



New Jersey Turnpike Authority

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October 28, 2020

TO ALL PROPOSERS:

RE: Request for Proposals
Self-Funded Workers' Compensation Program Third Party Claims Administration
RM-160068

Responses to Inquiries

Dear Sir/Madam:

Below are the New Jersey Turnpike Authority's ("Authority") responses to inquiries received with respect to the above-referenced Request for Proposals ("RFP").

Responses to Inquiries:

1. On page 21 of the RFP, the Authority provides total claim counts by year for each of the past 20 years. Can these total claim counts be broken out by Indemnity claims, Medical Only claims, and Record Only Claims?

ANSWER: Please refer to the attached PDF file "NJTA WC Loss Experience Report as of 07.31.2020".

2. This chart also provides the total number of open claims by year. Are there currently any open claims from accident years prior to 1999? If so, can you advise how many?

ANSWER: Please refer to the attached PDF file "NJTA WC Open-Closed Claims History Report as of 09.2020".

3. Can you provide the amount paid specifically toward WC medical costs in each of the past three years? This can either be a total amount paid by year regardless of accident date, or the current amount paid for accidents in each of the past three years. Please specify which method is used.

ANSWER: Please refer to the attached PDF file "NJTA Medical WC Loss Experience Report 2016-09.2020" for total amount of medical claims paid from 2016 to current.

4. On page 26, the Authority lays out a structure for a fee proposal. There are options for Life of Contract fees, Life of Claim fees, and Flat Annual fees. Assuming that both the Life of Contract

and Life of Claim options are both flat annual fees, what is the Authority seeking with the third option (Flat Annual Fee)?

ANSWER: The Authority’s current arrangement is to be billed monthly on a flat fee basis and desires to keep this arrangement. Proposing bidders may opt to respond with an alternative fee schedule.

5. We are looking for the historical claims information needed in order to properly evaluate the program. The information that would be needed by any proposer, which should be readily available from your current TPA, is:

a. The total number of claims and loss information reported in each of the past 5 years, broken out by indemnity claims vs. medical-only claims vs. record-only claims. See answer to number

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020”.

b. The total Paid, Reserved, and Incurred for Legal, Medical, Indemnity, and Expense reserves for each of the last 7 years.

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020”.

c. The PPO Networks utilized by the current TPA.

ANSWER: Inservco administers the Authority’s the Workers Compensation program and utilizes First Managed Care Option, managed care network.

d. The percentage of saving fee charged by the current TPA.

ANSWER: The Authority pays a flat monthly fee for both Inservco and First Managed Care Option services. The claims are billed net of the network savings.

e. The total number of bills processed for the WC program in each of the past 5 years.

ANSWER: The following transactions and amounts were paid by year:

- 2015=> 5,286 Transaction for \$4,687,000
- 2016=> 4,692 Transaction for \$4,088,000
- 2017=> 5,004 Transaction for \$3,913,000
- 2018=> 5,238 Transaction for \$3,987,000
- 2019=> 5,589 Transaction for \$4,857,000

f. The total amount billed in medical bills on the WC program in each of the past 5 years.

ANSWER: The following transactions and amounts were paid by year:

- 2015=> 5,286 Transaction for \$4,687,000
- 2016=> 4,692 Transaction for \$4,088,000
- 2017=> 5,004 Transaction for \$3,913,000
- 2018=> 5,238 Transaction for \$3,987,000
- 2019=> 5,589 Transaction for \$4,857,000

- g. The total amount paid toward medical bills on the WC program in each of the past 5 years.

ANSWER: The following transactions and amounts were paid by year:

- 2015=> 5,286 Transaction for \$4,687,000
- 2016=> 4,692 Transaction for \$4,088,000
- 2017=> 5,004 Transaction for \$3,913,000
- 2018=> 5,238 Transaction for \$3,987,000
- 2019=> 5,589 Transaction for \$4,857,000

- h. Gross and Net reductions on all medical bills for the WC program in each of the past 5 years.

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

- i. If takeover claims are to be included in the proposal, the current number of open claims, again broken out by indemnity claims vs. medical-only claims.

