6: 20 SAMPLE RADIOLOGY.....	72
APPENDIX 7: CITY OF LOS ANGELES REQUIREMENTS AND CHECKLIST	73

REQUEST FOR PROPOSAL

WORKERS' COMPENSATION MEDICAL SERVICE COST REVIEW AND CONTAINMENT FOR THE CITY OF LOS ANGELES

1. INTRODUCTION

The Workers' Compensation Division of the City of Los Angeles is soliciting proposals for Workers' Compensation Medical Bill Review, Disability Management and Cost Containment Services. The City anticipates that the successful Contractor(s) will control costs in the Workers' Compensation Program by providing integrated medical and disability cost containment services in the following six (6) areas: 1. Medical Bill Review, capturing non-medical non-reviewable bills for reporting, Preferred Provider Organizations (PPO's) and Medical Provider Networks (MPN's); 2. Pharmacy Benefits Management (PBM) Program; 3. Durable Medical Equipment (DME PPO); 4. Radiology PPO; and 5. Utilization Review (UR), and medical disability case management. The City of Los Angeles further expects that the successful Contractor(s) will provide assistance to the City in its return-to-work efforts, thus increasing productivity, employee well being and the quality of the City's Workers' Compensation Program.

The General Manager of the Personnel Department finds that the medical service cost review and containment services described in this request for proposals require professional, expert and technical capabilities and are temporary and occasional in character for which competitive bidding based on price alone is not practicable or advantageous to the City. The General Manager further finds that using competitive bidding based on price alone would be impractical or undesirable because the public interest would not be best served by failing to evaluate the other criteria addressed in this request for proposals.

The City of Los Angeles is self-insured for all of its Workers' Compensation obligations. The administration of civilian claims is performed through the Personnel Department's Workers' Compensation Division. The administration of sworn claims, Police and Fire personnel and conflict claims, is performed through a Third Party Administrator (TPA). As of July 3, 2008, there are 18,793 open claims, of which 7,181 are attributed to civilian, 8,411 to Police sworn, and 3,201 to Fire sworn employees. The Department of Water and Power (DWP) is not part of this group.

In fiscal year 2007/2008, the City spent approximately \$127 million in workers' compensation benefits and costs. Based upon current experience and actuarial projections, the City's workers' compensation costs will be approximately \$134.6 million in fiscal year 2008/2009. Therefore, the City of Los Angeles is looking for a contractor(s) that will assist in achieving substantial cost savings and medical management.

In fiscal year 2007/2008, the City of Los Angeles submitted 242,463 bills to its bill review vendor for review. These included bills from hospitals, medical and legal offices, pharmacies, as well as medical suppliers for a total billed amount of \$263,218,524. The City desires to achieve cost savings by further reducing fees below State Fee Schedules.

The City's objective is to obtain competitive bids for medical service cost review and containment services. Proposers can respond to the following services either individually or bundled and must be able to provide each proposed service(s) as a stand alone service as listed below:

1. Medical bill review and capturing non-medical non-reviewable bills for reporting requirements, Preferred Provider Organizations (PPO's) Networks/Medical Provider Networks (MPN)
2. Pharmacy Benefits Management (PBM) Program
3. Durable Medical Equipment (DME) PPO
4. Radiology PPO
5. Utilization Review (UR) and Medical Disability Case Management

Contractor(s) must be able to integrate their system(s) with the City system(s) and other vendor systems in an efficient and seamless process. All bids must include this integration in their pricing.

The City's goal is to obtain quality service at the best overall value for the City. This means providing immediate, quality and cost-effective service to both internal and external clients. The City of Los Angeles requires the same philosophy and belief of its contractors.

The City currently uses a proprietary claims administration program known as LINX and a document management and workflow system (imaging) known as eFlo (see Appendix 3-System Handout for details). The City may at its discretion replace one or both of these systems. If and when this occurs, the Contractor will assist the City in the implementation of the new system(s) to ensure a smooth transition. Contractor will be able to integrate with the current and new system(s).

You (hereinafter referred to as "Proposer") are invited to submit a formal Proposal (hereinafter referred to as "Proposal") for the required services as detailed in Section 3: Statement of Work Specifications—Proposal/Quote Section (hereinafter referred to as "Project"), in accordance with this Request for Proposal (RFP). Any information in addition to that required by this RFP, which a Proposer feels will help in the evaluation of its Proposal, is to be submitted with its Proposal. Any Proposal submitted must comply with the requirements of this RFP, as herein stated, including all applicable Federal, State, and local laws, and is to be signed by an officer legally authorized to bind Proposer to a contractual relationship. Proposals shall be submitted to the City of Los Angeles in writing, in the time and in the manner described herein. The selected firm(s) for this Project shall mean the successful proposing firm(s), its directors, officers, employees, agents, joint venture partners, and subcontractors providing services under the Agreement.

2. GENERAL TERMS AND CONDITIONS

2.1. Definition of terms

The following terms used in the RFP documents shall be construed as follows:

“City” shall mean the City of Los Angeles.

“Department” shall be considered synonymous with the City’s Personnel Department.

“Agreement” shall be considered synonymous with the term “Contract.”

“Contractor” shall mean the individual, partnership, corporation or other entity to which this Agreement is awarded, and shall be synonymous with the term “Vendor.”

“Contract Administrator” shall mean Manny Gagar or designate.

It is the Personnel Department’s intent to award a Contract, in a form approved by the City Attorney, to the selected Contractor(s). This RFP and the Proposal submitted, or any part thereof, may be incorporated into and made a part of the Contract. Proposals accepted in writing by the City constitute a legally binding contract offer. It is requested that Proposals be prepared simply and economically, avoiding the use of unnecessary promotional material.

2.2. Proposal Format and Submission Requirements

Proposals shall be based only on the material contained in the RFP, Pre-Proposal Conference responses, amendments, addenda, and other material published by the City relating to the RFP. Proposers shall disregard any previous draft material and oral representations they may have obtained.

Proposals shall be submitted in accordance with the requirements set forth in this RFP.

2.2.1. In Writing

All Proposals must be submitted in writing and Proposers shall complete and return all applicable documents including forms, appendices, specifications, drawings, schematic diagrams and any technical and/or illustrative literature. The City may deem a Proposer non-responsive if the Proposer fails to provide all required documentation and copies.

2.2.2. Cover Letter

Each Proposal must include a cover letter limited to one page. The cover letter must include the title, address, and telephone number of the person or persons who will be authorized to represent the Proposer.

2.2.3. Authorized Signatures

Proposals must be signed by a duly authorized officer eligible to sign contract documents and authorized to bind the company to all commitments made in the Proposal. Consortiums, joint ventures, or teams submitting Proposals will not be considered responsive unless it is established that all contractual responsibility rests solely with one legal entity. The Proposal must identify the responsible entity.

2.2.4. Number of Copies Required

Proposers are required to submit one original Proposal signed in ink with all City attachments and five copies of the Proposal without the City attachments. Original and copies should be identified as such. If a Proposal contains any, trade secrets, or other proprietary information that the Proposer claims is exempt from the California Public Records Act (See Section 2.35 of this RFP), a redacted copy of the Proposal must also be submitted. Written Proposals must be presented in a sealed envelope. Proposer must enter the RFP's title and Proposer's name on the outside of the envelope. Sealed Proposals are to be delivered to the address listed in this RFP no later than the stated Proposal due date and time.

2.2.5. Information Requested and Not Furnished

The information requested and the manner of submission is essential to permit prompt evaluation of all Proposals. Accordingly, the City reserves the right to declare as non-responsive and reject any Proposals in which information is requested and is not furnished, or when a direct or complete answer is not provided.

2.2.6. Alternatives

Proposers shall not change any wording in the RFP or associated documents. Any explanation or alternatives offered shall be submitted in a letter attached to the front of the Proposal documents. Alternatives that do not substantially meet the City's requirements cannot be considered. Proposals offered subject to conditions and/or limitations may be rejected as non-responsive.

2.2.7. Optional Materials/ Services

Proposers are encouraged to offer materials and/or services, directly related to the specifications within this RFP but not included in it, which will enhance the performance of City Staff in the fulfillment of the goal(s) of this RFP. Optional materials/services should be clearly delineated as optional in the Proposal and separate pricing/cost identified as appropriate. These options may be included in the resultant contract.

2.2.8. Proposal Errors

Proposer is liable for all errors or omissions incurred by Proposer in preparing the Proposal. Proposer will not be allowed to alter Proposal documents after the due date for submission.

The City reserves the right to make corrections or amendments due to errors identified in Proposal by the City or the Proposer. This type of correction or amendment will only be allowed for errors such as typing, transposition, or any other obvious error. Any changes will be date and time stamped and attached to Proposal. All changes must be coordinated in writing with, authorized by, and made by the Contract Administrator.

2.2.9. Waiver of Minor Administrative Irregularities

The City reserves the right, at its sole discretion, to waive minor administrative irregularities contained in any Proposal.

2.2.10. Interpretation and Clarifications

The City will consider prospective recommendations or suggestions regarding any requirements before the Pre-Proposal Conference. All recommendations or suggestions must be in writing and submitted to the Contract Administrator. The City reserves the right to modify requirements on any RFP if it is in the best interest of the City.

2.3. Cost to Respond to RFP

The City is not responsible for any costs incurred by Proposers while submitting Proposals. All Proposers who respond to solicitations do so solely at their own expense.

2.4. Pre-Proposal Conference

A Mandatory Pre-Proposal Conference will be held to receive questions from prospective Proposers regarding this RFP. The conference has been scheduled for Thursday, 12/18/08, 9:00 AM at:

City of Los Angeles
Personnel Building
700 E. Temple St., Room 350
Los Angeles, CA 90012

2.4.1. Purpose of Pre-Proposal Conference

The purpose of the conference is to clarify the contents of this RFP and to discuss Personnel Department requirements.

2.4.2. How to Prepare Questions

To maximize the effectiveness of the conference, the Personnel Department requests that, to the extent possible, Proposers provide questions in writing prior to the conference. This will enable the Personnel Department to prepare responses in advance. Specific questions concerning the RFP should be submitted in writing to the Contract Administrator, Manny Gagar by fax at (213) 473-3333 or by e-mail at emmanuel.gagar@lacity.org.

Additional questions may be accepted at the conference. However, responses may be deferred and provided as addenda to the RFP at a later date.

2.5. Proposer's Address

The address given in the Proposal response shall be considered the legal address of the Proposer and shall be changed only by written notice to the City. The Proposer shall supply an address to which certified mail can be delivered. The delivery of any communication to the Proposer personally, or to such address, or the depositing in the United States Mail, registered or certified with postage prepaid, addressed to the Proposer at such address, shall constitute a legal service thereof. Telephone numbers, fax numbers, and e-mail addresses (if applicable) must be provided.

2.6. Multiple Proposals

Proposers interested in submitting more than one Proposal may do so, provided that each Proposal stands alone and independently complies with the instructions, conditions, and specifications of the RFP.

2.7. Proposal Due Date

Sealed Proposals are to be delivered by Proposers to:

City of Los Angeles
Personnel Department
Workers' Compensation Division
700 E. Temple St., Room 210
Los Angeles, CA 90012
Attn: Manny Gagar

Proposals must be received by 4:00 P.M. on 2/11/09

2.8. Late Proposals

Late Proposals will not be accepted and shall be returned to the Proposer unopened.

It is the sole responsibility of the submitting Proposer to ensure that its Proposal is received before the submission deadline. Submitting Proposers shall bear all

risks associated with delays in delivery by any person or entity, including the U.S. Mail. Any Proposals received after the scheduled closing date and time for receipt of Proposals will not be accepted and returned to the sender unopened. Timely hand-delivered Proposals are acceptable. No facsimile (fax) or electronic mail (e-mail) copies will be accepted.

2.9. Withdrawal of Proposals

Proposers may withdraw submitted Proposals in writing at any time prior to the specified due date and time. Faxed withdrawals will be accepted. A written request, signed by an authorized representative of the firm, must be submitted to the Contract Administrator. After withdrawing a previously submitted Proposal, the Proposer may submit another Proposal at any time up to the specified due date and time.

2.10. Americans With Disabilities Act

As covered under Title II of the Americans With Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its proposals, programs, services and activities. If an individual with a disability requires accommodations to attend a pre-proposal conference, site examination or proposal opening, please contact the Contract Administrator at least five working days prior to the scheduled event.

2.11. Rejection of Proposals

The City reserves the right to reject any or all Proposals, to waive any minor informality in Proposals received, to reject any unapproved alternate Proposal(s), and to reject the Proposal of any Proposer who has previously failed to perform competently in any prior business relationship with the City. The rejection of any or all Proposals shall not render the City liable for costs or damages.

2.12. Addenda

The Personnel Department reserves the right to submit Addenda by email, to this RFP, which may add additional requirements to be considered responsive. All Proposers must acknowledge any Addenda issued as a result of any change in this RFP on the **Proposer Signature Declaration Page**. Failure to indicate receipt of Addenda may result in a Proposal being rejected as non-responsive.

2.13. Pre-Award Negotiations

Prior to award of the Contract, the successful Proposer(s) may be required to attend negotiation meetings that will be scheduled at a later date. The intent of the meeting(s) will be to discuss and negotiate Contract requirements, prices, service level agreements, detailed scope of work specifications, ordering, invoicing, delivery, receiving, and payment procedures, etc. in order to insure successful administration of the Contract.

2.14. Award of Contract

Award of the Contract will be made to the Proposer(s) with the best combination of price, experience, and quality of service delivery. Awards are not restricted to the lowest offer or bid. The City may award Contract to more than one Proposer.