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020” as well as the PDF file “NJTA WC Open-Closed Claims History Report as of 09.2020”.

- j. In accordance with the open public records act, please provide a copy of the current in-force contract for these services.

ANSWER: Please refer to the attached PDF file “NJTA Inservco Agreement 03.01.2016”.

- k. Please detail loss control services for the prior 2 years, including loss control evaluations, trainings, or other services.

ANSWER: The following are the number of surveillance assignments and amount paid for the services per year:

- 2016=> Paid \$12,500 for 12 assignments
- 2017=> Paid \$27,100 for 33 assignments
- 2018=> Paid \$16,200 for 22 assignments
- 2019=> Paid \$38,500 for 40 assignments
- 9/2020=> Paid \$26,300 for 34 assignments

- l. What is the current staffing model in place for the account?

ANSWER: Inservco’s current staffing for the Authority includes the Executive Vice President and COO; Director of IT, Business Analyst; Systems support staff; Claims Manager; Claims Technical Specialist; and Two Senior Adjuster; four Claims Service Representatives; and the Accounts Payable staff.

- m. In accordance with the open public records act, please provide a copy of any current performance guarantee that is in place.

ANSWER: Please refer to the attached PDF file “NJTA Inservco Agreement 03.01.2016”.

6. I noticed in reviewing your RFP for Third Party administration that you have embedded Pharmacy Benefit Management Services within the Scope of Services for the TPA. As I am sure you know, TPAs typically outsource the PBM function to a PBM. My question for you is this: are we allowed, as an independent PBM, to response to your RFP. Would your organization consider an “unbundled” PBM solution?

ANSWER: The Authority would prefer to award this contract to one Third Party Administrator that will manage ALL of its Workers Compensation program.

7. Whether companies from Outside USA can apply for this? (like, from India or Canada)

ANSWER: Professional services are to be performed within the United States. Given the nature of the services, representatives of the Third Party Administrator (“TPA”) should be available to the Authority in person. In addition, see Section VI Exhibit E of the RFP that requires proposers to state where the referenced services will be conducted.

8. Whether we need to come over there for meetings?

ANSWER: The Authority requires meeting with its Workers Compensation administrator at least quarterly, to discuss the status of the program. The administrator would primarily run these meetings as the entity managing the program. The Authority would prefer to meet in-person at its Headquarters, but would consider meeting virtually as an option.

9. Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)

ANSWER: Professional services are to be performed within the United States. Given the nature of the services, representatives of the Third Party Administrator (“TPA”) should be available to the Authority in person. In addition, see Section VI Exhibit E of the RFP that requires proposers to state where the referenced services will be conducted.

10. Can we submit the proposals via email?

ANSWER: Hard copies are preferred, but an electronic copy will be acceptable and must be received by the due date to mcnally@njta.com.

11. Current TPA and contract amount.

ANSWER: The current TPA is Inservco, a Penn National Insurance Company. Their contract fees for 2020 are \$211,000 for all Workers Compensation services, including Managed Care network fees and pricing.

12. Claim counts for the past five (5) years, open and closed.

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020” as well as the PDF file “NJTA WC Open-Closed Claims History Report as of 09.2020”.

13. Number of Lost Time claims vs number of Medical Only claims by year.

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020” as well as the PDF file “NJTA WC Open-Closed Claims History Report as of 09.2020”.

14. Number of Liability claims by year broken out by bodily injury and property damage.

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020” as well as the PDF file “NJTA WC Open-Closed Claims History Report as of 09.2020”.

15. If seeking proposals for both new and takeover claims, provide the current total number of open claims with the same breakdown.

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020” as well as the PDF file “NJTA WC Open-Closed Claims History Report as of 09.2020”.

16. Do you maintain a separate contract for or is there a separate RFP for Managed Care services (including Nurse Case Management, Provider Network Access)?

ANSWER: The Authority has one contract with Inservco to manage all of its Workers Compensation administrative services not handled by the Authority. All services that are not specifically administered by Inservco, Inservco manages and is fully responsible for those services to meet the needs of the Authority.

17. Current Managed Care Vendor and contract amount, to include Provider Network Access fees per year.

ANSWER: The Managed Care Network partnered with Inservco is First Managed Care Option, Inc. (First MCO). Their contract fees for 2020 are \$93,000, which is included in the \$211,000 for total fees paid for Workers Compensation Services.

18. Confirm if MCO contract is based on a % of savings pricing or flat fee model.

ANSWER: The Authority is billed a flat fee for all services provided by Inservco, including those services provided by First Managed Care Option, the Managed Care vendor.

19. Total WC provider charges by year for period 2017-2019.

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

20. Amount paid to providers for WC treatment by year for period 2017-2019.

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

21. Confirm number of cases referred to Nurse Case Management in 2018 and 2019, broken out by Medical Only vs. Lost Time claims.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

22. Confirm number of cases currently open to nurse case management.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

23. Confirm fee for Nurse Case management Services.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

24. Who is the incumbent, and how long has the incumbent been providing services? What claim system is the incumbent utilizing to manage workers' compensation claims?

ANSWER: The Authority's current Workers Compensation administrator is Inservco and has been awarded the Workers Compensation administrative contract since 2005. Inservco utilizes Instream for claims administration.

25. Page 8, Small Business Enterprises Requirements:

- a. Is there a mandatory requirement for an SBE or MBE?

ANSWER: A good faith effort to utilize SBEs is required only if the TPA intends to utilize subcontractor(s) or sub-consultant(s) to perform any of the Services. However, the Authority encourages SBE/MBE/WBE participation.

- b. If yes, what is the percent of the contract value that is required?

ANSWER: Please see answer to number 25.a.

- c. Is there a current SBE/MBE? If yes, who is the existing sub-contractor, and what services are provided by the sub-contractor?

ANSWER: No.

26. Page 12, Section DD. The proposal Schedule indicates a tentative Commission approval on 12/22/20. The transition of claims, account and banking arrangement and electronic data conversion preparation typically takes approximately 60-90 days before the claims transfer. Please advise when the actual transfer of claims will occur.

ANSWER: The Authority cannot work with a vendor unless it is approved by the Board of Commissioners. Once the Board approves the contract award, the implementation, including

the transfer of data, will be immediately. The Authority is confident that the firm awarded the contract will meet the deadline.

27. Page 14, Section 4 Claims Management and Administration: #a. Please provide the file layout utilized to transmit the FROI to the TPA.

ANSWER: Please refer to the attached Excel file “NJTA WC File Layout for FROI Transmission”.

28. Page 16, Section 11 Litigation Management: b. Does the Authority provide in-house defense counsel, or does the Authority use outside counsel? Who does the Authority use for outside counsel?

ANSWER: The Authority utilizes outside counsel for Workers Compensation cases that are managed by the Authority’s Law Department. Outside counsel the Authority uses are Gluck Walrath; Capehart Scatchard; and Chasen Lamparello.

29. Page 16, Section 12. Staff Adjuster Support. Please describe the existing staff assignments (staff model) by percent of FTE for the manager, claims supervisor, indemnity adjuster(s), medical only adjuster(s), and any other personnel assigned to the Authority claims program.

ANSWER: The current staffing model includes the Executive Vice President and COO; Director of IT, Business Analyst; Systems support staff; Claims Manager; Claims Technical Specialist; and Two Senior Adjuster; four Claims Service Representatives; Accounts payable staff to handle the Authority’s Claims.

30. Page 18. #5. Approximately how many referrals were sent for Peer Review annually for each of the past three years, including 2017, 2018 and 2019?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

31. Page 18. #6. Approximately how many referrals were sent for Disability Case Management for each of the past three years, including 2017, 2018, and 2019?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

32. Page 18-20. RMIS Reporting: Page 20 – Regarding Online Access to the Claim System: How many authorized users will the Authority approve for online access?

ANSWER: Currently, only Authority employees that work directly with Workers’ Compensation have access to the Claims Reporting System – which is approximately ten (10) people. However, the Authority may require access to the system be provided to an outside entity for consulting and/or auditing services.

33. Page 20, Section 16. Support and Services Requirements: #2. Due to social distance restrictions and requirements, is the Authority allowing quarterly claim review via Zoom or some other video or teleconferencing mechanism?