The Proposer(s) to whom a Contract is awarded shall be required to enter into a written Agreement with the City in a form approved by the City Attorney. The applicable provisions of the "Standard Provisions for City Contracts" (Rev. 10/03), attached hereto as Appendix 4, will be incorporated and made part of the final Contract.

2.15. Prime Contractor

The Proposer(s) awarded the Contract must be the prime Contractor performing the primary functions of the Contract. If any portion of the Contract is to be subcontracted, it must be clearly set forth in the Proposal document as to the part(s) to be subcontracted, the reasons for the subcontracting and a listing of subcontractors. The City reserves the right to reject any Proposal wherein use of subcontractors significantly affects the ability of the Proposer to function as the prime Contractor on the awarded Contract. The prime Contractor shall at all times be responsible for the acts and errors or omissions of its subcontractors or joint participants and persons directly or indirectly employed by them.

2.16. Execution of Contract

Unless otherwise stated, Proposals submitted shall be irrevocable for a period of 180 days following the Proposal submission date. A response to this RFP is an offer to contract with the City based upon the terms, conditions, service level agreement, and specifications contained in the Proposal submitted. A Contract will be developed after the City makes an award to the selected Proposer(s).

2.17. Protest to Award

Any protest to a Contract award(s) must be in writing and received within five (5) working days of the notice of award. Upon receipt of protest, the Contract Administrator will furnish protester with a written statement setting forth the reasons for the proposed award based on the lowest ultimate cost and best overall value to the City and will hold a hearing within five (5) working days after receiving the protest, unless waived by the Proposer.

At or prior to the hearing, the protester may present evidence as to why the award should not be made according to the City's plans. After the close of the hearing, the Contract Administrator shall make a final determination with respect to the protest, and shall award the Contract accordingly or reject all Proposals. The decision shall be final.

2.18. Subcontractors/Joint Ventures

Acceptance or rejection of a Proposer's request to use subcontractors is at the sole discretion of the City. With approval of the City, the Contractor may enter into subcontracts and joint participation agreements with others for the performance of portions of resultant Contract.

The provisions of resultant Contract shall apply to all subcontractors in the same manner as to the Contractor. In particular, the City will not pay, even indirectly, the fees and expenses of subcontractors that do not conform to the limitations and documentation requirements of resultant Contract.

Upon written request from the City, the Contractor shall supply the City at no cost with all subcontractor agreements.

2.19. Supplier Performance Feedback Meetings

The Proposer(s) awarded the resultant Contract is required to attend monthly performance feedback meetings facilitated by the City's Contract Administrator. The meetings will focus on the Contractor's and the City's performance in fulfilling the service level agreements contained in the Contract. The meetings will provide a forum to informally discuss opportunities for improving contract terms and conditions, services level agreements, and cost reductions for both parties.

The Contractor will be responsible for distributing minutes to document such meetings within a week after the meetings, as well as any periodic reports as required by the City.

2.20. Replacement of Contractor's Staff

The City reserves the right to have the Contractor replace any Contract personnel with equally or better qualified staff upon submitting written notice to Contractor. In addition, the City reserves the right to approve in advance any changes in Project personnel or levels of commitment by the consultant to the Project.

2.21. Term

The term of this Contract shall be for a period of three years subject to the availability of City budgeted funds, from the effective date of the final signatures and approval by the Personnel Department, City Attorney, City Administrative Office (CAO), Mayor's Office, or City Council and the authorized Contractor.

2.22. Option to Renew

The City reserves the right and option to renew the Contract for up to two additional one-year periods.

2.23. Payment and Invoices

The Contractor will be required to submit invoices that conform to City standards and include, at a minimum, the following information:

1. Name and address of Contractor
2. Name and address of City department being billed
3. Date of invoice and period covered
4. Contract number or authority (purchase order) number
5. Description of completed task and amount due for task
6. Certification by a duly authorized officer
7. Discount and terms (if applicable)
8. Remittance Address (if different from company address)

Provide samples of detailed (claim specific) invoices and summary reports of savings. A description of how cost savings are measured should be clearly defined and differentiated including categories for hard dollar savings and cost avoidance savings.

All invoices shall be submitted on Contractor's letterhead, contain Contractor's official logo, or other unique and identifying information such as the name and address of the Contractor. Evidence that tasks have been completed shall be attached to all invoices. Invoices shall be submitted within 30 days of service. Invoices are considered complete when appropriate documentation or services provided are signed off as satisfactory by the City.

Invoices and supporting documentation shall be prepared at the sole expense and responsibility of the Contractor. The City will not compensate the Contractor for costs incurred in invoice preparation. The City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. The City reserves the right to request additional supporting documentation to substantiate costs at any time.

Failure to adhere to these policies may result in non-approval of invoices pursuant to Charter Section 262(a), which requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department, and approve invoices before they are drawn on the City Treasury.

The City is not liable for delays in payment caused by failure of the Contractor to send invoices to the address specified below:

City of Los Angeles Personnel Department
700 E. Temple Street, Room 210
Los Angeles, CA 90012
Attn: Dave Noltemeyer

2.24. Adjustments to Total Fees Paid

The total fees paid pursuant to this Contract will be reduced for overpayments, fines, penalties attorney's fees, interest, and other costs incurred by City due to the Contractor's acts, errors, and/or omissions which violate existing law, administrative procedure, or which fail to comply with generally accepted standard practices or failure to comply with any term or condition of this Contract as further set forth in Section 2.25 Adjustments for Overpayment, Fine, Penalty or Other Cost.

2.25. Adjustments for Overpayment, Fine Penalty, or Other Cost

The City shall offset payments due to Contractor for any overpayment, fine, penalty or defense cost incurred as a result of the Contractor's acts, errors, and/or omissions which violate existing law, administrative procedure, or which fail to comply with generally accepted standard practices or failure to comply with any term or condition of this Contract. No reimbursement by the Contractor is required under this section if Contractor's act(s) and/or omission(s) were expressly approved or directed by an authorized City representative.

2.25.1. Such failure includes but are not limited to the following:

- Late payment or nonpayment of any medical bill as a result of Contractor's acts, errors, and/or omissions to any medical provider resulting in penalty, interest or attorney fees.
- Overpayment of any medical bill owed to any medical provider in a case due to Contractor's failure to comply with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry or any written City policy provided to Contractor prior to the overpayment.
- Excessive payment to any medical provider in a case due to Contractor's failure to comply in a timely manner with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry or any written City policy provided to Contractor prior to the excessive payment.
- Fines or penalty assessed against the Contractor or the City due to the Contractor's failure to comply with the general standards of care and generally accepted practices in the workers' compensation claims administration industry or any written City policy provided to Contractor prior to the failure by Contractor.

2.26. Subcontractors' Requirements

Tasks that are completed by subcontractors shall be supported by subcontractor invoices, and documentation that substantiates their charges.

2.27. Statutory Requirements

Attached to this RFP as Appendix 4 are the City of Los Angeles Requirements and Checklist. Please review this information carefully. Compliance with these requirements and submission of necessary forms is mandatory at the time of submission of a Proposal, prior to award of Contract, or both. These requirements will be discussed in detail at the Pre-Proposal Conference. Failure to comply with the requirements will render Proposals non-responsive and eliminate them from consideration.

2.28. Governing Law

All matters relating to the formation, validity, construction, interpretation, performance, and enforcement of the RFP and the resultant Agreement/Contract, shall comply with all applicable laws of the United States of America, the State of California, and the City.

2.29. California State Sales Tax

Do not include California State sales tax in prices quoted unless otherwise requested. If requested, sales tax must be identified as being included in the pricing.

2.30. California State Board of Equalization Permit

Proposer shall enter the company's State of California Board of Equalization permit number on the Proposal form. If the company does not have this permit, the Proposer shall sign the Proposal form declaring that the company has no California sales tax permit.

2.31. Federal Excise Taxes

The City of Los Angeles is exempt from the payment of excise taxes imposed by the Federal Government. Such taxes must not be included in the proposed prices. Federal excise exemption certificates will be furnished by the Department of General Services upon request.

2.32. Periodic Independent Audit

The City reserves the right to assign an independent auditor to assess the quality of services being provided and the extent to which the vendor and its subcontractors are conducting City business within generally accepted industry standard practices. Each Contractor will be required to cooperate fully with any external audit.

2.33. Financial Audit

Firms providing services to the City will be responsible for the verification of the legitimacy of payments made to service providers and their subcontractors. The City therefore reserves the right for staff of its Office of the Controller or their designee to conduct audits of financial accountability procedures.

2.34. Contractor Evaluation Program

When the term of the Contract has concluded pursuant to this RFP, the City will conduct an evaluation of the Contractor's performance. The City may also conduct evaluations of the Contractor's performance during the term of the Contract. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the Contractor assigns to the Contract. A Contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final City evaluation.

2.35. Property of City/Proprietary Material

All Proposals submitted in response to this RFP shall become the property of the City of Los Angeles and subject to the State of California Public Records Act. Proposers must identify all trade secrets, or other proprietary information that the Proposers claim are exempt from the California Public Records Act (California Government Code Section 6250 et seq.).

In the event a Proposer claims such an exemption, the Proposer is required to state in the Proposal the following:

"The Proposer will indemnify the City and its officers, employees, and agents, and hold them harmless from any claim or liability and defend any action brought against them for their refusal to disclose trade secrets or other proprietary information to any person making a request therefore."

Failure to include such a statement shall constitute a waiver of a Proposer's right to exemption from this disclosure.

2.36. Conflict of Interest

Contractor shall have in place a procedure to identify and disclose any applicable familial or financial relationships or any potential conflict of interest between any employee and any claimant, agent or subcontractor providing services to the City. Furthermore, Contractor, its employees, agents and subcontractors shall neither accept nor offer any entertainment, gift, or gratuity as an inducement or reward for securing City business. In the event of identified unethical behavior as described above, on the part of any employee, agent, or subcontractor of Contractor, City may immediately rescind this Contract. In such an event, Contractor shall be responsible for all costs associated with the return of all City property, and for all costs associated with transition to an alternative service provider, as well as all attorney fees and costs, which may be generated by such an action. Contractor shall report any investigation or allegation of impropriety to City immediately upon becoming aware of such.

Contractor shall disclose in writing to City at inception of services, any corporate or financial ties or relationships maintained with subcontractors, subsidiaries, vendors, or suppliers of any service utilized to meet the requirements of this Contract. Any association disclosable under this provision which is entered into by Contractor during the term of this Contract shall be disclosed in advance of authorization for services to be provided to City's account.

2.37. Confidentiality

All documents, records and information provided by the City to the Contractor, or accessed or reviewed by the Contractor, during performance of this Agreement, including but not limited to employee medical information, will remain the property of the City. All documents, records, and information provided by the City to the Contractor, or accessed or reviewed by the Contractor during performance of this Agreement, are confidential (hereinafter collectively referred to as "Confidential Information"). The Contractor agrees not to provide Confidential Information, nor disclose their content or any information contained in them, either orally or in writing, to any other person or entity. The Contractor agrees that all Confidential Information used or reviewed in connection with the Contractor's work for the City will be used only for the purpose of carrying out City business and cannot be used for any other purpose. The Contractor will be responsible for protecting the confidentiality and maintaining the security of City documents and records in its possession.

Any Confidential Information provided by the City to the Contractor, or accessed or reviewed by Contractor, during performance of this Contract, will be made available to its employees, agents, and subcontractors only on a need to know basis. Further, the Contractor will provide written instructions to all of its employees, agents and subcontractors, with access to the Confidential Information about the penalties for its unauthorized use or disclosure.

The Contractor must not remove Confidential Information or any other documents or information used or reviewed in connection with the Contractor's work for the City from City facilities without prior approval from the City. At no cost to the City the Contractor will, at the conclusion of this Agreement, or at the request of the City, promptly return in an organized manner that preserves and protects the documentation, any and all Confidential Information and all other written materials, notes, documents, or other information obtained by the Contractor during the course of work under this Agreement to the City. The Contractor will not make or retain copies of any such information, materials or documents. The Contractor and its employees, agents, and subcontractors may have access to confidential medical records information, which access is controlled by statute. Misuse of such information may adversely affect the subject individual's civil rights and violates the law. The Contractor will implement reasonable and prudent measures to keep secure and private medical history information accessed by its employees, agents, and subcontractors during the performance of this Agreement. The Contractor will advise its employees, agents, and subcontractors of this confidentiality requirement.

The Contractor shall disclose the intent to use any service provider outside the continental United States of America to handle any aspect of the work within the scope of this Contract, and shall describe to the City's satisfaction the methods, which will be utilized to protect the City's interests and confidentiality of City records and information in doing so. The City reserves the right to approve any such service provider throughout the term of this Contract at its sole and absolute discretion.

Any breach of security that occurs through Contractor's website, offices or network shall require Contractor to be responsible for notifying City and all applicants affected by such breach. Contractor shall also be responsible for all costs associated with such notification.

3. STATEMENT OF WORK SPECIFICATIONS – PROPOSAL/QUOTE SECTION

Each of the requirements listed below shall be addressed in the Proposal with reference to the identical alphanumeric designation and in the same order as they are presented in the RFP.

3.1. Deliverables

3.1.1. General information regarding the entity submitting the Proposal:

Proposer's Contact Name:
Contact Title:
Mailing Address:
Location of Business (if different from mailing address):
Telephone Number:
Cellular Number:
24-Hour Tel. Number:
Fax Number:
E-mail Address:
Remittance Address (if different from mailing address):

3.1.2. Business Organization

Overview of the entity submitting this RFP, including the following information:

1. Date entity was established and location of entity when established
2. Location of headquarters
3. Total number of employees
4. Total number of employees in the City of Los Angeles and Southern California
5. Annual revenues
6. Organization chart indicating the positions and names of the core management team which will undertake this Project
7. Resumes for all core team members

8. Brief history and description of entity including adequate documentation on its financial status, which will permit the City to evaluate the Proposer's ability to provide the required services for the duration of the Contract period. Include mergers/acquisitions within the last 12 months, future plans for growth, scope of services, and locations
9. A description of the methodology the Proposer will use to meet Contract work requirements. Respond in detail to the specific questions asked about each cost containment product. Describe in detail how the services will be performed to meet the intent of the Statement of Work.