ANSWER: The Authority will allow meetings via video and/or teleconferencing to address any issue that is related to the Workers' Compensation Program. The Authority primarily uses Cisco WebEx.

34. Page 21, Section 17 Historical Scope of Work – quantified. To properly submit a quote, please provide the 20-year survey information indicating:
- a. How many indemnity claims vs. medical-only claims occurred each year?

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020” as well as the PDF file “NJTA WC Open-Closed Claims History Report as of 09.2020”.

- b. How many indemnity claims vs. medical-only claims are open from each year?

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020” as well as the PDF file “NJTA WC Open-Closed Claims History Report as of 09.2020”.

35. Page 32, Section 4. Professional Liability Insurance: The section below does make sense as the client would assert the E& O claim. To the extent the client is asserting a claim against the policy, it would not need the additional insured status. Will the Authority please clarify?

4. **Professional Liability Insurance.** Consultant shall maintain **Professional Liability Insurance** covering its errors and omissions and liability assumed under contract with a coverage limit of not less than **\$5 million** each occurrence. “The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers” shall be included as additional insureds. This insurance shall be endorsed to apply as primary insurance and not contribute with any other insurance or self-insurance programs afforded to the Authority. This insurance shall be endorsed to waive the insurance carrier’s right of subrogation against The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers. This insurance shall not contain any provision under which claims made by the Authority against the Consultant would not be covered due to the operation of an insured versus insured exclusion. The required policy limit for this insurance can be provided by a combination of primary and excess coverages, provided that primary coverage shall be not less than \$1,000,000 and that the excess coverage shall be at least as broad as the primary policy.

ANSWER: The following sentence should be deleted from Section 4 entitled Professional Liability insurance: “The New Jersey Turnpike and its members, commissioners, officers, agents, employees, guests, consultants and volunteers” shall be included as “additional insureds.

36. Page 34. Section 5. All Risk Crime Insurance, and 6. Cyber Liability Insurance. Some of the crime policy may overlap with cyber policy. However, most carriers generally carve out mental anguish from cyber coverage. Mental anguish claims are typically covered by GL. With the Authority please clarify?

ANSWER: The requirements for each type of insurance are indicated in the RFP. If the Proposer believes that his proposed insurance does not meet the requirements, he should so

indicate in his response to the RFP; this explanation will be part of the evaluation of the entire proposal.

37. Page 64, Section 13. Indemnification. Will the Authority change “act” to say “negligent act”? Will the Authority make the amount due under the contract independent from the indemnity obligation?

13. INDEMNIFICATION. The Consultant agrees to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them against and from all liabilities, judgments, threatened, pending or completed actions, suits, demands for damages or costs of every kind and description actually and reasonably incurred (including attorneys’ fees and costs and court costs) (collectively "Liabilities") including, without implied limitations, Liabilities for damage to property or Liabilities for injury or death of the officers, agents and employees of either the Consultant or the Authority), resulting from any act or omission or willful misconduct of the Consultant or any of its officers, agents, sub-consultants, or employees in any manner related to the subject matter of this Agreement. In the event that the Consultant fails to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them in accordance with this Section, any money due to the Consultant under and by virtue of the Agreement as shall be considered necessary by the Authority may be retained by the Authority and held until any and all Liabilities shall have been settled and suitable evidence to that effect furnished to the Authority. The obligations in this Section shall survive the termination, expiration or rescission of the Agreement.

ANSWER: The Authority may, in its sole discretion, decide to negotiate the language of the Services Agreement with the Successful Proposer.

38. Page 25. Proposers Fee Schedule
a. Claims Administration Fee Proposal:
i. How many hours of risk/loss control services are currently bundled into the program?

ANSWER: The Authority pays a flat fee for unlimited services hours, so the number of hours is not monitored.

- ii. What are the specific services provided?

ANSWER: The Authority pays a flat fee for unlimited services hours and services. Please refer to the attached PDF file “NJTA Inservco Agreement 03.01.2016” for services currently provided and/or offered.

- iii. What services would the Authority prefer?

ANSWER: The Authority is looking for the successful proposer to provide the necessary services based on the Workers’ Compensation statutes of New Jersey and those requested in this RFP.

- b. Medical Cost Containment Fee Proposal
i. To quote a fee proposal ofr Medical Bill Re-pricing and Provider Network Access, Proposers need the following information, at a minimum.
1. Please provide a summary of the 2019 total number of medical bills processed, total billed charges, total reductions to U&C, total PPO reductions,

and fees for services. Please provide the total out-of-network Reductions (Specialty Bill Review) and fees for out of network bills. Please break out by type of bills, i.e., hospital bills (inpatient/outpatient, ambulatory surgical) vs. medical and ancillary bills.

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

2. Please provide a summary of the 2018 total number of medical bills processed, total billed charges, total reductions to U&C, total PPO reductions, and fees for services. Please provide the total out-of-network Reductions (Specialty Bill Review) and fees for out of network bills. Please break out by type of bills, i.e., hospital bills (inpatient/outpatient, ambulatory surgical) vs. medical and ancillary bills.

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

3. Please provide a detailed Excel extract of medical bills to include, but not be limited to: Bill ID numbers, CPT codes, payee, provider Tax ID numbers, bill type, U&C reductions, PPO reductions, and other pertinent information to enable Proposers' to conduct a disruption file to determine proper aggregate pricing as requested for all bills from 1/1/18 to current or 6/30/2020.

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

4. Who does the incumbent currently use for the Medical Bill Review Company?

ANSWER: The Managed Care Network partner with Inservco is First Managed Care Option, Inc. (First MCO).

5. What is the current PPO penetration percent of bills accessing a network?

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

6. What is the average number of bills per indemnity claim?

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020”.

7. What is the average number of bills per medical-only claim?

ANSWER: Please refer to the attached PDF file “NJTA WC Loss Experience Report as of 07.31.2020”.

8. Which PPO Network(s) is the incumbent currently using?

ANSWER: The Managed Care Network partner with Inservco is First Managed Care Option, Inc. (First MCO).

c. MR-Pharmacy Charges Fee Proposal:

i. Please provide a summary of the 2019 total number of pharmacy bills process, total billed charges, total reductions to U&C, total PPO reductions, and total services fees.

1. **ANSWERS:**

- a. **In 2019, KeyScripts invoiced 457 pharmacy fills totaling \$90,469.25**
- b. **The U&C Allowance for the 457 fills was \$125,104.61.**
- c. **The total KeyScripts savings was \$34,635.36**
- d. **There was a \$4.00 dispensing fee for each fill totaling \$1,828.00.**

2. What is the percentage of mail-order vs. retail?

ANSWER: In 2019, 100% of all fills occurred in retail pharmacies.

3. What are the current AWP discount rates?

ANSWER:

- a. **Mail Order**
 - i. **Brand: AWP -9%**
 - ii. **Generic: AWP -30%**
- b. **Regular**
 - i. **Brand: AWP -7%**
 - ii. **Generic: AWP -25%**

4. Is the Authority paying dispensing fees?

ANSWER: They Authority is invoiced \$4.00 per script dispensed by KeyScripts.

5. Who does the incumbent use the existing Pharmacy Benefit Management program?

ANSWER: The Pharmacy Benefit Manager utilized by the Authority's Workers Compensation program is KeyScripts.

ii. Please provide a summary of the 2018 total number of pharmacy bills process, total billed charges, total reductions to U&C, total PPO reductions, and total services fees.

1. **ANSWERS:**

- a. **In 2018, KeyScripts invoiced 495 pharmacy fills totaling \$92,399.92**
- b. **The U&C Allowance for the 495 fills was \$129,353.48**
- c. **The total KeyScripts savings was \$36,953.56**
- d. **There was a \$4.00 dispensing fee for each fill totaling \$1,980.00**

iii. What is the current PPO penetration percent for pharmacy bills accessing a network?

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

iv. Which PPO Network is the incumbent currently using?