3.1.3. Client References

Each Proposal will include a list of references of present or recent clients for whom services similar to those required in this RFP were provided. The list will include the name and address of a key contact person who is familiar with the quality of service provided and a description of services provided. Five client references not owned by Contractor must be submitted. Materials and/or services must have been provided to these clients within the last three (3) years. Include the following for each reference:

CLIENT REFERENCES
Company Name:
Name of Contact:
Title of Contact:
Telephone Number:
Dates and Types of Services Provided:

The City may, at its option, contact other known clients of Proposer for references.

3.1.4. Proposed Subcontractor Information

If applicable to Proposal, the following information must be provided for each proposed subcontractor. Attach and submit this information with this Proposal:

1. Which service is being subcontracted
2. If subcontractors will not be utilized, so indicate
3. Subcontractor's name, mailing address, phone number
4. Location of Business (if different from mailing address)
5. Subcontractor's contact name, title, phone number
6. Subcontractor's registration # and/or license #, if applicable
7. Description of work to be subcontracted

8. Reason(s) for subcontracting
9. Percentage of total Contract to be subcontracted and dollar amount
10. If subcontractor is a MBE, WBE or OBE
11. Relevant work experience in years and levels of responsibility

3.1.5. Key Personnel

Include names and resumes of all key personnel who are employed by Proposer and who will be assigned to perform services pursuant to the contract, including the program manager. Proposers must identify a program manager with full authority to administer the contract, and must specify the responsibilities and duties of the program manager. For each key person identified, the Proposer shall include a description of the responsibilities, duties, and services to be performed. The City must approve in advance all changes in individuals or levels of commitments. The City reserves the right to have the Proposer replace project personnel.

City reserves the right to approve/accept key personnel. Contractor must notify City in writing if personnel cannot continue on project. The City must approve replacements.

3.1.6. Other Personnel

To ensure appropriate management of medical benefits, all bill reviewers assigned to the City's account must meet specific standards of training experience and skills.

All medical bill reviewers assigned to the City's account must be a designated medical bill reviewer as stated in California Code of Regulations (CCR) Section 2592.01 and completed training as stated in CCR Section 2592.04.

Indicate the number of staff that are currently Designated Bill Reviewers as stated in CCR Section 2592.04 and attach certificates as stated in CCR Section 2592.11.

If Contractor does not currently have the staff available, please describe in detail how you as the Vendor would provide staffing for the City.

3.1.7. Legal Issues

Disclosure of the extent to which Proposers have been sued or had other legal action initiated by clients, or have been the subject of any complaint filed with any regulatory agency in any state regarding its workers' compensation claim management services within the last five (5) years.

3.1.8. Past Failure to Complete Work Awarded

Description of any incident within the past five (5) years in which Proposer has had a contract terminated for default. Termination for default is defined as notice to stop performance due to the Proposer's non-performance or poor performance and the issue was either not litigated, or litigated and such litigation determined the Proposer to be in default. Submit full details of all termination for default experienced by the Proposer during the past five years including the other party's name, address, telephone number and the Proposer's position on the matter. The City will evaluate the facts and may, at its sole discretion, reject the Proposer's Proposal if the facts discovered indicate that completion of a contract resulting from this RFP may be jeopardized by selection of the Proposer.

If the Proposer has experienced no termination for default in the past five (5) years, so indicate.

3.1.9. Information Management Requirements

1. Contractors must be able to interface with systems utilized by the City related to the performance of the service(s) on which they submit proposals (at their own cost); these include the Department's document management and workflow system (eFlo) and the claims administration program (LINX). Proposers for the Bill Review/PPO Network component of this RFP shall provide the City with an acceptable electronic data transfer process that can be used for direct input of reviewed bills into the City's automated Workers' Compensation System LINX. See Appendix 3 for additional information and requirements. The City may replace one or both of these systems. When and if this occurs, the Contractor must be able to integrate with these two systems also.
2. Proposers must describe how they will interface with other service providers.
3. Contractor must provide any system equipment requirements necessary to perform services they propose.
4. Contractors must be compliant with Health Insurance Portability and Accountability Act (HIPAA) Title II related to electronic data interchange for all of the services on which you are submitting a proposal.
5. Proposers must describe their bill review technology including the capabilities or applications that offer real-time access to bill review activity including bill status, bill volume and performance indicators to City and TPA personnel.

3.1.10. Reports

Samples of existing reports must be included in your Proposal. Contractor(s) shall provide periodic and ad hoc reports as required by the City at no additional cost to the City. Describe on-line reporting capabilities and whether reports can be customized to meet the City's needs and any associated costs for customized reports.

1. Proposers responding to the bill review, PPO and MPN component must provide a copy of their standard bill review, PPO and MPN management reports.
2. Proposers responding to the pharmacy components must provide a copy of their standard management report including the total number of prescriptions filled, generic and non-generic, and the total amount of savings.
3. Proposers responding to the DME PPO component must provide a copy of their standard management report and provide a report detailing cost savings.
4. Proposers responding to the Radiology PPO component must provide a copy of their standard management report and provide a report detailing cost savings.
5. Proposers responding to the Utilization Review and/or /Medical-Disability Case Management component of this RFP must provide a sample medical case management report for an initial evaluation, a status update, and a claims closure. Proposer must also submit a copy of their Utilization Review approval and denial letters, medical assessment and rationale.

3.1.11. Quality Control Program

To facilitate the review of activities and to establish and maintain effective lines of communication, monthly working meetings (additional meetings may be necessary per City request) will be held with staff of the Department. Each Proposal shall include a description of its own internal quality control program and the procedures to ensure the quality of services to be provided to the City. The following factors must be included in the program:

- Activities to be monitored to ensure compliance with all Contract requirements;
- Monitoring methods to be used;
- Frequency of monitoring;
- Sample of forms to be used in monitoring;

- Title/level and qualifications of personnel performing monitoring function; and
- Report of all monitoring results, including any corrective action taken.

The City plans to utilize computerized statistics, called WorkCompStat, as a management tool to track and monitor Contractor's performance. Such statistics will include, but not be limited to, bill turnaround time, bill counts, PPO penetration and PPO savings, Utilization Review request turnaround, PBM savings and penetration and Nurse case management outcomes. Contractor will compile statistics and charts as required by the City, and meet with appropriate staff on a monthly basis to review the data and discuss methods for improvement. Contractor is expected to share such data and discussions with the City on a regular basis, and to aggressively pursue compliance with minimum goals established by the City in the area the City selects for inclusion in WorkCompStat. The City may also attend such meetings at its discretion.

3.1.12. Account Servicing

Briefly describe your account servicing approach and address the following:

- Responsibilities of the day-to-day contact
- Problem tracking and resolution process
- Title/level with problem resolution authority
- Monitoring and surveying account service satisfaction

3.1.13. Partnership/ Contractor Issues

City reserves the right to an independent audit by a third party selected by the City. Contractor costs associated with the audit cannot be charged to the City.

Proposers will provide a copy of their most recent annual financial report.

3.1.14. Additional Data

Any other data the Proposer considers essential to the evaluation of its Proposal shall be clearly stated in this section. If there is no additional data the Proposer wishes to present, the Proposer shall state the following:

"There is no additional data we wish to present."

3.1.15. Implementation Requirements

Proposer must be able to implement the program components of medical bill review and capturing non-medical non-reviewable bills for reporting, Preferred Provider Organizations (PPO's) and Medical Provider Networks (MPN's), pharmacy benefits management (PBM), durable medical equipment (DME), radiology PPO, utilization review, and medical disability case management as early as 5/1/09; however, all final implementation dates will be determined during contract negotiations.

Proposer must establish required interfaces between City claims management and other vendors and conduct necessary training.

Describe any relevant transition planning steps necessary to take over the City program and include a timeline with key steps for the transition process.

Describe any responsibilities or requirements of the City, including costs.

Indicate whether any other clients may be implemented at the same time as the City. If so, explain whether implementation of these clients will affect the quality of service provided to the City.

Identify your training team, roles, and responsibilities. In what ways do you intend to assist the City and the TPA with training?

3.2. Specific Program Proposal Requirements

The City is seeking a partnership(s) with a firm(s) to provide medical service cost review and containment components of its workers' compensation program. Implementation may require integration from multiple providers and effective communication from all parties involved to streamline the process.

Each of the five (5) program elements is described separately below and Proposers may submit Proposals for one or more of these elements. Proposers shall consider the following descriptions as minimum program requirements and shall respond to each item describing how they meet or exceed the minimum requirements (including any alternative methods which they deem can provide the targeted service). Proposers should feel free to provide additional information as necessary to adequately describe the services being offered.

For each Proposal submitted, provide the following. Detail any comments or exceptions to these requirements:

- Identify the service or set of services you are responding to and which are bundled or unbundled from each other.

- If Proposer has identified its Proposal as potentially unbundled (not inclusive of all of the services on which proposals are being solicited in this RFP), how will the proposed service(s) be coordinated with each of the other services?

3.2.1. Bill review

In fiscal year 2007/2008, the City of Los Angeles submitted 242,463 bills to its bill review vendor for review. These included bills from hospitals, medical and legal offices, pharmacies, as well as medical suppliers for a total amount of \$263,218,524. The City wants to achieve additional cost savings through the reduction of these bills to State fee schedules and below, individual vendor contracts, Pharmacy Programs, Radiology Programs and PPO savings:

- a. Describe your bill review process addressing specifically your ability to comply with the California Workers' Compensation Official Medical Fee Schedule (OMFS). Describe how you update your bill review system in relationship to system rules, fee schedule updates, PPO/MPN contract rate updates and changes in PPO/network providers.
- b. Provide statistics on your five (5) largest clients regarding your bill turnaround time for processing; including number of bills processed outside the mandatory 60-day timeframe as stated in Labor Code (LC) 4603.2 and number of reconsiderations.
- c. Describe your ability to identify and correct fee schedule excesses and billing infractions, capture duplicate/partial duplicate charges, and recognize unbundled service codes.
- d. Describe your system's ability to analyze all medical, pharmacy, and medical/legal evaluation bills and reduce them to amounts allowed by the State's Official Medical Fee Schedule and below. Identify your process for reviewing out-of-State bills. Identify your process for reviewing dental bills.
- e. Identify the bill review turnaround time limits for regular medical bills and bills submitted for reconsideration to which you are willing to commit. Because delays in bill review can result in penalties or other losses, City desires to consider the reduction of total fees paid to Contractor for delays in bill review, tied to turnaround time limits. What penalties do you propose for noncompliance with the turnaround limits? What penalties do you propose for acts, errors, and/or omissions which result in loss or expense to the City?
- f. Describe your computer system's capability to track duplicate bills, service dates, diagnostic codes, original bill amount, and recommended reduction. Provide individual reports of discount

savings by type (PPO, discount network, Medical Legal, etc.) and an integrated savings report.

- g. Describe your system's ability to identify and prevent fraud, including but not limited to the following:
 - 1. Methods used to insure data transmission is secure
 - 2. Description of security available for all electronic communications.
 - 3. Software capabilities to analyze fraud and abuse from medical providers. Does your software have the capability to detect aberrant patterns in medical care and illogical patterns in billing? Does the software allow you to filter by treatment codes, medical providers or locations? Once this information is captured, how do you address situations of potential fraud?
 - 4. Methods employed to confirm that the injured worker actually received the services billed for by the provider?
 - 5. Do you have a fraud prevention specialist employed by your organization? If so, please provide a curriculum vita for this individual. Describe the role this individual plays in your organization.
 - 6. Provide examples of successful fraud prevention in similar programs.
- h. Describe how Preferred Provider Organizations (PPO's) are coordinated with the medical review process to ensure maximum discount.
- i. Describe how bill review is coordinated and linked with utilization review and medical case management to assure adherence with treatment approvals and denials, and identify procedures that have not been approved and therefore should not be paid. Specifically address system links and how the Utilization Review/Case Management nurse, adjuster and bill reviewer are connected.
- j. Contractor shall defend any review recommendations in arbitration or at the Workers' Compensation Appeals Board (WCAB) when requested by the City or its designated Third Party Administrator (TPA). If additional fees will be required for this service, this must be stated in the response to the RFP. Contractor shall provide their staff for all appearances at the WCAB on lien, bill and UR issues. This provision will survive the term of the contract.

- k. Contractor shall provide two on-site technicians to be located in the space provided by the City and TPA. Services provided by these technicians will include but not be limited to, providing direct liaison to the City's workers' compensation management and TPA, resolving billing problems of an unusual nature, providing unique statistical reports, and responding to quality service issues or problems.
- l. Contractor shall provide and maintain an on-line terminal and office equipment in the space provided by the City and TPA at Contractor's own expense.
- m. Contractor shall interface with eFlo for viewing of bill images and processing through the workflow system.
- n. Contractor shall provide the City with an acceptable electronic data transfer process that can be used for direct input of reviewed bills into the City's automated claims management system.
- o. Contractor shall be responsible for retrieving all bills and/or information necessary for review electronically from the City's Workers' Compensation Division eFlo System or manually from TPA through a courier service. All materials are to be returned to the appropriate organizational entity at the completion of review. The TPA currently utilized is located in Alhambra, California.
- p. Contractor shall be responsible for generating and mailing an explanation of review to vendors. The memorandum shall meet all State requirements in accordance with but not limited to Labor Code Section 5307.1 and 5307.3 and shall include, at minimum:
 - 1. An itemized listing of charges reviewed,
 - 2. An indication of which services have had billing adjustments made, and the allowance made on each service adjusted,
 - 3. The reason for each adjustment
 - 4. A Statement instructing the service provider to contact Contractor for any inquiries or disputes regarding the reduction of charges, and
 - 5. Any additional State requirement which may be enacted.
- q. Contractor shall also be responsible for returning all original bills along with a second letter of explanation of review for each bill to

the City's Workers' Compensation Division electronically and manually to TPA.

- r. Contractor shall be responsible for responding to inquiries from vendors who question the recommended payment, and for re-evaluation of bills, if warranted. This service is to be included in the original fee for each type of review. Contractor shall provide a designated toll free phone number for City's analyst to refer such calls.
- s. Explain how physician bills are re-priced and coordinated with bill review. Describe how re-pricing impacts the administrative fee that the City paid for an original bill. Provide a sample Explanation of Review statement form.
- t. All hospital bills, including those cases that received an initial utilization review and those that were not reviewed at the time of hospitalization, are to be audited to ensure that only appropriate charges are made. All hospital bills are to be analyzed and adjusted to disallow duplicate charges, charges for treatment not received, charges for treatment received but not ordered by a physician, and charges that are outside the scope of the City's liability.
- u. Appendix 2 contains twenty-five (25) sample medical bills. Please review and re-price these bills providing an explanation of review including net savings for each. Re-price these bills based on the actual date of the bill.
- v. Describe in detail your existing contracts with interpreting vendors, transportation-taxi vendors, ergonomic assessment vendors, home health care, durable medical equipment and all other vendors existing within the workers' compensation arena. In detail, please provide your current savings with your existing clients. Please include savings report, if available.
- w. Describe the methods used to accept electronic bills from healthcare providers. Include an explanation of methods used to insure medical providers submit billing on standardized forms and address how you insure confidentiality of the medical information submitted on electronic claims.
- x. Address the Proposers ability to meet specific reporting and information requirements as set forth in the California Workers' Compensation Information System (WCIS) regulations.
- y. Describe your organizations approach and system capability to generate reports on Level of Service (LOS) review—Specify CPT (Current Procedural Terminology) code ranges reviewed.

- z. Describe your ability to apply PPO, MPN discounts.
- aa. List all available PPO/MPN networks and describe the tiering arrangement you are contractually committed to with your PPO networks. Include the average savings below the California Official Medical Fee Schedule that can be expected and the PPO percentage discount.
- bb. Describe your ability to integrate utilization review determinations into bill review notes to insure payments are not recommended for denied services and indicate whether this process is automated or manual. Specifically, outline how your system tracks and limits the number of chiropractic, physical therapy, and occupational therapy visits to the California state mandated 24-visit cap. Include a description of the processes in place to allow City and TPA to override and exceed the 24-visit cap if deemed appropriate.
- cc. Define your process and your ability to review all Medical/Legal bills in accordance with Division of Workers' Compensation (DWC) guidelines, for compliance with the California Medical/Legal Fee Schedule.
- dd. Define your process and your ability to prepare and send, at the Proposers expense, an explanation of review for each bill reviewed to the medical provider, the designated City TPA and if requested to other party. The explanation of review shall include an explanation of the reconsideration process including telephone number, address and contact information for the bill review location. Include a sample of your explanation of review.
- ee. Outline the procedures used to resolve complaints from medical providers concerning bill review recommendations including your standard turnaround time to address inquiries, resolve complaints and complete reconsideration requests.
- ff. Confirm the availability of a highly qualified bill review representative from your organization to defend reductions or recommendations at any workers' compensation proceeding including but not limited to lien conferences, mediations and hearings at no additional cost to the City.

3.2.2. Capturing Non-Medical Non Reviewable bills for Reporting

In fiscal year 2007/2008, the City processed approximately 82,000 non-medical non-reviewable bills. These bills include medical liens, medical interpreter, non-medical interpreter, mileage, transportation-taxi, non-emergency medical transport, ergonomic assessment, ergonomic

equipment, investigations, outside counsel, attendant care family member, maid service, services of home health aide, mattress inner spring, hospital bed, exercise equipment, wheel chair negotiated by nurse, gym membership and gym equipment among others.

Describe how you will capture the following information on the type of bills above and how you will transmit the information to LINX:

1. Name of Vendor and Tax ID
2. Date of Service
3. Claimant Name
4. Claim Number
5. Type of Service (if possible)
6. Reserve Code
7. Payment Code
8. Amount of charges
9. Date bill received by City of Los Angeles

Does Contractor have any procedures, PPO's or contracts in place to negotiate the above type bills and services? Please explain in detail. Please provide savings report, if available.

3.2.3. Preferred Provider Organizations Network

The City is a major employer and will spend more than \$130 million in the workers' compensation industry this fiscal year. The savings realized by the City through participation in a PPO program is largely dependent upon its physicians' choice of hospitals and the location of the PPO facilities. Therefore, the scope and quality of PPO participants is of paramount importance. The majority of City employees receive care in the greater Los Angeles area, and the City is most interested in contracting for PPO services with a high number of participating care providers located in this area. However, due to our active and mobile base of retired claimants, the City is also interested in the breadth and scope of PPO services available throughout the United States.

Provide a complete description of your PPO Program. Address the following requirements in your response.

- a. Describe your PPO network capabilities in detail including network composition, continuity of care and transfer of care provisions and workflows to maintain network integrity.
- b. Describe clearly the scope and cost of discount services offered, including the methodology used to determine savings. The City is interested in considering any medical service cost containment services that Contractors may wish to submit within the scope of this Proposal.

- c. In service areas where a fee schedule exists, discounts must be below that fee schedule. For services where there is no established fee schedule, discounts should represent substantial savings below industry retail.
- d. Contractor shall be responsible for making and maintaining contracts with PPO hospitals to provide a discounted rate, and will make an electronic listing of these hospitals available to the City on a regular basis. As part of its Proposal, each Proposer shall provide a listing of its participating PPO network.
- e. The Contractor shall create a panel of physicians or occupational health facilities experienced in workers' compensation to be utilized for the initial treatment of employees and a subset panel of network physicians to be used for treatment requiring long-term treatment or specialty care evaluation. The Contractor shall maintain up-to-date medical panels and provide copies of the initial treating panel to City departments and provide copies of the specialty panel to designated representatives of the City and TPA. Describe how you will comply with this requirement and insure panels are updated minimally every six months for the City and designated TPA's.
- f. The Contractor's network of physicians must be educated in the City's Mandatory Return to Work Program and the necessity of issuance of work restrictions (if any) during the initial visit and all follow up visits. All physicians within the proposed network must be educated on and given the City's profile.
- g. Describe the role of the Medical Director as described in California Code of Regulations (CCR) Section 9792.6(l). Include a copy of the Medical Director's curriculum vitae. Explain the Medical Director's responsibilities within the network.
- h. Provide an explanation of your medical provider contracting process. Include the provider recruitment, credentialing/re-credentialing process. Indicate whether your organization conducts their own credentialing or utilizes an outside credentialing verification organization for the process. Provide detailed information regarding any outside organization that assists with the credentialing process including responsibilities and licensure/accreditation information.
- i. Address whether you sublease networks and supply a list of all subleased networks. If the Contractor utilizes a proprietary network, verify the Contractor holds direct contracts with all providers. Include a list of the types of providers not included in the network. (e.g. translation, transportation).

- j. Provide an explanation of any formal disciplinary processes you have in place for non-performing medical providers. Specify the frequency a physician is reviewed and the percentage of network physicians that are cited each year for non-compliance.
- k. Describe the process for transmitting updated provider network information to the bill review system. Indicate the frequency of updates and the process in place to assure the accuracy of contract information maintained within the bill review system.
- l. Explain the enrollment process for providers not currently contracted in your network/PPO. Describe the eligibility requirements, the nomination process for network participation and the duration of the nomination process from application to contract execution.
- m. Describe the process for ensuring network providers refer within the certified network for all services including referrals to ancillary services such as transportation, durable medical equipment and diagnostics.
- n. Describe the process for ensuring network providers adhere to ACOEM guidelines and other evidence based medical treatment guidelines when recommending treatment for injured workers.
- o. Explain how network providers are educated to collaborate with utilization review and case management services.
- p. Describe the quality assurance program and specifically address how the program complies with regulatory mandated processes.
- q. Outline the procedures used to resolve complaints from medical providers and/or injured workers. Include your standard turnaround time to address inquiries and resolve complaints. Indicate whether this information is shared with the City and confirm the City has no liability in the process.
- r. What is the average contracted reduction below the California Official Medical Fee Schedule with your PPO/MPN providers? What is the average contracted reduction below the California Official Medical Fee Schedule with PPO/MPN hospitals?
- s. Provide retrospective PPO penetration rate statistics. Provide the average PPO reduction for medical providers. Provide the average PPO reduction for in-patient hospital stays.
- t. Provide a list and the total number of participating providers by specialty and hospitals for your networks and your PPO

respectively for Los Angeles County, Southern California and outside California.

- u. Provide a sample savings report summarizing PPO penetration statistics and savings by specialty.
- v. Describe your ongoing process for monitoring and maintaining quality of service within the network/PPO.
- w. Contractors shall provide access to their provider directories (both online and hard copy as available) during the evaluation process. How frequently are directories updated? Contractors will be required to provide, at no additional cost, hardcopy and electronic regularly updated directories to the City during the term of the Contract.
- x. Describe the PPO penetration for Workers' Compensation costs for the following health care plans and their providers which are currently under contract with the City for non-industrial employee health care:
 - Blue Cross PPO
 - Blue Cross HMO (California Care)
 - Kaiser
 - First Health
- y. Describe the availability of more than one primary PPO, if available, and the procedures and policies for selecting a primary PPO and for changing a primary PPO during the contract period.
- z. Are your PPO's approved as Medical Provider Networks under California Labor Code 4616?
- aa. Appendix 1 includes a list of some of the City's medical providers for workers' compensation services, not including pharmacy services. Identify which of these providers are in your networks. For the years of 2005, 2006, and 2007 identify the percent of savings below fee schedule you were able to obtain for other clients for these providers.

3.2.4. Medical Provider Network

Article 2.3, Section 4616 of the California Labor Code provides that insurers or employers may establish medical provider networks to treat employees for work-related injuries. The City is soliciting proposals to establish a network consistent with this, which will provide quality care to injured City employees at a cost savings.

- a. Fully describe the network you are proposing. Include explanations of your network qualifications as a “Medical Provider Network” under Labor Section 4616, including but not limited to the following:
1. The network includes physicians primarily engaged in the treatment of occupational injuries and primarily engaged in the treatment of non-occupational injuries.
 2. The percentage of physicians in the network primarily engaged in the treatment of non-occupational injuries is at least 25%.
 3. The number of physicians in the network is sufficient to enable treatment for injuries or conditions in a timely manner.
 4. The network includes an adequate number and type of physicians as described in Section 3209.3 of the Labor Code, or other providers, as described in Section 3209.5, to treat common injuries experienced by injured employees based on the type of occupation or industry in which the City of Los Angeles is engaged and the geographic area where the employees are employed.
 5. The majority of City employees receive care in the greater Los Angeles area, and the City is most interested in contracting for a network with a high number of participating care providers located in this area. However, due to our active and mobile base of retired claimants, the City is also interested in the breadth and scope of network services available throughout the United States.

Identify the scope and number of providers in your network (provide their tax identification numbers, if possible). Provide numbers by location and type including, but not limited to: Hospitals, Physicians - Primary Care, Occupational Medicine, Orthopedic, Neurologist, Clinics, Imaging Centers, Chiropractors, Physical Therapists, Outpatient Surgery Centers, etc. Provide a listing of participating facilities and maps or other visual displays of the coverage available in the Southern California area and nationwide.

6. The network’s medical treatment for injuries shall be readily available at reasonable times to all employees.
7. All treatment provided by the network shall be provided in accordance with the medical treatment utilization schedule established pursuant to Section 5307.27 or the American College of Occupational and Environmental Medicine (ACOEM) Guidelines

8. Any other requirements under the Labor Code.
 9. The Proposer will be required to meet any further or revised requirements as subsequently determined by the State.
- b. Does your network have a pharmacy component? If so, please incorporate responses to Section 3.2.4 of this RFP into your response for this Medical Provider Network component. If you do, the Pharmacy and Medical Provider Network components will be considered bundled. Please price both separately so City may consider the Network component independently.
 - c. Does your network have a durable medical equipment component? If so, please incorporate responses to Section 3.2.4 of this RFP into your response for this Medical Provider Network component. If you do, the Durable Medical Equipment and Medical Provider Network components will be considered bundled. Please price both separately so City may consider the Network component independently.
 - d. In service areas where a fee schedule exists, discounts must be below that fee schedule. For services where there is no established fee schedule, discounts should represent substantial savings below industry retail.

Describe the cost of network services offered including the methodology used to determine savings, i.e., percentage below the State's Fee Schedule. Additionally, would you be willing to commit to bill only at the contracted rate to avoid the expense of bill review for your services? Would you be willing to be penalized for charges in excess of the contracted rate? How would you propose to structure a penalty system? How would erroneous coding be a part of the penalty system? The City is interested in considering any medical service cost containment services that Contractors may wish to submit within the scope of this RFP.

- e. Describe your billing procedures. Will your providers submit their bills through the network so that the network can monitor costs, treatment, etc.? Do you have a method to control duplicate billing? Is electronic billing available?
- f. Contractor shall be responsible for making and maintaining contracts with network hospitals to provide a discounted rate, and will make a listing of these hospitals available to the City on a regular basis. As part of its Proposal, each Proposer shall provide a listing of its participating providers.