ANSWER: The Managed Care Network partner with Inservco is First Managed Care Option, Inc. (First MCO).

d. MR Fee Proposal – Disability Case Management

i. How many cases were referred for Telephonic Case Management in 2019?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

ii. How many cases were referred for On-site Case Management in 2018?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

iii. How many cases are currently open for telephonic case management? Will they be transferred to the new TPA?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

iv. How many cases are currently open for On-site Case Management? Will they be transferred to the new TPA?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

v. What is the average number of days telephonic case management cases are open?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

vi. What is the average number of days on-site (field) case management cases are open?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

vii. What is the current rate for telephonic and on-site case management?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

viii. Who does the incumbent currently use for medical case management services?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

e. Page 18, Medical Cost Containment Network:

i. How many cases are referred for Utilization Review each year in 2018 and 2019?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

ii. How many cases are referred to Peer Review each year in 2018 and 2019?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

f. RMIS Fee Proposal: Please clarify if this pricing structure is for online user access and initial data conversion? How many online users will the Authority require?

ANSWER: The Authority is expecting the bidding proposer to propose one flat fee per annum for the duration of the initial contract (three years). This fee would be all inclusive of service provided. Assume up to five (5) regular users having access to the online system, but the Authority may require more.

g. Cost Proposal: Will the Authority accept a different pricing structure for medical bill review and PPO savings, i.e., standard medical bill review repricings such as a cost per bill for U&C and a percentage of savings for PPO? Turnpike

ANSWER: The Authority is currently paying two flat fees per month – one for the workers' compensation services administration and the other for the Managed Care Network and repricing. The Authority would prefer to keep this arrangement.

h. What is the current annual contract value for all services?

ANSWER: The current annual contract fees for 2020 are \$211,000 for all Workers' Compensation services, including Managed Care network fees and pricing.

39. Page 12 – Proposal Schedule:

a. The Proposer understands that questions are not due until 10/13/2020. Proposer operations, marketing and legal departments must review the answers to questions to properly evaluate this potential opportunity.

i. Will the Authority, please allow a minimum of fifteen (15) business days after answers to questions are released to prepare and submit a comprehensive proposal?

ANSWER: See Addendum No. 1 for revised schedule.

- ii. The submission extension will also allow for several days to print, bind, and mail hard copies to ensure timely delivery. Will the Authority allow electronic submission via email in place of hard copy submission?

ANSWER: Hard copies are preferred, but an electronic copy will be acceptable and must be received by the due date to mcnally@njta.com.

- 40. Please provide a copy of the in-force contract, to include pricing, with the incumbent service provider.

ANSWER: Please refer to the attached PDF file “NJTA Inservco Agreement 03.01.2016”.

- 41. Please identify the incumbent Medical Bill Review vendor & in-force contract.

ANSWER: The Managed Care Network partner with Inservco is First Managed Care Option, Inc. (First MCO). Please refer to the attached PDF file “NJTA Inservco Agreement 03.01.2016”

- 42. Please advise the date the takeover transfer is targeted for and what the inception date of this program would be?

ANSWER: The effective date of the contract awarded is March 1, 2021. The transfer of data will need to be completed by this effective date.

- 43. Please identify the incumbent(s) TPA’s claim system/software from which we’d be taking historical claim data for Workers Compensation.

ANSWER: Inservco uses Instream and Image right Platform.

- 44. Please confirm the intent is to transfer the policy years 1999-present of Workers Compensation claims.

ANSWER: The Authority’s intent is to transfer the entire history of Workers’ Compensation claims to the successful proposer.

- 45. Please confirm if Incident Only claims are included in the 20-year survey provided?

ANSWER: Please refer to the attached PDF file “NJTA Medical WC Loss Experience Report 2016-09.2020” for total amount of medical claims paid from 2016 to current.

- 46. Does NJTA require three (3) point contact on all claims including medical only claims?

ANSWER: The Authority requires three (3) points of contact on all Workers Compensation claims.

- 47. Please advise if defense counsel bills are reconciled and paid through a portal or to the TPA directly.

ANSWER: The defense counsel bills are submitted for payment through Inservco and reconciled by the Authority.

48. Please advise how many monthly indemnity payments (appx) are made on an annual basis? Please provide insight into the current claim payment/loss fund accounting process.