- g. Explain the process for adding providers to the network. What would be the terms of the contracts with your network providers? Describe the potential for the City to participate in decisions to include or exclude providers in the proposed City network.
- h. Describe your ongoing process for monitoring and maintaining quality of service within the network, including compliance with ACOEM guidelines; providing prompt and quality medical reports; providing prompt, clear, and work-related work restrictions; and promoting timely return to work.
- i. How does your network provide mechanisms and incentives for ensuring prompt return to work?
- j. Contractors shall provide access to their provider directories (both online and hard copy as available) during the evaluation process. How frequent are directories updated? Contractors will be required to provide, at no additional cost, regularly updated directories to the City during the term of the Contract.
- k. Contractor may be responsible for issuing Employee notifications as required by the State if City implements MPN. Provide Contractor's cost for this service.

3.2.5. Pharmacy Benefits Management and Durable Medical Equipment

In fiscal year 2007/2008 the City received 53,893 pharmacy and durable medical equipment bills totaling \$16,376,591. The City wants to obtain these services at a substantially discounted rate for its members living in the Southern California area and nationwide, through retail and mail order delivery systems. Consequently, the City desires to utilize an existing network or develop a Pharmacy Benefits Management (PBM)/Durable Medical Equipment (DME) network(s) for these services. The City may select to contract for both an integrated retail and mail order program, for these services separately, or for only one of these services. **Please provide information for each service, retail and mail order, for the following:**

- a. Describe your PBM/DME retail and mail order services. Are these services integrated? Can they be contracted for separately?
- b. Identify the scope and number of pharmacies/DME providers in your network with a listing of participating facilities and maps or other visual displays of the coverage available in the Southern California area and nationwide.
- c. Do your pharmacy contracts cover all drugs?
- d. Describe how PBM/DME services are coordinated with bill review to ensure maximum savings.

- e. Does your program have a customer service feature with a dedicated toll-free line, available 24/7/365 service, with knowledge of the client's plan design, drug coverage, and formulary items?
- f. Does your program have a designated and responsive account management team, including clinical pharmacist support, focused on proactive and efficient management of prescription drug program service, durable medical equipment supplies, operations, and cost trends?
- g. Describe your formulary program, including your ability to customize your formulary by claimant, employee classification (civilian, sworn), and drug type.
- h. Describe your approval process for claims that fall outside the formulary.
- i. Describe the process for the City and the Contractor to approve, maintain, and verify eligibility data.
- j. Describe the ID card program for the participants of the program and identify related controls.
- k. Explain your ability to transfer existing refills on mail order prescriptions from the City's current mail order service and detail any costs associated with this service.
- l. Describe how members submit mail order prescriptions for new prescriptions and refills. Provide a copy of the material they will need to complete for their profile and or self-addressed envelopes they will use to submit their claims.
- m. What is the maximum turnaround time for processing mail order drugs?
- n. Appendix 1 includes a list of some of the City's Pharmacy providers for workers' compensation pharmacy services. Identify which of these providers are in your networks. For the years of 2005, 2006, and 2007 identify the percent of savings below fee schedule you were able to obtain for other clients for these providers.
- o. Describe and explain the injured employee satisfaction level with the above service.
- p. Appendix 4 contains twenty (20) sample pharmacy bills. Please review and re-price these bills providing an explanation of review including net savings for each. Re-price these bills based on the actual date of the bill.
- q. Appendix 5 contains twenty (20) sample durable medical equipment bills. Please review and re-price these bills providing an explanation of review including net savings for each. Re-price these bills based on the actual date of the bill.

3.2.6. Radiology Preferred Provider Organization

The City desires to have a full service radiology PPO, to include Magnetic Resonance Imaging (MRI) and Computer Tomography (CT) scans.

- a. Describe your radiology PPO.
- b. Describe the territories your radiology PPO covers.
- c. Are the fees for your radiology services below the California Fee Schedule? If not, please explain. Please provide a listing of procedures and fees.
- d. Please provide a listing of your radiology providers for Los Angeles County and Southern California.
- e. Can you guarantee same day appointments? If not, propose a time frame you are willing to guarantee.
- f. Can you guarantee next day readings of MRI and/or CT scans? If not, propose a time frame you are willing to guarantee.
- g. Appendix 6 contains twenty (20) sample radiology bills. Please review and re-price these bills providing an explanation of review including net savings for each. Re-price these bills based on the actual date of the bill.

3.2.7. Utilization Review Services

The City wishes to obtain both inpatient and outpatient Utilization Review (UR) services to ensure that all treatment provided to City employees is provided in accordance with applicable medical protocols (currently new American College of Occupational and Environmental Medicine [ACOEM] guidelines), at an appropriate standard of care, and in the most cost effective manner. Other standards such as McKesson, Occupational Diagnostic Guide and other medical-based evidence resources are desirable. UR should be closely coordinated with Medical-Disability Case Management and other medical service cost review and containment services.

The City is currently implementing an in-house utilization unit. The goal of this specialized unit is to deliver exceptional service to our requesting providers and our injured employees ensuring a turnaround decision of less than 2 days, deliver the best and most appropriate medical care, return our injured employees to modified duty from onset of injury and fulfill the guidelines set by the State of California.

- a. Explain your UR process. Explain how you propose to provide both utilization review and medical-disability case management functions in a seamless process for the City. Please describe in detail from the initial receipt of the treatment request to the adjuster and/or UR Coordinator to notification to the requesting physician

and the injured employee. Please include your average turn around time.

- b. Describe your utilization review intake process including the options available for treatment requests to be submitted, how you track receipt of the request, and the process you employ to confirm receipt of the request to all appropriate parties. Clearly delineate whether these processes are automated or electronic.
- c. Describe in detail the process to track the request for treatment from the time of receipt, review of the request by the non-physician reviewer, review of the request by the expert reviewer (peer review), completion of the determination and the confirmation process to insure delivery of all determinations. Clearly outline all utilization review data tracked and clearly delineate whether the process is automated or manual.
- d. Explain the process to capture duplicate requests for medical treatment including timeframes and methods for addressing these requests with the medical treatment provider.
- e. Where is your medical staff located? Please describe in detail their experience in California Workers' Compensation, especially in the Los Angeles area and Utilization Review.
- f. Describe your outpatient utilization review program including consideration of advanced review of medical care to determine the medical necessity appropriateness of placement, appropriateness of proposed treatment plan (including ancillary usage) and continuing review of the intensity of treatment. Outpatient Utilization services should also address chiropractic treatment review and physical therapy services.
- g. Describe your professional utilization review program for hospitalizations for cases referred by the City or TPA, your policy regarding appeal, reconsideration, distribution of determination letter to all parties involved such as claimant, treating physicians, attorneys, provider, and include, at minimum, descriptions as follows:
 - 1. Pre-Admission Review including evaluation of the attending physician's request for a non-emergency, inpatient admissions to an acute care hospital. This evaluation is to be conducted on both medical and surgical procedures utilizing professionally recognized medical criteria to review the medical necessity, appropriateness of placement, and proposed treatment plan, including ancillary usage and length of stay, for the proposed hospitalization.

2. Continued Stay Review, including monitoring on a continuing basis, the appropriateness of treatment, intensity of treatment, and length of stay, for hospitalized patients. Describe your protocol for concurrent review for ongoing hospitalization, contacts with hospital Nurse Case Manager or discharge planners. What classifications are included in your staff? Are there Licensed Vocational Nurses (LVN), Registered Nurses (RN), Technicians, Medical Assistants (MA), Physician Assistants (PA)?
 3. Discharge management including coordination and transition of a patient from an inpatient, acute-care hospital status to home or to an alternate, more cost-efficient setting. Contractor's program must anticipate the patient care, nursing, and equipment needs at the time of discharge from an acute care facility.
- h. How do you ensure compliance with the new ACOEM guidelines? Evidence based medicine, Occupational Diagnostic Guide (ODG) and McKesson? Other guidelines?
 - i. Describe your utilization review standards, including a description of sources for clinical and length of stay norms. Describe your standards on timeliness.
 - j. Describe how utilization review is coordinated with medical review to ensure adherence with treatment approvals and denials and payment only for approved services.
 - k. Describe the role of the physician advisor in the UR process. How many physicians are on your advisory panel? What are their specialties? What is their experience in California Workers' Compensation and ACOEM?
 - l. What percentage of Utilization Review decisions were appealed for 2007-2008? How often was an original review decision upheld? Explain other outcomes.
 - m. Describe your protocols for the following:
 1. UR protocols for inpatient and outpatient treatment
 2. Disability management for duration of disability
 3. Are these protocols on-line? Are these accessible to field case management nurses?
 - n. What are your recommended criteria for UR intervention? Specifically address referral criteria for prospective UR for surgeries and outpatient services?

- o. Does your organization meet statutory requirements for UR in states with specific regulations? Which states are these and how do you stay abreast of legislative changes?
- p. Will your nurses have on-line access to the PPO networks and will this include any providers specifically identified for the City?
- q. What is the annual turnover rate for nurse case managers?
- r. Does the UR nurse compare prices and services for physical therapy and durable medical equipment? Explain.
- s. Describe the role of the Medical Director. Include a copy of the Medical Director's curriculum vitae. Indicate whether the Medical Director functions as an Expert Reviewer or whether the Medical Director role is purely supervisory. The City desires a medical director on-site with the Utilization Review provider. Where is the medical director located? Will the Medical Director be available for consultation and meetings with the cities stakeholders and Unions? Provide percentage of time the Medical Director spends in each role.
- t. List the specialties covered in your panel of Expert Reviewers. Indicate the percentage of Expert Reviewers Board Certified in their area of specialty, the percentage of Expert Reviewers licensed in California and the percentage of Expert Reviewers domiciled in California. Provide the total number of Expert Reviewers contracted and include an explanation of the initial and on-going credentialing process for all Expert Reviewers.
- u. Describe the reconsideration and appeal process including timeframes and methods for tracking the process.
- v. Contractor will defend any UR recommendation in arbitration or at the Workers' Compensation Appeals Board (WCAB) when requested by the City of designated Third Party Administrator (TPA). If additional fees will be required for this service, this must be stated in the response to the RFP. Contractor will provide their staff for all appearances at the WCAB.
- w. Submit samples of screen shots of processes and describe the benefit of each step in the utilization review process. If a computerized referral process is used, please describe process and provide screen shots of the system.
- x. Provide sample operational reports (e.g. outlining receipt of treatment request, turn-around time, etc.).

- y. Provide sample monthly summary reports (e.g.; outlining number of requests, number of authorization, denials, reconsiderations, appeals, etc...).
- z. Indicate if you are Utilization Review Accreditation Commission (URAC) or state licensed, where applicable.
- aa. Please attach a copy of your Utilization Review Program filed with the State of California.
- bb. Please attach a copy of six (6) provider assessments.
- cc. Please attach examples of your UR letters and notices.
- dd. Please attach copies of any State, client and internal audits which have been completed on your UR process.
- ee. Please submit pricing for a 1 day turnaround, 2 day turnaround and a 3 day turnaround. Please define a UR turnaround day in your proposal and explain in detail with time limits. For example, a UR request submitted to Contractor on Friday at 4:00 p.m. On what day and time would the UR decision be due to the City for a 1 day turnaround?

3.2.7.1. Medical/Disability Case Management (CM)

The City desires to utilize the services of nurse case managers and peer review physicians to ensure the appropriateness of treatment and adherence by medical providers to generally accepted treatment protocols. Discuss both telephonic and field case management services. Please fully describe your case management programs.

- a. Explain your telephonic and field case management process. Include a description of the process by which you facilitate channeling employees to preferred providers. What is the process involved in giving authorization to certain treatment plans, diagnostic tests or referrals?
- b. How do you ensure compliance with the new ACOEM guidelines?
- c. City will have final approval of case management referral criteria.
- d. Contractor's clinical supervisors, medical director, and physician advisors must be currently licensed to practice in California and must be readily accessible to case management nurses.

- e. Proposers shall provide a brief program description of medical case management services, including resumes or curriculum vitae of key consultants on staff. The description shall include, at minimum, the following:
 - 1. Length of experience with such services
 - 2. Early intervention strategies
 - 3. Use of physician consultants
 - 4. Example of guidelines made available to claims adjusters
 - 5. Industry standard benchmarks and/or clinical criteria norms utilized
 - 6. Caseload maximums for nurse case managers
 - 7. Experience within the Workers' Compensation arena.
 - 8. Knowledge of early return to work and modified duty programs.
 - 9. Life care planning experience.
 - 10. Catastrophic case management.
- f. Identify your managed care partners and your relationship with each of them.
- g. Describe your plan for the provision of onsite case management services. How will you integrate this service with field case management and UR? Provide a workflow.
- h. Explain your service standards concerning the case managers' communication with the client, the injured worker, the claims administrator, medical providers, and defense and petitioner counsel, if any.
- i. Does the nurse case manager compare prices and services for physical therapy and durable medical equipment? Explain.
- j. Please provide the following statistics:
 - 1. Average cost per claim for telephonic, field, and on-site case management.
 - 2. Percentage of cases in calendar year 2007 that resulted in return to work: within 7 days of referral, within 30 days of referral, greater than 30 days of referral, did not return to work.
- k. What type of background and certifications do you require for nurse case management? Are these your employees or are they contracted?

- l. Describe your methods for measuring results/outcomes with nurse medical case management. How do you quantify "soft savings?" How is this information tracked?
- m. Do nurse case managers have access to the same treatment and duration protocols as your telephonic nurses? If not, what do they use?
- n. Are your nurse case managers linked to an electronic mail system? Do all field case managers have lap top computers? How accessible are the field personnel, i.e.; cellular phone?
- o. Do you assign case managers randomly or do you take into consideration the location of claimant, specific illness or injury? No referrals will be made without City's authorization.
- p. Provide a sample management report for case management savings.

3.3. Electronic Data Interchange (EDI) Requirements

Provide a complete description of your EDI capabilities. Address the following requirements in your response.

- 1. Describe your bill review software. Is the software proprietary, leased or purchased? Is imaging completed in-house or outsourced? How frequently are system enhancements completed? Is there a predetermined schedule? Is there a separate charge for system enhancements?
- 2. Describe your utilization review and case management software. Is the software proprietary, leased or purchased?
- 3. Describe the methods used to assure the quality of data transmissions.
- 4. Describe your disaster recovery plan including timeframes to address requests for documents and ability to recover and return on-line with appropriate staffing.
- 5. Address whether you have a redundant data center for back up and recovery.

The Contractor will consistently update and enhance all software systems to insure compliance with the State of California workers' compensation regulations and requirements at no cost to the City. See Appendix 3-SystemsHandout for additional information.

3.4. Program Costs

The costs to perform the services described in this RFP must be reasonable and competitive with other Proposals without diminishing the quality of services. Rates must be separately quoted for each type of service proposed.

Please provide the pricing methodology for each of the following core services:

1. Medical Bill Review, capturing non-medical non-reviewable bills for reporting and payment, Preferred Provider Organizations (PPO's) and Medical Provider Networks (MPN's)
2. Pharmacy Benefits Management (PBM) program;
3. Durable Medical Equipment (DME) PPO
4. Radiology PPO
5. Utilization Review (UR) and Medical Disability Case Management;

4. SELECTION PROCESS AND EVALUATION CRITERIA

This RFP represents the initiation of a competitive process and it is expected that many highly qualified firms will submit Proposals. The City will follow the general guidelines below in evaluating those Proposals, selecting a successful Contractor, and awarding a Contract. Any Proposal, which does not adhere to the RFP format as specified, may be considered non-responsive and not subject to further evaluation.

While administrative cost is clearly important in the determination of a final successful bidder, the technical competence of the Proposer and the overall cost of risk will remain significant factors in the formation of a final decision. The City reserves the right to conduct interviews of key personnel regarding any aspect of the Proposal, to make an on-site visit of the Proposer's facility, and/or to request additional information about any part of the Proposal which may require clarification.

All Proposals will be initially reviewed to determine if they are responsive to all of the City's statutory requirements. Those proposals deemed non-responsive may be eliminated from consideration.

A committee consisting of management level staff throughout the City shall evaluate those Proposals deemed responsive. The General Manager of the Personnel Department shall approve the final selection(s).

RFP responses will be evaluated in part based upon the City's rating of your response and answers to the questions and requirements set forth in this RFP.

4.1. Evaluation Factors

Evaluation of submitted proposals will be based on each service proposed and the following factors and the points available for each factor:

	MAXIMUM POINTS
MEDICAL BILL REVIEW; PPO / MPN	
Interpretation of project objectives and description of services provided	90
Professional qualifications, specialized experience and technical competence of the project team and experience and capacity as a corporation or other entity to perform the required services	100
Past performance and experience on other projects/contracts involving self-insured governmental entities and/or private industry of similar size and nature	120
Ability to integrate networks and services with City and other possible vendors (i.e. system's capabilities to intergrate with a variety of service providers)	80
Cost	110
TOTAL	500
UR AND MEDICAL DISABILITY CASE MANAGEMENT	
Interpretation of project objectives and description of services provided	90
Professional qualifications, specialized experience and technical competence of the project team and experience and capacity as a corporation or other entity to perform the required services	100
Past performance and experience on other projects/contracts involving self-insured governmental entities and/or private industry of similar size and nature	120
Ability to integrate networks and services with City and other possible vendors (i.e. system's capabilities to intergrate with a variety of service providers)	80
Cost	110
TOTAL	500
PHARMACY BENEFITS PROGRAM	
Interpretation of project objectives and description of services provided	90
Professional qualifications, specialized experience and technical competence of the project team and experience and capacity as a corporation or other entity to perform the required services	100
Past performance and experience on other projects/contracts involving self-insured governmental entities and/or private industry of similar size and nature	120
Ability to integrate networks and services with City and other possible vendors (i.e. system's capabilities to intergrate with a variety of service providers)	80
Cost	110
TOTAL	500
DURABLE MEDICAL EQUIPMENT PPO	
Interpretation of project objectives and description of services provided	90
Professional qualifications, specialized experience and technical competence of the project team and experience and capacity as a corporation or other entity to perform the required services	100
Past performance and experience on other projects/contracts involving self-insured governmental entities and/or private industry of similar size and nature	120
Ability to integrate networks and services with City and other possible vendors (i.e. system's capabilities to intergrate with a variety of service providers)	80
Cost	110
TOTAL	500

RADIOLOGY PPO	
Interpretation of project objectives and description of services provided	90
Professional qualifications, specialized experience and technical competence of the project team and experience and capacity as a corporation or other entity to perform the required services	100
Past performance and experience on other projects/contracts involving self-insured governmental entities and/or private industry of similar size and nature	120
Ability to integrate networks and services with City and other possible vendors (i.e. system's capabilities to intergrate with a variety of service providers)	80
Cost	110
TOTAL	500

Proposers submitting the highest-rated written responses may be called for an oral interview to further assess their qualifications.

4.2. Selection of a Successful Proposer(s)

After all Proposals have been evaluated in accordance with the criteria set forth above, if any Proposal is determined to be acceptable without discussion or negotiation, the City of Los Angeles may award the Contract to that firm. If, however, a Proposal is not acceptable in total without negotiation or additional information, those firms whose Proposals are determined by the City to be within the competitive range may be contacted with regard to the modification or negotiation of specific provisions and the City may then select a Contractor after considering the results of the negotiation. This, however, is not meant to imply that the original Proposal should contain anything other than the best and final offer to provide the requested services. The City reserves the right to further negotiate the terms and conditions of an Agreement with the selected Contractor.

Notwithstanding any other provisions of this RFP, the City reserves the right to withdraw this RFP at any time without prior notice. The City also reserves the right to reject any and all proposals submitted or to waive any minor administrative irregularities contained in any proposal, when to do so would be in the best interest of the City.

5. CONTRACT APPENDICES

Appendix 1: Pharmacy/Non-Pharmacy Providers

Appendix 2: 25 Sample Medical Bills

Appendix 3: Systems Handout

Appendix 4: 20 Sample Pharmacy Bills

Appendix 5: 20 Sample Durable Medical Equipment Bills

Appendix 6: 20 Sample Radiology Bills

Appendix 7: City of L. A. Requirements and Checklist (Attachments 1 – 13)

1. Standard Provisions for City Contracts (Rev. 10/03)
2. Insurance Requirements
3. Tax Registration Certificate
4. Non-Collusions Affidavit
5. Los Angeles Residence Information
6. Los Angeles Contract History
7. Affirmative Action Compliance Documents
8. Minority and Woman Business Outreach
9. Service Worker Retention and Living Wage Ordinances
10. Equal Benefits Ordinance
11. Contractor Responsibility Ordinance
12. Slavery Disclosure Ordinance
13. Municipal Lobbying Ordinance

6. REQUEST FOR PROPOSAL (RFP) SCHEDULE

This schedule indicates estimated dates for the RFP process. The City reserves the right to adjust this schedule when appropriate.

Date	Event
12/2/08	Release RFP to potential Proposers
12/9/08	Deadline for receiving written questions for Pre-Proposal Conference
12/18/08	Issue answers to written questions, if applicable
12/18/08	Mandatory Pre-Proposal Conference
1/6/09	Issue addendum in response to Pre-Proposal Conference, if applicable
2/11/09	RFP RESPONSES DUE
TBD	Begin RFP evaluations
TBD	Conduct site visit(s) and/or materials tests, if applicable
TBD	Develop "short list" of Proposers
TBD	Oral presentations
TBD	Negotiate with apparent successful Proposer
TBD	Post award information
TBD	Execute Contract

7. PROPOSER SIGNATURE DECLARATION PAGE

The undersigned hereby offers and agrees to furnish the goods and/or routine services in compliance with all the service level requirements, instructions, specifications, and any amendments contained in this RFP document and any written exceptions in the offer accepted by the City.

This Proposal is genuine, and not sham or collusive, nor made in the interest or on behalf of any person not herein named; the Proposer has not directly or indirectly induced or solicited any other Contractor to put in a sham Proposal, or any other person, firm or corporation to refrain from submitting a Proposal; and the Proposer has not in any manner sought by collusion to secure for him/herself an advantage over any other Contractor.

Proposal must be signed on behalf of the Proposer by an officer authorized to bind the Proposer to the Proposal.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and I agree to the terms and conditions in this proposal.

Company Name: _____
Signature of Authorized Person: _____
Address: _____
Printed Name: _____
City: _____ State: _____ Zip Code: _____
Title: _____ Date: _____

The Proposer hereby acknowledges receipt of and agrees this submittal is based on the RFP and the following addenda. Failure to indicate receipt of addenda may result in the Proposal being rejected as non-responsive. To constitute a responsive Proposal, you must return all pages of the Proposal forms.

ADDENDUM #: _____ DATED: _____ ADDENDUM #: _____ DATED: _____
ADDENDUM #: _____ DATED: _____ ADDENDUM #: _____ DATED: _____

(If additional addenda are issued, attach a complete listing when submitting this Proposal.)

NO PROPOSAL

If not submitting a Proposal please state reason and return this sheet to the Personnel Department

APPENDIX 1

Pharmacy Providers and Non-Pharmacy Providers

PHARMACY PROVIDERS

Payee Name	Tax ID
BEVERLY HILLS PHARMA	954886984
KRAMER'S PHARMACY	954772190
DNM PHARMACY, INC	954749392
IV LEAGUE INC	954713173
EXPRESS PHARMACY	954683977
MICHAEL'S PHARMACY	954653210
THE PRESCRIPTION CEN	954559653
B&B PHARMACY	954496937
SANTA CLARITA VALLEY	954424912
BROWN AND WELIN PHAR	954412025
SAN GABRIEL MEDICAL	954260705
WILSHIRE-ROXBURY PHA	954197328
SIERRA PHARMACY	954070103
HEPPS PRESCRIPTION P	953949310
FRIENDLY HILLS PHARM	953336934
COWDREY'S PHARMACY	953141426
MIYADE MEDICAL CENTE	952984732
TARZANA PHARMACY	952956218
VALENCIA PHARMACY	952908196
BOBS REXALL DRUG	952784046
SANTA ANA TUSTIN PHA	952767106
EMERSON PHARMACY	952555252
CITY OF HOPE PHARMAC	951683875
SAINT AGNES MEDICAL	941437713
BURNS PRESCRIPTION P	770559625
EBC ADMINISTATORS IN	680483896
SUNPLUS HOME PHARMAC	680295781
THIRD PARTY SOLUTION	621770924
TMESYS INC	593143128
MEDICAL SERVICES COM	592997634
PMSI	562422696
PHARMA-RX	522450466
YUCAIPA VALLEY PHARM	510582575
WHITTIER DRUGS	510451748
CLINIC PHARMACIES IN	460449869
CUSTOM RX PHARMACY	450507126
CAL PHARMACY MGMT	431971803
ALBERS MEDICAL INC	431533510
WORKING RX	421538325
WALGREEN COMPANY	361924025
LONG BEACH PRESCRIPT	330972274
SAN PEDRO PHARMACY	330665126
NCL PHARMACEUTICALS,	260736008
HUGHES PHARMACEUTICL	260192088
PRECISION PHARMACY	208712538
WESTERN PHARMACEUTIC	208699454
VALENCIA PHARMACY VR	205407500
LIFE PHARMACEUTICAL	205270950
NATIONAL DRUGWORKS,	203562737
KG PHARMACY C/O NATI	202280175

NON-PHARMACY PROVIDERS

Payee Name	Tax ID
CEDARS SINAI MED CTR	951644600
CITY OF HOPE NATIONAL MEDICAL CTR	951683875
US HEALTHWORKS MEDICAL GRP OF CA,PC	954643269
ONE CALL MEDICAL INC	223218521
ASPEN MEDICAL RESOURCES	593812903
VISION QUEST INDUSTRIES INC	330350172
SOUTHERN CA ORTHOPEDIC INST	953150156
KERLAN-JOBE ORTHOPAEDIC CLINIC	952850856
HEALTHSMART PACIFIC INC	330730569
ACCESS MEDIQUIP LLC	760547182
CENTINELA HOSPITAL MED CENTER	201645949
USC NORRIS CANCER HOSPITAL	753085890
NORTHRIDGE HOSPITAL MEDICAL CENTER	870692258
CENTURY PACIFIC MEDICAL INC	330824666
CENTURY CITY DOCTORS HOSPITAL	200873438
SOBOL ORTHOPEDIC MEDICAL GROUP INC	383665766
TAHERPOUR MD, P	952698806
CHRONIC CARE INC	954683977
SEGIL MD, CLIVE M	953104969
CENTRE FOR NEURO SKILLS	953523988
IMPLANTIUM LLC	943331449
OCCUPATIONAL HEALTH CTRS OF CALIF	770469725
BADEN MD, SCOTT	953758201
GLENDALE ADVMED CENTER	951816017
HEALTHSOUTH KERLAN-JOBE SURG CTR	721349748
MODERN MEDICAL INC	311191553
USC UNIVERSITY HOSPITAL INC	752918766
ADVANCED SURGICAL PARTNERS, LLC	203927109
HIRSCH MD, JEFFREY	954856862
SAINT JOHN'S HLTH CENTER	951684082
HEALTHLINE MEDICAL GRP	954022405
HOSPITAL OF THE GOOD SAMARITAN	951656366
CALIFORNIA MEDICAL CENTER	954310407
UNIVERSITY OF CALIF. AT LOS ANGELES	956006143
NEWTON MD INC, PETER M	731682566
BEVERLY HILLS REHAB PAIN MGMT	954724131
WHITE MEMORIAL OCCUPATIONAL MED CT	952282647
M C L HEALTH MANAGEMENT	330541790
ROBERTS MD INC, ALAN	952883641
SO. CALIF PERMANENTE MED GRP	951750445
TORRANCE MEMORIAL HOSP MED CENTER	951644042
KAISER FOUNDATION HOSPITALS	941105628
HENRY MAYO NEWHALL MEM HOSP	952821104
ORTHOSUPPLY MANAGEMENT, INC.	203348174
MAX MRI IMAGING INC	571177643
STEIGER MD INC, RALPH N	954276623