ANSWER: Please refer to the attached PDF file “NJTA Medical WC Loss Experience Report 2016-09.2020” for total amount of medical claims paid from 2016 to current.

49. Will you consider a per claim per year open on the assumed claims?

ANSWER: The Authority would prefer to pay a flat monthly fee that is all-inclusive for the Workers’ Compensation administrative services.

50. Does NJTA currently utilize a nurse triage program on new claims?

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

51. Please provide supporting loss runs (in Excel format) for the last five years of NJTA’s workers’ compensation claim experience. Please include Date Reported and Date Closed fields in this report by the coverage type of claims.

ANSWER: Please refer to the attached Excel file “NJTA WC Loss Experience 5 Years 09.2020”.

52. Are the NJTA employee’s reporting new losses themselves to the TPA? Will new claims be reported by NJTA Management?

ANSWER: The claim reporting is initiated with the employee’s supervisor responsible for reporting the employee’s loss to the Authority. This incident is then input into PeopleSoft, where the claim is issued a record and all parties are notified.

53. Implementation Plan. Does NJTA’s current TPA manage a loss fund or escrow on its behalf?

ANSWER: Inservco maintains an escrow fund for the Authority.

54. With 10 user ID’s to the RMIS system, do some users have report writing capabilities and claim look-up? If so, then how many? How many users have look-up only (claim view) user IDs?

ANSWER: The Authority currently has access to static reports with set parameters.

55. Of the Open 300+ Claims that will be transferred, what is the percentage of open litigated claims?

ANSWER: Please refer to the attached Excel file “NJTA WC Loss Experience 5 Years 09.2020”.

56. Please advise of the legal defense fees paid per year for litigation/defense counsel. Please provide the 2015, 2016, 2017, 2018 and 2019 policy years.

ANSWER: The Authority’s fees paid for Workers’ Compensation litigation are as follows: 2015 - \$559,841; 2016- \$457,376; 2017 - \$449,654; 2018 - \$466,718; and 2019 -\$510,162.

57. In order to provide NJTA with an annual bill repricing services fee we will need insight into its historical provide bill repricing experience. Specifically:

a. A report detailing medical provide bill repricing outcomes to include the following data sets: total number of bills by jurisdiction; original bill amount; state fee schedule reductions; PPO network savings; out of network savings; amount paid after reductions. Please provide for 2017, 2018 and 2019.

ANSWER: Please refer to the attached PDF file “NJTA First MCO Savings Report 09.2020”.

b. A report detailing pharmacy benefits repricing outcomes to include the following data sets: total number of prescriptions broken down by prescription type; total cost of prescriptions; number of filled in PBM network; total savings; total paid. Please provide for 2017, 2018 and 2019.

ANSWERS:

KeyScripts Pharmacy Network Fills:

1. 2017

a. Brand

- i. 90 Fills**
- ii. \$62,234.73 U&C Allowance**
- iii. \$48,560.10 Billed by KeyScripts**
- iv. \$13,674.63 KeyScripts Savings**

b. Generic

- i. 341 Fills**
- ii. \$59,267.08 U&C Allowance**
- iii. \$38,274.44 Billed by KeyScripts**
- iv. \$20,992.64 KeyScripts Savings**

2. 2018

a. Brand

- i. 96 Fills**
- ii. \$63,929.21 U&C Allowance**
- iii. \$49,928.98 Billed by KeyScripts**
- iv. \$14,000.23 KeyScripts Savings**

b. Generic

- i. 399 Fills**
- ii. \$65,424.27 U&C Allowance**
- iii. \$42,470.94 Billed by KeyScripts**
- iv. \$22,953.33 KeyScripts Savings**

3. 2019

a. Brand

- i. **96 Fills**
 - ii. **\$69,987.34 U&C Allowance**
 - iii. **\$54,624.13 Billed by KeyScripts**
 - iv. **\$15,363.21 KeyScripts Savings**
- b. Generic**
- i. **361 Fills**
 - ii. **\$55,117.27 U&C Allowance**
 - iii. **\$35,845.12 Billed by KeyScripts**
 - iv. **\$19,272.15 KeyScripts Savings**