NON-PHARMACY PROVIDERS

MEDICAL SERVICES COMPANY	592997634
DELAMARTER MD, RICK	954812340
RELIANT IMMEDIATE CARE MED GRP	010760177
PRESBYTERIAN INTERCOMM HOSP	951934652
ANGERMAN MD INC, ALEXANDER	953402179
ROTH MD FACS, ANDREW	953466523
BARRINGTON PSYCHIATRIC CTR	954084637
ADVANCED DERMATOLOGY COSMETIC CARE	680488308
MISSION HOSPITAL REGIONAL MED CTR	951643360
WEISSMAN MD, ROBERT A	952796090
KOOTENAI MEDICAL CENTER	820231746
HIGHLAND MANAGEMENT GROUP	203278822
PHYMED	030600094
RENOWN REGIONAL MEDICAL CENTER	880213754
BEVERLY HILLS SUNSET SURGERY CENTER	954544401
YAVAPAI REGIONAL MEDICAL	860098923
ST JOSEPH HOSPITAL-ORANGE	951643359
CENTER FOR ORTHOPEDIC SURGERY	954604812
METHODIST HOSPITAL OF SOUTH CALIF	951643336
ELECTRONIC WAVEFORM LAB, INC	953730701
ST VINCENT MEDICAL CENTER	912154438
ST JUDE MEDICAL HOSPITAL	951643325
PROVIDENCE HOLY CROSS MED CENTER	954582647
HOAG HOSPITAL	951643327
BEACH DISTRICT SURGERY CENTER	201850654
LAVI DO, SIMON	010613976
HUNTINGTON MEMORIAL HOSPITAL	951644036
METH MD, ROBERT F	953161247
MAJCHER MD, STANLEY J	954607773
COAST PLAZA DOCTORS HOSPITAL	954282160
HUNT MD, ROBERT W	952774630
GRUSD MD INC, RONALD	953676183
ST JOSEPH MEDICAL CENTER	951675600
NATIONAL MARKETING LLC	611492114
COLUMBIA LOS ROBLES HOS/MED CNTR	952321136
CALIF. CANCER SPECIALISTS MED GRP	953147370
SILVERMAN MED CORP, MITCHEL U	954194626
MEISEL MD A MEDICAL CORP, STEPHEN B	953216090
CAYTON MD INC, REVELS M	942678528
PROGRESSIVE ORTHOPEDIC SOLUTIONS	208889991
OXNARD VALLEY MEDICAL GRP INC	770496321
NATIONAL AMBULATORY HERNIA INST	330363504
DEPT. OF HEALTH SVCS	680317191
ORTHO URGENT CARE MED GRP INC	203773335
ST ROSE DOMINICAN SAN MAR	383730230
CARDIOVASCULAR MED GRP	953680411
NATIONAL DRUGWORKS, INC.	203562737

NON-PHARMACY PROVIDERS

ENCINO MEDICAL CENTER	760383712
REGENTS, UNIV. OF CALIF. IRVINE	952226406
GLASER DR, DAVID M	954055356
MIZBAN MD INC, NASSER	954077254
FUSION PHYSICAL THERAPY	208036938
CURTIS MD INC, THOMAS	954581634
LONG BEACH PAIN CENTER	330963689

APPENDIX 2

25 Sample Bills

APPENDIX 3

Systems Handout

MEDICAL SERVICE COST REVIEW AND CONTAINMENT RFP SYSTEMS HANDOUT

System Requirements

- Provide a dedicated File Transfer Protocol (FTP) Server for the purpose of importing and exporting documents between the City of Los Angeles' (City) document management and workflow system (eFlo) and the Contractor.
- Obtain a broadband T1 line connection to the City's backbone network connection located at City Hall East and managed and administered by City's Information Technology Agency department.
- Provide experienced programming and system staff as necessary to:
 - a. Support the system interface with eFlo and with AS400 Workers' Compensation System (LINX).
 - b. Modify the vendor's applications in order to properly interface with City's Department of Personnel's (LADOP) new system requirements when needed.
 - c. Provide and maintain ten or more workstations for online connection to eFlo.
 - d. Provide support staff and environment to import and export daily and weekly files related to claim payments to and from LINX.
 - e. LADOP shall require vendor to provide support staff and environment to export detail data related to Evaluated of Bills (EOBs) to LADOP on a regular basis.
 - f. Provide support staff to respond to inquiry relating to files import, export and vendor's systems status.
 - g. Provide communication network and software to comply with the State of California's mandated Electronic Data Interchange (EDI) program and using either the State approved ANSI X12 for flat-file formats.
 - h. Provide the State of California with the mandated claim information.
 - i. Provide off-site disaster recovery facility for the storage of system data and application files.

1 System Interfaces

1.1 eFlo

eFlo is the Workers' Compensation Division's document management and workflow system, otherwise known as its imaging system. All claim-related documents received in the Division, such as claim forms, bills, medical reports, and correspondence are scanned into the system. The documents are then routed to the appropriate staff (Adjustors) for processing using information retrieved from both the LINX and City's Payroll (PAYSR) systems. It uses one or a combination of the claim number, social security number, claimant name, and Workers' Compensation Appeals Board (WCAB) Number to forward the document to the staff handling the claim.

1.2 LINX

The City currently uses proprietary software, called LINX, to process its workers' compensation claims. It was specifically designed for the City by AON Corporation and has been in use since October 1990. LINX runs on an IBM AS/400 platform and has been customized to meet the City's unique requirements. Technical support and all computer equipment required for the operation of the system are currently outsourced to an outside vendor located in Irvine, CA. The City may replace LINX; therefore Contractor is required to be able to interface with any platform that the new computerized workers' compensation claim system will be utilizing.

2 System Input/Output

2.1 eFlo

The City's eFlo Imaging System has been in production since March 2006. One of the main functions of this system is exporting bills and supporting documents for review and importing related Evaluation of Bill (EOB) documents back to the system for further processing.

2.1.1 Export and Import Documents

The City initiates all the "Push" and "Pull" commands to export and import documents between eFlo Imaging System and the FTP Server. Documents are grouped in cases. Each case contains a bill with a sub-document-type of HCFA or Itemized Bill and its supporting documents. These documents are being exported with any of the following file formats: TIF, DOC, XLS and PDF. Contractor is required to ensure that their computerized claim system can accept the above file formats and any other file formats that the City deems necessary for its computerized claim system. In addition, a Header File with the file extension of .DAT that contains the data about the case is also being exported with each case (see Exhibit A for information on Import and Export file formats).

2.1.2 Exported Documents FTP Server

Exported documents will be placed in one directory on the FTP Server (i.e. ToBillReviewVendorName). Each of these cases will have one of the following statuses in the Header File: New Bill, D-Override, Med-Legal, Partial Payment, Q-Override, Reconsideration and Review Only. These statuses are utilized for bill review to distribute documents into folders for importing documents back to the City's eFlo Imaging System. Another use of the statuses is for the payment file. Bill Vendor is required to include the status of each bill being reviewed on payment file in the override indicator as follow:

D-Override as D
Q-Override as Q
Reconsideration as R
Med-Legal blank
New Bill blank

2.1.3 Bill Vendor Tracking

Bill Review Vendor is required to validate that each case of documents being imported to their system has a Bill-Vendor-Tracking-ID and that there is a document with a sub-document-type of HCFA or Itemized Bill in each case.

2.1.4 Explanation of Benefits and Related Documents

The EOBs and related documents (i.e. denial letters) that are ready to be sent back to the City's eFlo Imaging System are to be placed in the seven different folders in the FTP Server as follow:

1. Review Only EOBs will be placed in the folder with this path:
FromBillReviewVendorName/EORImages/ReviewOnly.
2. EOBs with a zero recommended amount will be placed in the folder with this path: FromBillReviewVendorName/EORImages/ZeroPay.
3. EOBs with a positive recommended amount and is not a late payment will be placed in the folder with this path:
FromBillReviewVendorName/EORImages/Pay
4. Late payment EOBs with a positive recommended amount to pay will be placed in the folder with this path:
FromBillReviewVendorName/EORImages/LatePayment

Late payment is calculated as followed:

Use the date the EOB is created minus DocCreateDate (from Header File). EOB is considered as late payment if the result of the calculation is 55 working days or more.

5. Reconsideration EOBs with a positive recommended amount to pay will be placed in the folder with this path:
FromBillReviewVendorName/EORImages/ReconEOR
6. Reconsideration EOBs with a zero recommended amount to pay will be placed in the folder with this path:
FromBillReviewVendorName/EORImages/ReconZeroPayDenial
7. Late payment Reconsideration EOBs with a positive amount to pay will be placed in the folder with this path:
FromBillReviewVendorName/EORImages/ReconLatePayment

Late payment is calculated as follows:

Use the date the EOB is created minus DocCreateDate (from Header File). EOB is considered as late payment if the result of the calculation is 55 working days or more.

2.2 LINX

The City has been using LINX for claim processing since early 1990. This system also provides the claim payment processing functions. Bill Vendor is required to interface with this system to transmit the payment files and to obtain the necessary claim information for bill reviewing process. Bill Vendor is also required to send the State of California the updated claim payment information. This will require the Bill Vendor to obtain the payment information from LINX on a regular basis.

1. The three files that Bill Vendor obtains from LINX include Vendor information (File A), the Active Workers' Compensation Claim information (File B), and the EDI Data (File C), see Exhibit B.
2. The Bill Vendor upload the Payment Data file (File D) on a daily basis or whenever is available into LINX, see Exhibit B for file format.
3. The Bill Vendor is required to provide a web site where the City's Workers' Compensation staff and its Third Party Administrator's (TPA) staff can access and verify the status of bills submitted for review. Staff should be able to view, print or download the documents (i.e. EOBs, bills) from the site into their computerized system for further processing when needed.
4. Bill Vendor is responsible to compile the Electronic Data Interchange (EDI) in the format that the State of California requires at no cost to the City. This process includes downloading the EDI Data file from LINX, merging it with the related data that is in Contractor's claim database and transmitting the file based on the schedule that is determined by the State.

Exhibit A

Import/Export File Formats

The eFlo Import/Export functions require that data be transmitted via a Header File and associated Document Files, each of which must conform to a specified format and naming convention.

Naming Convention

The diagram in Exhibit 1 provides an overview of the naming convention that eFlo writes out for the export process and expects when receiving data for the import process.

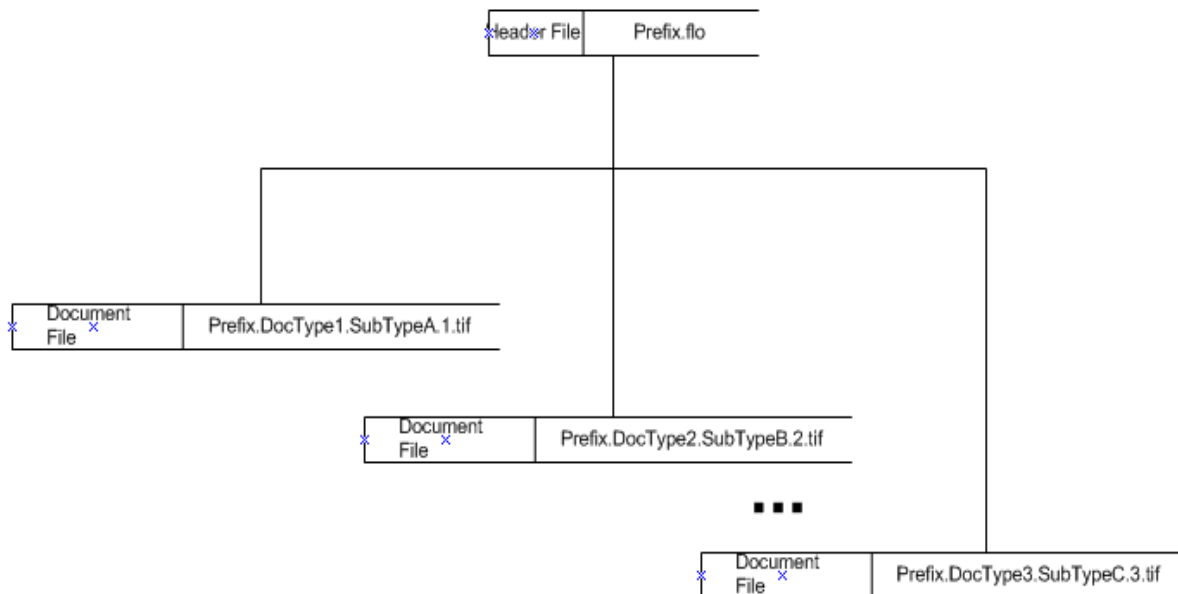


Exhibit 1
File Naming Convention

The *Header File* name is a 2-part name as follows:

- **Prefix** – any agreed upon value can be used as a prefix. For instance, to make files readily identifiable, it may make sense to use a key identifier, such as an account number or claim number as the prefix. eFlo is indifferent to the choice of prefix value, as the prefix is not used in any manner other than relating the header with the associated document files. All relevant data values are expected to be in the contents of the Header File.
- **Extension** – to insure that eFlo does not pickup files from any other application, an extension of “flo” is to be used to identify Header Files relevant to the eFlo process. The file extension .DAT is being used on the Header File for exporting to Bill Vendor, while for importing to eFlo Imaging System the Header File is using the .FLO file extension.

The *Document File* name requires at least a 4-part name as follows:

- **Prefix (required)** – must match the prefix used to name the Header File, as this serves as the relational key indicating that the document file is support for the case identified in the Header File.
- **Document Type (required)** – any given eFlo implementation, contains one-to-many pre-configured document types. The external entity will be provided with the list of document types and descriptions expected in both the export and import process. The document type that best describes the content of the Document File is provided.
- **Sub Document Type (required)** – any given eFlo implementation, contains one-to-many pre-configured sub document types. The external entity will be provided with the list of document types and descriptions expected in both the export and import process. The document type that best describes the content of the Document File is provided.
- **Miscellaneous (optional)** – after the three required parts above, any number of additional parts can be added by the sender. Here, the sender could add any additional information that might, for instance, aid in troubleshooting.
- **Extension (required)**– identifies the type of document, such as:
 - o **TIF** – TIFF files
 - o **DOC** – Word document
 - o **XLS** – Excel file
 - o **PDF** – Adobe PDF fileThis part must be the last part of the filename.

The eFloImporter retrieves and processes each header/document files collection. Each document file is committed as a separate document in the repository, using the index values stored in the header file. The document type and sub document type assigned to the document are based either on the ImportPackages record (i.e., DefaultDocumentType and DefaultSubDocumentType properties), or on the Document Type and Sub Document Type parts of the Document File name.

Header File Format

The Header File uses a text file, CSV format (i.e., comma separated) and must include a header row with the name of each field in file. The next row contains the data specific to the case either being exported from or imported into eFlo. The following provides a sample of a possible import header file:

Name, Rank, SSN
John, Doe, 123456789

The fields that must be included in the given file must be agreed to with the external entity and conform to specific naming conventions as dictated by the eFlo Administrator.

In the next section, the details specific to communication between LADOP and 3rd Party Vendors are defined.

Customer Specific Notes – LADOP

As LADOP processes bills in eFlo, users will forward those cases that require Bill Vendor review to the Bill Vendor – New Work mailbox. The eFlo Automaton monitors this mailbox and automatically exports each case and its associated documents to a directory that the Bill Vendor monitors.

After the Bill Vendor finishes processing the Bill, an Evaluation of Bill (EOB) will be returned through the eFlo import process. The Bill Vendor will format a Header File and return relevant identifying information along with a Document File containing the EOB.

Export File Contents

The Header File sent to the Bill Vendor will contain the data elements listed in the Export Header File Format table below. Since that data is transmitted in a file, the formats of each are included:

Export Header File Format

Field Name	Format	Required	Description
BillVendorTrackingID	#####0	Y	eFlo generated ID that the Bill Vendor must return with the EOB so that eFlo can match it with work in process.
case_id	#####0	Y	The eFlo case that originated the request to the Bill Vendor. This value must also be returned. The separate BillReviewID is required due to the fluid nature of the CaseID.
Year	0000	N	The first four characters of the claim number, which represents the claim year.
Location	000000	N	The next six characters of the claim number, which represents the department of the claimant.
Claim	000000	N	The final six characters which insures the uniqueness of the complete claim number.
SSN	000000000	N	The claimant's SSN.
LastName	string(30)	N	The claimant's last name.
FirstName	string(25)	N	The claimant's first name.
Status	string(25)	Y	The status of the case, in eFlo, prior to export. The Bill Vendor will be provided a list of statuses and their descriptions.

Field Name	Format	Required	Description
DocCreateDate		Y	The date the document (s) was scanned into the eFlo Imaging System.

Exported Document Types

The following table provides a list of document types which may be included in related Document Files as part of the case export.

Document Type	Required	Description
Bill	Y	

Import File Contents

The Header File returned by the Bill Vendor will contain the data elements listed in the Import Header File Format table below. Since that data is transmitted in a file, the formats of each are included:

Import Header File Format

Field Name	Format	Required	Description
BillVendorTrackingID	#####0	Y	As provided to the Bill Vendor in the original export file.
case_id	#####0	Y	As provided to the Bill Vendor in the original export file.
Year	0000	N	As provided to the Bill Vendor in the original export file.
Location	000000	N	As provided to the Bill Vendor in the original export file.
Claim	000000	N	As provided to the Bill Vendor in the original export file.
SSN	000000000	N	As provided to the Bill Vendor in the original export file.
LastName	string(30)	N	As provided to the Bill Vendor in the original export file.
FirstName	string(25)	N	As provided to the Bill Vendor in the original export file.
BillReviewNumber	#####0	Y	Bill Vendor insert this field from their claim system
BillBatchID	#####0	Y	Bill Vendor insert this field from their claim system
Amount	#####0	Y	Bill Vendor insert this field from their claim system
PayToName	String(35)	Y	Bill Vendor insert this field from their claim system

Imported Document Types

The following table provides a list of document types which may be included in related Document Files as part of the case export.

Document Type	Required	Description
Evaluation of Bill	Y	

Exhibit B

Bill review vendor will connect to the LINX system vendor network server daily to check for any data file that need to be downloaded. The three files that they download include the Vendor Information (File A), Active Workers' Comp Claims Information (File B), and the EDI Data file (File C). Bill review vendor also uploads the Payment Data file (File D) to the LINX system vendor for check printing after they finish reviewing the bills.

Following are the record layout for the three files.

File A Vendor information

Note: This file is created every weeknight (Monday to Friday exclude City's Holidays). The file includes all vendors without the Restrict Pay Code "S". At this time there are approximately 69,000 vendor records.

```
FILE . . : LWLAPTF  RECORD FORMAT . : LWLAPTFM  RECORD LENGHT . . : 199
LIBRARY . : CITYDATA  FILE TYPE . . . : PF      NUMBER OF FIELDS. : 13
TEXT . . : WORKER'S COMPENSATION BILLER
FIELD      TYPE      SIZE      KEY      TEXT
PRBSU#     Zoned     5,0       BILLER NUMBER
PRBNM1     Char       28         BILLER NAME 1
PRBNM2     Char       28         BILLER NAME 2
PRBAD1     Char       30         BILLER ADDRESS 1
PRBAD2     Char       30         BILLER ADDRESS 2
PRBCTY     Char       23         BILLER CITY
PRSTAT     Char       2          BILLER STATE
PRZIP5     Zoned     5,0       BILLER ZIP CODE 1-5
PRZIP4     Zoned     4,0       BILLER ZIP CODE 6-9
PRIRS#     Zoned     9,0       IRS #
PRSUFX     Char       2          IRS # SUFFIX
PRVTYP     Char       3          PROVIDER TYPE
PRFILL     Char       30         FILLER
```

File B Active Workers' Compensation Claim Information

Note: This file is created every weeknight (Monday to Friday exclude City's Holidays). The file includes all records in Active Claim file which has last transaction on or later than 07/01/1991. As of July 3, 2008 there are 18,793 records.

```
File . . : LWCLMPF  Record Format . : LWCLMPFM  Record Lenght . . : 120
Library . : CITYDATA  File Type . . . : PF      Number of Fields . : 9
Text . . : Claims open, closed ready transfer to TAPE (new)
```

```
FIELD      TYPE      SIZE      KEY      TEXT
CLAIM#     Char       16        1      LOC+POLICY YEAR+CLAIM#
NAME       Char       30         CLAIMANT NAME
POLIC#     Char       12         POLICY NUMBER
EXAMN#     Char       4          EXAMINER#=ADJUSTER#
ADJTER     Char       15         ADJUSTER NAME
INJDAT     Char       8          INJURY DATE
SSN        Char       9          SOCIAL SECURITY#
STATUS     Char       1          POLICY STATUS:0,C
STCLM#     Char       25         STATE CLAIM# DN05
```

File C EDI Data

Note: This file is created every Wednesday night (exclude City's Holidays). The file includes all Medical Payments which were paid on 10/01/2006 or later. At this time the number of records are between 5,000 and 6,000.

File . . : LWMEDCPF Record Format . : LWMEDCFM Record Length . . : 58
Library .: RTSLADTA File Type . . : PF Number of Fields .: 4
Text . . : WC MEDICAL CHECK PAID

FIELD	TYPE	SIZE	KEY	TEXT
MCVNTR	Char	20	1	DOCUMENT CONTROL NO
MCPDAT	Zoned	8,0		PAID DATE
MCPAMT	Char	10		PAID AMOUNT
MCPCCK#	Char	20		CHECK NUMBER

File D Payment Data

Note: The reviewed and approved medical payment, LINX system vendor expects this file every weekday (Monday through Friday except City's Holidays). This file will be processed in LINX nightly job. At this time the number of records are approximately 900 to 1,000. The file can be in flat file format, but must be mapped to the format below.

File . . : LWMEDAPF Record Format . : LWMEDTFM Record Length . . : 486
Library .: RTSLADTA File Type . . : PF Number of Fields .: 63
Text . . : WC MEDICAL BILLS TRANSACTION

FIELD	TYPE	SIZE	KEY	TEXT
MTTYPE	Char	3		TYPE
MTCLMN	Char	30		CLAIMANT NAME
MTLCDD	Char	4	1	LOCATION CODE
MTPLY	Char	2		POLICY YEAR
MTCLM#	Zoned	4,0	3	CLAIM NUMBER
MTPSEQ	Zoned	5,0		SEQ #
MTSRSM	Zoned	2,0		SERVICE START MONTH
MTSRSD	Zoned	2,0		SERVICE START DAY
MTSRSZ	Zoned	2,0		SERVICE START YEAR
MTSREM	Zoned	2,0		SERVICE END MONTH
MTSRED	Zoned	2,0		SERVICE END DAY
MTSREZ	Zoned	2,0		SERVICE END YEAR
MTTCHR	Zoned	8,2		TOTAL CHARGES
MTTALW	Zoned	8,2		TOTAL ALLOWANCE
MTIRS#	Zoned	9,0		PROVIDER IRS #
MTVSF#	Zoned	2,0		PROVIDER IRS SUFFIX
MTPRNM	Char	30		PROVIDER NAME
MTPRAD	Char	30		PROVIDER ADDRESS
MTRVCD	Char	1		RESERVE CODE
MTCRCD	Char	2		CREDIT CODE
MTVOC	Char	2		VOID CODE
MTOVI1	Char	1		OVERRIDE IND #1
MTOVI2	Char	1		OVERRIDE IND #2
MTOVI3	Char	1		OVERRIDE IND #3
MTOVI4	Char	1		OVERRIDE IND #4
MTOVI5	Char	1		OVERRIDE IND #5
MTFIL4	Char	3		FILLER
MTVNTR	Char	7		VENDOR TRANS #
MTTRNM	Zoned	2,0		TRANS DATE - MM
MTTRND	Zoned	2,0		TRANS DATE - DD
MTTRNZ	Zoned	2,0		TRANS DATE - YY
MTRCK#	Zoned	10,0		REFUND CHECK #
MTRRCD	Zoned	8,0		RECEIVED/SCANNED DATE MMDDYYYY
MTFIL5	Char	30		FILLER
MTBNBR	Zoned	4,0		BATCH NUMBER
MTPRSM	Zoned	2,0		PROCESS DATE MONTH
MTPRSD	Zoned	2,0		PROCESS DATE DAY
MTPRSZ	Zoned	2,0		PROCESS DATE YEAR
MTFIL6	Char	2		FILLER
MTSUSM	Zoned	2,0		SUSPENSE DATE - MM
MTSUSD	Zoned	2,0		SUSPENSE DATE - DD

MTSUSZ	Zoned	2,0		SUSPENSE DATE - YY
MTCLPV	Char	5		CLIENT PROVIDER #
MTPMCT	Char	2		PAYMENT CATEGORY
MTFAMT	Zoned	12,2		FEE AMOUNT
MTPYC1	Zoned	2,0		PAYMENT SUB-CODE #1
MTPYA1	Zoned	9,2		SUB-CODE AMOUNT #1
MTSTB1	Char	40		STUB NOTE # 1
MTPYC2	Zoned	2,0		PAYMENT SUB-CODE #2
MTPYA2	Zoned	9,2		SUB-CODE AMOUNT #2
MTSTB2	Char	40		STUB NOTE # 2
MTPYC3	Zoned	2,0		PAYMENT SUB-CODE #3
MTPYA3	Zoned	9,2		SUB-CODE AMOUNT #3
MTSTB3	Char	40		STUB NOTE # 1
MTPYC4	Zoned	2,0		PAYMENT SUB-CODE #4
MTPYA4	Zoned	9,2		SUB-CODE AMOUNT #4
MTSTB4	Char	40		STUB NOTE # 4
MTPLYR	Char	4	2	POLICY YEAR
MTSRSY	Zoned	4,0		SERVICE START YEAR
MTSREY	Zoned	4,0		SERVICE END YEAR
MTTRNY	Zoned	4,0		TRANS DATE - YY
MTPRSY	Zoned	4,0		PROCESS DATE YEAR
MTSUSY	Zoned	4,0		SUSPENSE DATE - YY

APPENDIX 4

20 Sample Pharmacy Bills

APPENDIX 5

20 Sample Durable Medical Equipment Bills

APPENDIX 6

20 Sample Radiology Bills

APPENDIX 7

City of Los Angeles Requirements and Checklist