	Brand	Generic	Total
2017			
# Fills	90	341	431
U&C Allowance	\$62,234.73	\$59,267.08	\$121,501.81
KeyScripts Charges	\$48,560.10	\$38,274.44	\$86,834.54
KeyScripts Savings	\$13,674.63	\$20,992.64	\$34,667.27
2018			
# Fills	96	399	495
U&C Allowance	\$63,929.21	\$65,424.27	\$129,353.48
KeyScripts Charges	\$49,928.98	\$42,470.94	\$92,399.92
KeyScripts Savings	\$14,000.23	\$22,953.33	\$36,953.56
2019			
# Fills	96	361	457
U&C Allowance	\$69,987.34	\$55,117.27	\$125,104.61
KeyScripts Charges	\$54,624.13	\$35,845.12	\$90,469.25
KeyScripts Savings	\$15,363.21	\$19,272.15	\$34,635.36
3 Year Totals			
# Fills	282	1101	1383
U&C Allowance	\$196,151.28	\$179,808.62	\$375,959.90
KeyScripts Charges	\$153,113.21	\$116,590.50	\$269,703.71
KeyScripts Savings	\$43,038.07	\$63,218.12	\$106,256.19

c. A report identifying the number of field nurse case management assignments to include the following data sets: number of claims with nurse intervention; total number of bills; total paid amount. Please provide form 2017, 2018 and 2019.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

d. A report identifying the number of vocational rehabilitation assignments to include the following data set: number of claims with vocational rehabilitation intervention; total number of bills; total paid amount. Please provide for 2017, 2018 and 2019.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

- e. A report identifying the number of return-to-work nurse assignments to include the following data sets: number of referrals; total number of bills; total paid value of bills.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

- f. A report identifying the number of Medicare Set-Aside (MSA) assignments to include the following data sets: number of bills; total paid amount. Please provide for 2017, 2018 and 2019.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

- g. A report identifying the number of utilization review assignments to include the following data sets: number of referrals; total amount paid for services. Please provide for 2017, 2018 and 2019.

ANSWER: The Authority has an internal Medical Department that handles all the Workers Compensation cases as well as directing care.

- h. A report identifying the number of surveillance assignments to include the following data sets: total number of referrals; total amount paid for services.

ANSWER: The following are the number of surveillance assignments and amount paid for the services per year:

- 2016=> Paid \$12,500 for 12 assignments
- 2017=> Paid \$27,100 for 33 assignments
- 2018=> Paid \$16,200 for 22 assignments
- 2019=> Paid \$38,500 for 40 assignments
- 9/2020=> Paid \$26,300 for 34 assignments

- i. A report identifying the number of subrogation assignments to include the following data sets: total number of referrals; number of referrals where monies were recovered; total value of these recoveries. Please provide for 2017, 2018 and 2019.

ANSWER: The following are the number of subrogation assignments and recovery amounts per year:

- 2017=> 8 assignment recovering \$154,153
- 2018=> 9 assignment recovering \$174,515
- 2019=> 18 assignment recovering \$3,518
- 9/2020=> 11 assignment recovering \$428,041

- j. A report identifying the number of Durable Medical Equipment (DME) referrals to include the following data sets: number of referrals; total paid value of referrals. Please provide for 2017, 2018 and 2019.

ANSWERS:

KeyScripts DME Referrals:

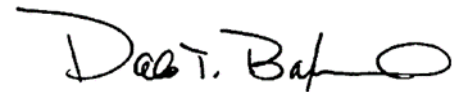
1. 2017
 - a. # Referrals: 37
 - b. Total Paid: \$21,317.35
2. 2018
 - a. # Referrals: 34
 - b. Total Paid: \$13,203.54
3. 2019
 - a. # Referrals: 40
 - b. Total Paid: \$28,151.66

58. Would you please advise as to who the current providers of these services are and the fee they are currently being paid?

ANSWER: Inservco to administers the Authority's the Workers Compensation program in which utilizes First Managed Care Option, managed care network.

Proposals are due on Thursday, November 12, 2020 at 4:00 PM EST.

Very truly yours,



Dale Barnfield, Director
Procurement and Materials Management

DB/am